

Committee Members

Charles Deese, Chair
Stuart Graham
Bjorn Hansen
Al Simpson
Shirley Morrow Washington
Matt Williamson, Vice-Chair



County Attorney
John K. DuBose III

Clerk to Council
Sherrie Simpson

March 4, 2020

6:00 PM

**101 North Main Street
Lancaster, SC 29720**

**LANCASTER COUNTY
Capital Project Sales Tax Committee
County Council Chambers, County Administration Building, 101 North Main Street,
Lancaster, SC 29720**

AGENDA

1. **Call to Order and Welcome - Committee Chair Charles Deese**
2. **Approval of the Agenda**
[deletions and additions of non-substantive matters]
3. **Citizens Comments**
4. **Approval of Minutes**
 - a. Approval of Minutes from the January 22, 2020 Capital Project Sales Tax Committee Meeting
5. **Discussion Items**
 - a. Process - Charles Deese
 - b. Presentation regarding the Walnut Creek Soccer Project - Hal Hiott, Director of Parks and Recreation
 - c. Presentation regarding the Lancaster County Airport - Paul Moses/Airport Director and Ken Holt/Holt Consulting
 - d. General Discussion of Potential Road Projects - Steve Willis/Jeff Catoe
6. **Committee Question/Answer/Comments**
7. **Adjournment**

Anyone requiring special services to attend this meeting should contact 285-1565 at least 24 hours in advance of this meeting. Lancaster County Capital Project Sales Tax Committee agendas are posted at the Lancaster County Administration Building and are available on the Website: www.mylancastersc.org

Agenda Item Summary

Ordinance # / Resolution #: N/A

Contact Person / Sponsor: Sherrie Simpson/Clerk to Council

Department: County Clerk

Date Requested to be on Agenda: 3/4/2020

Issue for Consideration:

Approve or amend the minutes from the January 22, 2020 Capital Project Sales Tax Committee meeting.

Points to Consider:

The draft minutes from the January 22, 2020 Capital Project Sales Tax Committee meeting are attached for the Committee's review and consideration.

Recommendation:

Approve the minutes as written.

ATTACHMENTS:

| Description | Upload Date | Type |
|--|-------------|-----------------|
| Draft Minutes from the 1-22-2020 Capital Project Sales Tax Committee Meeting | 2/25/2020 | Backup Material |

Committee Members

Charles Deese, Chair
Stuart Graham
Bjorn Hansen
Al Simpson
Shirley Morrow Washington
Matt Williamson, Vice-Chair



County Attorney
John K. DuBose III

Clerk to Council
Sherrie Simpson

January 22, 2020

6:00 PM

**101 North Main Street
Lancaster, SC 29720**

**LANCASTER COUNTY
Capital Project Sales Tax Committee
County Council Chambers, County Administration Building, 101 North Main Street,
Lancaster, SC 29720**

MINUTES

DRAFT

Committee Members present at the Lancaster County Capital Project Sales Tax Committee meeting were Charles Deese, Stuart Graham, Bjorn Hansen, Al Simpson, Shirley Morrow Washington and Matt Williamson. Also present at the meeting were County Administrator Steve Willis, Deputy County Administrator Alison Alexander, County Attorney John DuBose, Clerk to Council Sherrie Simpson, Chief Financial Officer Veronica Thompson, Budget Director Kim Belk, Public Works Director Jeff Catoe, Attorney Frannie Heizer with Burr, Forman & McNair, various department heads, various staff, various elected officials, the press and citizens. A quorum of the Lancaster County Capital Project Sales Tax Committee was present for the meeting.

The following press were notified of the meeting by e-mail in accordance with the Freedom of Information Act: *The Lancaster News*, *Kershaw News Era*, *The Rock Hill Herald*, Cable News 2, Channel 9 and the local Government channel. The agenda was posted in the lobby of the County Administration Building and also on the county website the required length of time.

Call to Order and Welcome - Committee Chair Charles Deese

Committee Chair Charles Deese called the meeting to order and welcomed everyone to the meeting.

Approval of the Agenda

Bjorn Hansen moved to approve the agenda. The motion was seconded by Al Simpson. The Committee approved the agenda by unanimous vote of 6-0.

Citizens Comments

There were no citizens who signed up for nor came forward to speak during Citizens Comments.

Approval of Minutes

Charles Deese asked for an approval of the minutes from the January 8, 2020 Capital Project Sales Tax (CPST) Committee meeting. Al Simpson moved to approve the January 8, 2020 CPST Committee minutes. The motion was seconded by Bjorn Hansen.

Charles Deese asked Shirley Morrow Washington to abstain from the vote since she was absent from the meeting.

The Committee approved the January 8, 2020 Capital Project Sales Tax Committee meeting minutes by a vote of 5-0-1. Charles Deese, Stuart Graham, Bjorn Hansen, Al Simpson and Matt Williamson voted in favor of the approval of the minutes, no one opposed and Shirley Morrow Washington abstained from the vote.

Discussion Items

a. Projections Overview - Frannie Heizer

Frannie Heizer explained that she was filling in for Brian Nuric, Managing Director of Compass Municipal Financial Advisors, who normally provided projections for the Committee. She provided a two page handout entitled "Sales Tax #2 – Referendum General Obligation Bonds, Series 2015A and Sales Tax #3 – Referendum General Obligation Bonds Proforma" and that handout is attached as Schedule A to the written minutes in the Clerk to Council's office. She explained that, according to the historic look at the previous capital project sales tax data, staff recommended that the Committee should plan on a working estimate of sales tax between the sixty million and sixty-two million dollar range. She stated that staff actually recommended using the slightly smaller number of sixty million for planning purposes since Lancaster County usually prefers being conservative in their projections.

Bjorn Hansen asked if that estimate was the working estimate before considering the left over monies from the current capital project sales tax and Frannie Heizer confirmed that his statement was correct.

b. Process and Criteria - Steve Willis

Steve Willis recommended using conservative budgeting for the Capital Project Sales Tax.

Steve Willis reviewed the proposed draft application, which is attached as Schedule B to the written minutes in the Clerk to Council's office, and he explained that this proposed application would be used for project requests. He told the Committee that they will need to decide whether they want to ask all project submissions to present to the Committee or if they want to review the projects and then decide if they want to ask them to present. He explained that the application process and that the website for submitting applications would go live the first part of February, 2020. Stuart Graham asked how many applications the County expected and Steve Willis responded that in sales tax #2, the County had about five or six applications; however, he explained that it was impossible to tell how many applications might be received this time.

The Committee discussed the potential process for transportation projects. Steve Willis explained that, in the past, the Committee just set aside money to work on roads but did not determine which roads would be worked on and he explained that the Committee left that determination to the Public Works Department. Jeff Catoe explained that the Public Works Department works closely with the County Transportation Committee to determine on which roads to work. Steve Willis explained that the ballot question does not list specific roads on which the County would work, but the website did list the names of the roads that would be worked on and that they were published in the newspaper so that the public did receive notice of the information. He also noted that some of the roads had to be pulled off the list because the County could not obtain easements. Matt Williamson asked what percentage of County roads needed work and Jeff Catoe explained that approximately seventy percent (70%) of County roads needed work; however, he noted that some of the newer roads also needed preservation work.

The Committee discussed who could submit projects. Steve Willis asked that if Committee members had suggestions for changes to the application or the application process that they contact the Chairman of the Committee. Charles Deese asked that they contact him within the next week.

The Committee discussed the need for public input. Steve Willis explained that the Committee could have citizen input on what roads needed to be paved but that during the last capital project sales tax, the Committee decided against widening roads since that makes costs skyrocket due to having to relocate utilities. Charles Deese explained that the Public Hearings would address the need for public input.

Sherrie Simpson provided a proposed copy of what the website would look like and that handout is attached as Schedule C to the written minutes in the Clerk to Council's office. She explained that if Committee members had any suggestions for changes to the website to please inform staff. She explained that the website is proposed to go live on February 3, 2020.

Frannie Heizer explained that if the sales tax is re-approved, then there will be no break in the tax. She further explained that any funds remaining from sales tax #2 that are not needed to finish projects from the sales tax #2 question would roll over to sales tax #3 and the funds would be used for the highest priority project on #3. The Committee discussed when projects could begin.

c. Setting Future Meeting Dates and Public Input Dates - Charles Deese

Charles Deese provided a handout entitled "Proposed Meeting Dates and Timeline for Capital Project Sales Tax Committee," which is attached as Schedule D to the written minutes in the Clerk to Council's office. He asked if any Committee members had conflicts with the proposed meeting dates and no one indicated that they had conflicts. He noted, for the record, that the Proposed Meeting Dates and Timeline was adopted as the official schedule for the Committee. He asked that the Committee Members attend as many meetings as possible.

Committee Question/Answer/Comments

The Committee discussed public input and whether there would be discussion on projects at the public hearings.

Adjournment

Al Simpson moved to adjourn the meeting. The motion was seconded by Matt Williamson. The motion to adjourn the Capital Project Sales Tax Committee meeting passed by a vote of 6-0. There being no further business, the Capital Project Sales Tax Committee meeting adjourned at approximately 6:50 p.m.

Agenda Item Summary

Ordinance # / Resolution #: N/A

Contact Person / Sponsor: Hal Hiott/Director of Parks and Recreation

Department: Parks and Recreation

Date Requested to be on Agenda: 3/4/2020

Issue for Consideration:

Please see attached application, proposed itemized budget, copy of annual audit and proof of third party project consultant's involvement in the project scope and cost estimation.

Points to Consider:

Please see attached application, proposed itemized budget, copy of annual audit and proof of third party project consultant's involvement in the project scope and cost estimation.

Recommendation:

N/A

ATTACHMENTS:

| Description | Upload Date | Type |
|---|-------------|-----------------|
| Application for Walnut Creek Soccer Project | 2/19/2020 | Presentation |
| Proposed Itemized Budget for the Walnut Creek Soccer Project | 2/19/2020 | Backup Material |
| Annual Audit for Lancaster County | 2/19/2020 | Backup Material |
| Proof of 3rd Party Consultant for Walnut Creek Soccer Project | 2/19/2020 | Backup Material |

Lancaster County Capital Project Sales Tax III Application

To be considered by the Capital Project Sales Tax Commission, applications must be received by 8:30am on March 23, 2020

Complete all required fields and attach all documentation as outlined in this application. You will not be able to submit your proposal until you have done so. If you answer yes to either drop-downs on page 3, be sure to answer the additional questions below them. Please review the guidelines posted on the website to assist you in filling in the application.

Questions:

If you have questions please visit our website where you can find application guidelines as well as other helpful information.

www.mylanastersc.org/CPST

OR

Contact Sherrie Simpson

ssimpson@lanastersc.net

803-416-9307

Amount Requested: \$1,854,200

Total Cost of Project: \$1,854,200

Location of Project: 10521 Walnut Creek Parkway, Lancaster, SC 29720

Expected timeframe to complete the project: 2022

SECTION I: REQUESTING ORGANIZATION INFORMATION

| | |
|--------------------------|---------------------------------------|
| Name of Organization | Lancaster County Parks and Recreation |
| Contact Person and Title | Hal Hiott, Director |
| Mailing Address | PO Box 243 Lancaster, SC 29721-0243 |
| Phone Number | (803) 285-5545 |
| Email Address | hhiott@lanastersc.net |
| Website | www.mylancaster.org |

ORGANIZATION TYPE (check one)

☐ 501(c) ☒ Governmental ☐ Other

SECTION II: PROJECT DESCRIPTION *(Please refer to the guidelines on our website to ensure your responses qualify).*

1. Describe your proposal.

This is a two part project.

1) Replacement of natural turf at two (2) soccer fields at the Walnut Creek Recreational Complex with synthetic turf. This would be for one adult sized field and one youth sized field. Note: the adult field will be striped to run two youth size fields crosswise.

2) Installation of sports field lighting on two 150 foot diamond fields and one 300 foot diamond field.

2. Describe the capital need being addressed by your proposal.

Turf: The replacement of natural turf with synthetic turf will allow for far greater utilization of the soccer fields. Natural turf must be taken out of service periodically for fertilization, reseeding, and similar maintenance activities. In addition, natural turf must be "rested" to allow time for the turf to regenerate. Finally, following inclement weather the field must be taken out of service until it has suitably dried out. None of these limitations exist for synthetic turf which allows for greater utilization for practices and competition.

Lights: The lights would allow for evening and night games on the three fields in question. Currently those fields are restricted to daylight use only. This is especially important for allowing more practice time for our area teams.

3. Please describe the benefit of your project to the larger community.

This park is owned and operated by the Parks and Recreation Department but is utilized for far more than just locally organized competition. Having a synthetic turf field would allow for tourism events involving regional play and tournaments.

The additional lighting would assist in regional events as well on the diamond fields.

The park can also serve our local schools if needed during the school day.

In addition, the fields are available to the community at large for passive recreation when not otherwise in use.

SECTION III: ADDITIONAL FUNDING CONSIDERATIONS *(Please refer to the guidelines on our website to ensure your responses qualify).*

- 1. Will there be any additional, ongoing costs associated with your project? (i.e. personnel to run a new facility, maintenance, etc.)**

Yes

- a. If yes, please estimate and describe the nature of those costs in an itemized manner (i.e. personnel to run a new facility, maintenance, etc.).**

Lighting - this would require some additional funding for utilities.

For the turf, any additional cost in maintenance would be offset by savings in fertilizer, seed, and mowing.

- b. If yes, please indicate if there is an already identified and committed source of funding for those costs and provide information concerning the identified and committed funding source.**

County general fund.

- 2. Will there be any other government funding assistance associated with this project (i.e. Federal, State, Municipal, etc.)?**

Yes

- a. If yes, please indicate the amount of planned funding and the sources in an itemized manner.**

Cost for utilities and any other occasional or unforeseen operational costs would be covered within the Parks and Recreation budget.

The following attachments MUST be submitted with your application. If not, your application will not be considered.

- a. An itemized budget for your proposal.
- b. Copy of an annual audit for your organization performed by a certified public accountant (CPA)
- c. Proof of an engineer, architect, or other third party project consultant's involvement in project scope and cost estimation.

All applicants will be invited to present their proposals to the Commission. You will be contacted by staff following your submission to schedule a time during an upcoming meeting. Please also attach any additional handouts you would like them to have during this review session. **ANY HANDOUTS MUST BE ATTACHED WITH YOUR APPLICATION.**

I hereby certify that I am an authorized signatory for the applicant organization and that this organization does not discriminate on the basis of race, color, age, sex, religion, sexual orientation, physical disability, veteran status, or national origin, and that all funds that may be received by applicant organization from the County of Lancaster will be solely used for the purposes set forth in this application and will comply with all laws and statutes.

Signed via [Seenotes.com](https://www.seenotes.com)

Key: 5ee5b66666fc4ef842e960237d4ff0ff

02/18/2020

Signature

Date



Memo

To: Hal Hiott, *Director*
Lancaster County Parks & Recreation Department

From: Katie Thayer, PLA, ASLA
Project Manager

Date: January 28, 2020

Subject: Walnut Creek Park - Synthetic Turf Conversion Cost for 2022

Dear Mr. Hiott,

Attached is a budget worksheet projection for Walnut Creek Park to convert the existing two (2) natural grass fields (sized at 340' x 240' and 210' x 165') into synthetic turf fields. This park is located at 10521 Walnut Creek Parkway, Lancaster, SC 29720, and it is our understanding this project is being considered as a potential future County Capital Sales Tax project. We have incorporated contingency within the budget to account for escalation for 2022 costs.

Please advise if you have any questions, we would be glad to further assist with our sports expertise and knowledge.

Kind Regards,
Katie Thayer

Attachment

Woolpert North Carolina, PLLC
11301 Carmel Commons Boulevard, Suite 300
Charlotte, NC 28226
704.525.6284

Walnut Creek Park - Synthetic Turf Conversion

Lancaster Co., SC

Budget worksheet projection for potential future County Capital Sales Tax project
1/28/2020



A - Soccer Field Renovation (2 fields, 340' x 240' and 210' x 165')

| NO. | ITEM DESCRIPTION | QUANTITY | UNIT | UNIT COST | TOTAL COST |
|--------------|--|----------|------|--------------|--------------|
| 1 | General clearing/site prep and excavate for subgrade | 1.0 | LS | \$40,000.00 | \$40,000.00 |
| 2 | Aggregate base & laser grade | 1.0 | LS | \$150,000.00 | \$150,000.00 |
| 3 | Install underdrain collector pipes and outfall | 1.0 | LS | \$40,000.00 | \$40,000.00 |
| 4 | Concrete curb/edge w/nailer (±2000lf) | 1.0 | LS | \$40,000.00 | \$40,000.00 |
| 5 | Synthetic turf install & grooming equipment | 1.0 | LS | \$725,000.00 | \$725,000.00 |
| A TOTAL COST | | | | | \$995,000.00 |

CONSTRUCTION SUMMARY

| | | | |
|--|--------|--|----------------|
| CONSTRUCTION SUB TOTAL | | | \$995,000.00 |
| ESTIMATE CONTINGENCY (Escalation costs for 2022-2023) | 10.00% | | \$99,500.00 |
| MOBILIZATION + BOND & GENERAL CONDITIONS | 6.00% | | \$59,700.00 |
| CONSTRUCTION TOTAL COST | | | \$1,154,200.00 |
| Project Cost For Administration, Permits, and Professional Design Fees | | | \$200,000.00 |
| TOTAL PROJECT COST | | | \$1,354,200.00 |

Hal Hiott

From: Carrie Ireland <carrie.ireland@musco.com>
Sent: Tuesday, February 18, 2020 12:43 PM
To: Hal Hiott
Cc: Brian Hartman
Subject: [EXTERNAL] Preliminary Budget Estimates for Lancaster Softball Fields

THIS IS AN EXTERNAL E-MAIL — Use caution when clicking on links as they could open malicious websites.
—IT Helpdesk, support.lancastercountysc.net

Hal,

Good Afternoon! Brian wanted me to email over some preliminary budget estimates for your 3 softball fields, you had discussed with him earlier. Following estimates were based on your conversation and field sizes provided:

(2) 120' Fields: \$250,000
(1) 280' Field: \$250,000

Let us know if you should have any questions. Thank you, Hal. We appreciate this opportunity and look forward to working with you. Have a great week.

Thank you,

Carrie Ireland
Project Planning Specialist
Musco Sports Lighting, LLC
carrie.ireland@musco.com
800.825.6030

LakePoint Sporting Community- Emerson, GA
The world's largest sports vacation destinations, LakePoint Sporting Community installs Musco's innovative LED solution. Click [here](#) to read more.

St. Pius Football Retrofit X Reduces Glare Impact on Surrounding Neighborhood. Read about the project [here](#).

Comprehensive Annual **FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2019



Lancaster County, South Carolina

LANCASTER COUNTY, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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LANCASTER COUNTY, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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LANSTER COUNTY, SOUTH CAROLINA

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INTRODUCTORY SECTION



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

803-285-1565
www.mylancastersc.org

November 15, 2019

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

In compliance with South Carolina Code of Laws *Section 4-9-150*, we hereby issue the Comprehensive Annual Financial Report (CAFR) of Lancaster County, South Carolina, for the fiscal year ended June 30, 2019. Management assumes full responsibility for the completeness and reliability of all the information presented. To provide a reasonable basis for making these assertions, management has established an internal control structure designed to protect the County's assets from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The County's internal control structure has been designed to provide reasonable, but not absolute, assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The certified public accounting firm of Mauldin & Jenkins, LLC audited the financial statements of Lancaster County. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2019, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion on the County's financial statement for the year ended June 30, 2019. The independent auditor's report is included at the beginning of the financial section of this report.

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

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

Profile of the Government



Lancaster County, South Carolina is located in the Piedmont region of the State, and is bounded on the west by the Catawba River and Sugar Creek, on the east by Lynches River, on the South by Kershaw County, and on the north by Mecklenburg and Union counties of North Carolina. The County is conveniently located within three hours to the beach and mountains. Lancaster County's quality of life and low taxes makes it an ideal place to live and work. The mission of Lancaster County government is to continuously strive to provide progressive quality public services in a timely fashion and in a cost effective manner. The County is one of the fastest growing county in South Carolina. With an estimated 2018 population of 95,380, the County was established in 1785 and includes four incorporated municipalities: Lancaster, Kershaw, Heath Springs and Van Wyck. The City of Lancaster, the county seat, is located 37 miles south of Charlotte, North Carolina and 60 miles north of Columbia, South Carolina, the state capital. In the northernmost part of the County is also Indian Land, a growing unincorporated community.

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

The County provides a number of services such as law enforcement, fire protection, solid waste management, and roads & bridges primarily to residents of its unincorporated areas. Stormwater management services are provided in Indian Land. The County also provides a variety of administrative services for its residents which include: voter registration, tax assessment & collection, and health & welfare.

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

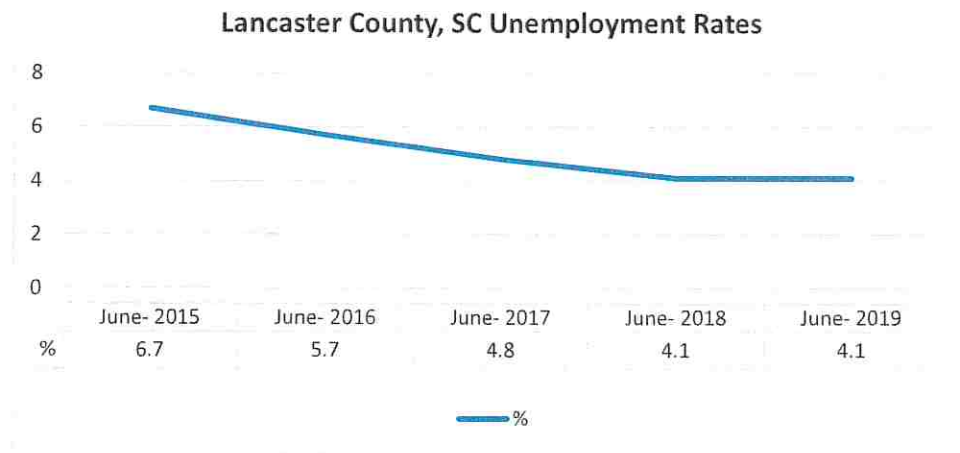
Budgeting is an essential element of the financial planning, control, and evaluation process of the County. The annual budget process begins with the Budget Analyst receiving requests from all County Departments and Agencies on behalf of the County Administrator. Meetings are held with Senior Leadership and the County Administrator. On the basis of the Administrator's recommendations, the Budget Analyst prepares a draft budget. The draft budget is prepared by

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

Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 72-73 as part of the required supplementary information. Special revenue & capital fund budget-to-actual comparisons are presented on pages 87-96. For the debt service fund, the comparison is presented on page 97.

Local Economy

The County's unemployment rate was 4.1% in June 2019 and improved to 3.4% in August 2019. The past five year trend for unemployment is shown in the table below:



Due to the County's proximity to the Charlotte region, favorable home prices and taxes, robust activity continues in building permits for homes and commercial. As long as the market conditions remain positive, this activity is expected to continue. The value of residential and commercial permits totaled \$563,834,841 for fiscal year ended 2019. Most permits were issued in the Indian Land region.

According to the South Carolina Department of Employment and Workforce, by the first quarter of fiscal year 2019 employment was highest in the manufacturing industry for the County. Retail Trade was the second highest during this period and professional and technical services the third highest. The County has developed a diversified based of industries than in the past to include more professional and technical industries.

Major employers include:

- Red Ventures, an internet marketing and sales company, which employs an estimated 2,000 employees. The campus includes a sales center, 6-story office tower, and a learning & development center. Adjacent to the campus is a 350,000 square-foot retail center called RedStone which includes: a 55,400 square-foot movie theatre, 54,900 square-foot retail

space, and a four-story Marriott hotel. Phase II is currently underway which will provide an additional 125,000 square feet of space;

- Haile Gold Mine (OceanaGold Corporation), is located in the southern portion of the county and employs 396;
- Medical University of South Carolina Lancaster Medical Center, formerly Springs Memorial Hospital, a 225-bed hospital, employs 642;
- Cardinal Health, a global healthcare products and services company, which its headquarters employs about 475;
- Movement Mortgage, a mortgage financing corporation that employs about 725 employees. Its headquarters is 104,000 square-foot and the company in the process of a \$18 million dollar expansion;
- Continental Tire headquarters, one of the leading automotive tire suppliers worldwide, employs 546;
- CompuCom Systems, a leader in information technology managed services is expected to invest \$41 million and 1,500 jobs;
- Nutramax Labs, Inc., a manufacturer of animal health supplements, employs 483 and recently announced an expansion with an additional 225 employees and \$20 million investment;
- Keer America, a Chinese textile manufacturer, employs 401 and has constructed a second manufacturing site.

New industry announcements include:

- ServiceMac, a new mortgage servicing company and is expected to hire 1,000 employees by 2022 with a total investment of \$24M. The State awarded the County \$100K grant to assist with the cost;
- Synergy Steel, a manufacturer and provider of steel framing panelization systems is moving from North Carolina to Lancaster;
- Adornus Cabinetry, a leading manufacturer and distributor of kitchen cabinets and bathroom vanities, will invest more than \$10 million and create 210 new jobs.

The University of South Carolina Lancaster is an accredited two year public university, which also provides for the completion of selected Bachelor's degrees on campus. The college is a regional campus of the University of South Carolina and is celebrating 60 years of higher education in the County. USCL's enrollment is estimated to be 1,800 students. The University occupies a 150-acre campus and also a satellite site in Indian Land.

Long-term Financial Planning

The County's ten year Capital Improvement Plan (CIP) was updated and approved in fiscal year 2017. The County is planning to revise the CIP document to implement impact fee. An impact fee is a fee imposed by a local government on new developments in a stated area and can be used to pay for the cost of providing public facilities. The County intends to address public safety infrastructure needs in Indian Land. The newly revised CIP will be updated at regular intervals and correspond with the annual budget process.

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

Relevant financial policies

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

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

Major Initiatives

The County strives to support economic development and preserve natural areas. A South Carolina Rural Infrastructure Authority grant has been awarded to replace the culvert on Old Bailes Ridge Road. The failing culvert could have negative consequences for areas located along the Sugar Creek tributary. The road serves as a route to the nearby Fort Mill area for residents living on the road. Old Bailes Ridge is also home to ten businesses and industries which employ 1,000 employees. The total cost of the project is estimated to be \$924,625. The RIA grant is \$500,000 with the balance coming from the County's general fund.

The County is partnering with the City and has received a Federal Transportation Alternative Program (TAP) grant which helps fund community-based projects such as pedestrian facilities, bicycle facilities, and streetscaping projects. Funding in the amount of \$400,000 was awarded to assist with improvements on Woodland Drive (sidewalks) and Roddey Drive (pedestrian bridge replacement). The entire cost is estimated to be \$1,000,000 and the City has also received \$400,000 in TAP funding. These two roads are located along the Lindsay Pettus Greenway currently under construction.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Lancaster County for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2018. This is the twentieth consecutive year the County has received this award. In order to be awarded a Certificate of Achievement, Lancaster County published an easily readable and efficiently organized CAFR.

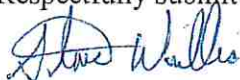
This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

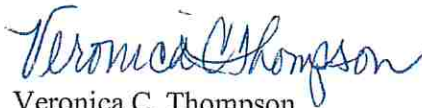
The County received its sixth Distinguished Budget Presentation Award for the annual budget for fiscal year beginning July 1, 2018. This award signifies that the County prepares a budget document of the highest quality and is used as an operations guide, financial plan, and as a communication device. The award is valid for one year only and the County has submitted its fiscal year beginning July 1, 2019 budget for award consideration.

The preparation of the CAFR would not have been possible without the assistance of the Lancaster County Finance Department staff. The hard work and dedication of these individuals significantly contributed to the completion of this document. Moreover, the support and leadership of the County Council has been instrumental in the development of this report. We would also like to thank the accounting firm of Mauldin & Jenkins for their assistance with this project.

Respectfully submitted,



Steve Willis
County Administrator



Veronica C. Thompson
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**County of Lancaster
South Carolina**

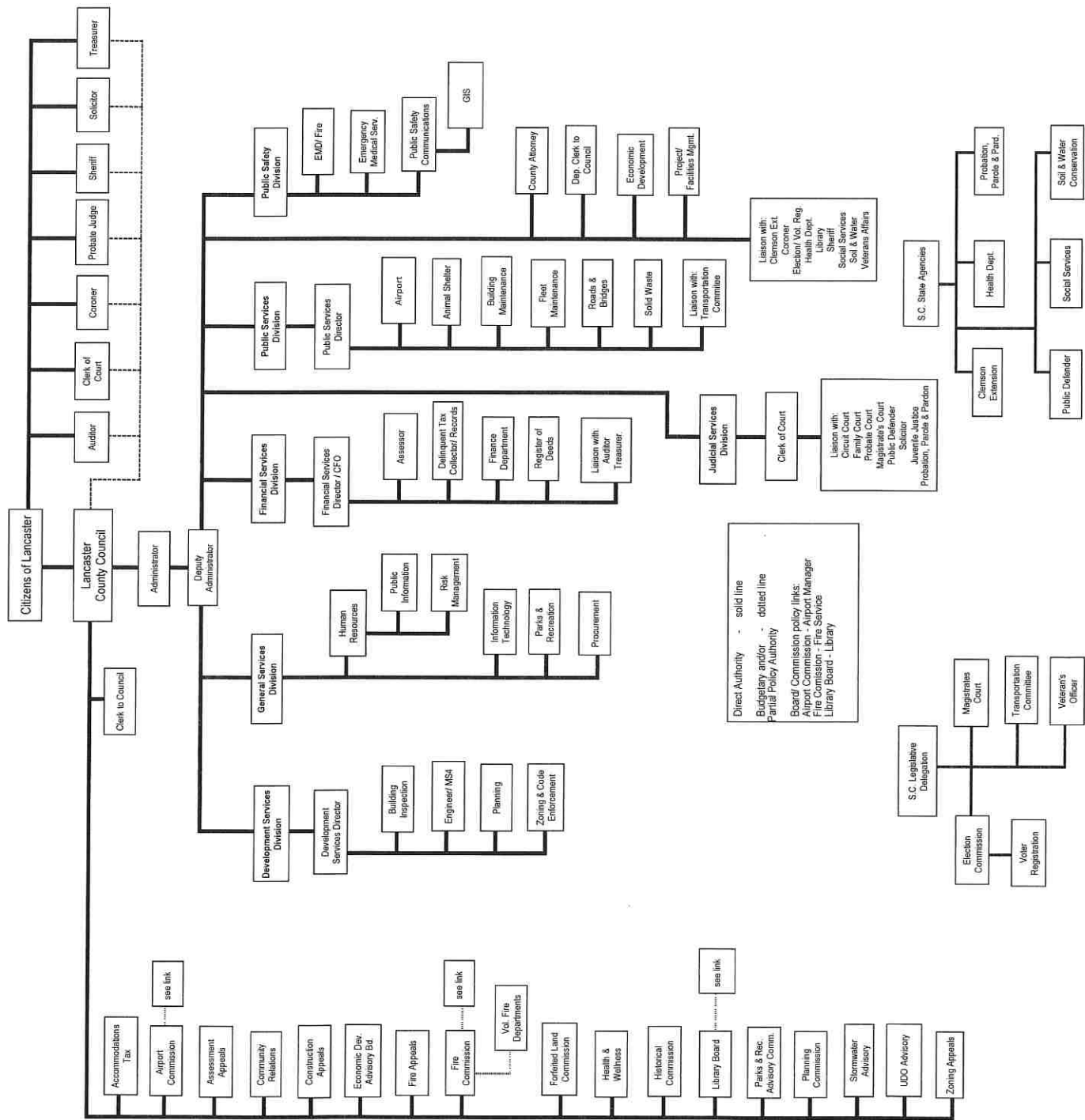
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrell

Executive Director/CEO

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**LANCASTER COUNTY,
SOUTH CAROLINA
PRINCIPAL COUNTY OFFICIALS
JUNE 30, 2019**

**MEMBERS OF COUNTY
COUNCIL**

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

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

ELECTED OFFICIALS

Susan H. Wallace, Auditor
Jeff Hammond, Clerk of Court
Karla Deese, Coroner
Dee Studebaker, Probate Judge
Barry Faile, Sheriff
Carrie Helms, Treasurer

ADMINISTRATIVE OFFICIALS

Steve Willis, County Administrator
Alison Alexander, Deputy County Administrator
John K. Dubose, III, County Attorney
Veronica C. Thompson, Chief Financial Officer
Sherrie Simpson, Clerk to Council

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **Lancaster County, South Carolina** (the "County"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Lancaster County, South Carolina's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lancaster County, South Carolina as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 17), the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the General Fund (on pages 72 and 73), the Schedule of Changes in the County's Total OPEB Liability and Related Ratios (on page 74), the Schedules of the Proportionate Share of the Net Pension Liability (on page 75), and the Schedules of Contributions (on page 76) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lancaster County, South Carolina's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96) is presented for purposes of additional analysis as required by the State of South Carolina, and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96), and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96), and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2019, on our consideration of Lancaster County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lancaster County, South Carolina's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Columbia, South Carolina
November 15, 2019

LANCASTER COUNTY, SOUTH CAROLINA

Management's Discussion and Analysis

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, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal on pages i-vi and the County's financial statements.

Financial Highlights

- Lancaster County's assets exceeded its liabilities at the close of the most recent fiscal year by \$96,481,818 for governmental and business-type activities as reflected in the Statement of Net Position;
- A positive increase in net position of \$18,884,568 was reported;
- The County's combined governmental funds reported ending fund balances of \$95,089,395, an increase of \$34,510,728 from the prior year;
- Total Unassigned Fund Balance for the Governmental Funds was \$29,140,553.

Overview of the Financial Statements

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

Government-wide financial statements

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

The *statement of net position* presents information on all the County's assets and liabilities, with the difference between the two reported as net position. The County's net position is a way to measure of 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.

LANCASTER COUNTY, SOUTH CAROLINA

Management's Discussion and Analysis

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), The County Airport (Enterprise Fund) is also reflected. The government-wide financial statements can be found on pages 18-19 of this report.

Fund financial statements

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

Governmental funds

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

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

The County maintains twenty-five 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 used to account for 1 cent sales tax approved by a referendum in November 2018. Activity includes road & radio communication improvements;
- The General Obligation Bond Projects Fund which accounts for a \$19.9M Mixed Debt for debt refunding, fleet and animal shelter buildings, and recreation projects;
- The Debt Service Fund.

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

LANCASTER COUNTY, SOUTH CAROLINA

Management's Discussion and Analysis

Lancaster County adopts an annually appropriated budget for its general, debt service and special revenue funds, other than the restricted grant fund. Project length budgets are adopted for the capital projects fund. Budgetary comparison statements have been provided for the General Fund as required supplementary information. The OPEB and Pension Liability schedules are also required supplementary information. Budgetary comparisons for the debt service, capital projects, and special revenue funds, are included as other supplementary information. The governmental fund financial statements can be found on pages 20-23 of this report.

Proprietary Funds

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

Fiduciary funds

Fiduciary funds account for assets held by the County in a trustee capacity or as an agent on behalf of others. The resources of fiduciary funds are not available to support the County's programs and are therefore excluded from the government-wide financial statements. The statement of fiduciary funds can be found on page 27 of this report.

Notes to the financial statements

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

Other information

To facilitate analysis, in addition to the basic financial statements and accompanying notes, this report presents the previously mentioned budgetary comparisons for the general fund, special revenue and capital projects funds. Included are also a schedule required by state law applicable to expenditures on behalf of victims of crime and financial trends information. The supplementary information begins on page 72.

Government-wide Financial Analysis

As noted earlier, the statement of net position presents the difference between the County's assets and liabilities and over time may serve as an indicator of its financial position. In the case of Lancaster County, assets exceeded liabilities by \$96,481,818 at the close of the most recent fiscal year.

LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis

The following table presents a summary of the statement of net position as of June 30, 2019:

Lancaster County's Net position

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|--------------------------------------|--------------------------------|----------------------|---------------------------------|--------------------|----------------------|----------------------|
| | FY 2019 | FY 2018 | FY 2019 | FY 2018 | FY 2019 | FY 2018 |
| Current and other assets | \$108,421,767 | \$73,131,085 | (91,283) | (18,767) | \$108,330,484 | \$73,112,318 |
| Capital assets | 88,305,701 | 87,438,105 | 6,987,971 | 7,051,570 | \$95,293,672 | \$94,489,675 |
| Total assets | \$196,727,468 | \$160,569,190 | \$6,896,688 | \$7,032,803 | \$203,624,156 | \$167,601,993 |
| Total Deferred Outflows of Resources | 9,947,366 | 11,085,758 | 18,224 | 23,337 | 9,965,590 | 11,109,095 |
| Long-term liabilities outstanding | \$108,842,378 | \$93,322,814 | 111,036 | 110,000 | \$108,953,414 | \$93,432,814 |
| Other liabilities | 7,590,995 | 7,140,223 | 22,900 | 85,264 | 7,613,895 | 7,225,487 |
| Total liabilities | \$116,433,373 | \$100,463,037 | \$133,936 | \$195,264 | \$116,567,309 | \$100,658,301 |
| Total Deferred Inflows of Resources | 539,377 | 454,603 | 1,242 | 934 | 540,619 | 455,537 |
| Net position: | | | | | | |
| Net investment in capital assets | \$57,524,123 | \$54,081,125 | 6,987,971 | 7,051,570 | 64,512,094 | 61,132,695 |
| Restricted | 46,407,439 | 16,283,439 | - | - | 46,407,439 | 16,283,439 |
| Unrestricted | (14,229,478) | 372,744 | (208,237) | (191,628) | (14,437,715) | 181,118 |
| Total net position | \$89,702,084 | \$70,737,308 | \$6,779,734 | \$6,859,942 | \$96,481,818 | \$77,597,250 |

The largest portion (64%) of Lancaster County's **net position** reflects **net investment in capital assets**. The **restricted** portion represents resources that are subject to external restrictions on their use such as funds for property tax reduction, general obligations bond proceeds, and capital projects sales tax 2. The increase in restricted net position is attributed to the issuance of general obligation debt reported in **current and other assets**. The mixed debt issuance, in the amount of \$19.9M, included: \$6M to construct fleet maintenance and animal shelter buildings and \$11.5M for recreational projects approved by referendum. The bonds closed in May of the fiscal year and net bid premiums in the amount of \$1.8M was received in the transaction. **Long-Term liabilities** increased also due to the debt issuance. Most of the County's cash from all funding resources is pooled together and held as an investment in the state local government pool. At the close of fiscal year, the County's overall net position increased by \$18,884,568.

LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis

Total revenues increased for all of the government's activities by \$11,279,065 during the fiscal year. **General revenue** sources attributed to the increase in *Property Taxes* levied category. The County's tax base continues to grow and the Council approved a tax millage increase in the General Fund and Capital Improvement Funds to help provide services for the growth. The Debt Service millage was also increased during this period. The hospitality tax collections grew \$377,793 from prior fiscal year due to the increase of restaurants in the Indian Land area. In the **Program Revenue** category, *Charges for Services* grew mainly by building permit revenue and register of deeds collections. The stormwater management program increased revenue by \$81,945. Also, the Indian Land and Pleasant Valley Fire Districts increased revenues due to growth and an increase in the fees (\$75 to \$90) in attempt to reach full-time coverage. *Capital grants & contributions* increased from prior year mainly due to \$2.7M subdivision roads added to the County's assets. A donated building, valued at \$1,146,800, will be used to house the Department of Health & Environmental Control and Voter's Registration. The Library is temporarily located in this building until improvements are made to their building. Business type activities decreased due to receipt of federal aviation funding in the prior year and no major grant activity in the current year.

Total expenses decreased by \$1,036,827 for all governmental activities compared to the prior year. Though there were significant increases occurring in the public safety function, public works and economic development declined.

- **Public safety and law enforcement** increased due to the following:
 1. In partnership with the school district, six full-time school resource officers (SROs) were added to the budget. This brings the total to eight SROs in which the school reimbursed the county.
 2. A fire marshal position was added to the fire services budget along with a vehicle and equipment.
 3. The Sheriff implemented a career ladder to retain detention center officers and purchased a LiveScan finger printing system in the amount of \$66,300.
 4. An amount of up to \$175K was expensed from the Public Safety fund for Van Wyck fire district to purchase equipment.
 5. The E-911 Fund, \$179,454 was expensed to purchase NextGen 911 upgrades and five servers.
- **Public Health & Welfare** expenses increased from prior year due to construction in progress for the animal shelter and EMS 4/9 building.
- **Public Works** decreased due to delaying projects to save for a major road project in the subsequent year (CTC Fund).
- The **Economic Development** expenses decreased due to large grant activity (\$2.2M), for neighborhood revitalization and economic incentives received in the prior year.

The table below summarizes the changes in net position for the County for the year ended June 30, 2019:

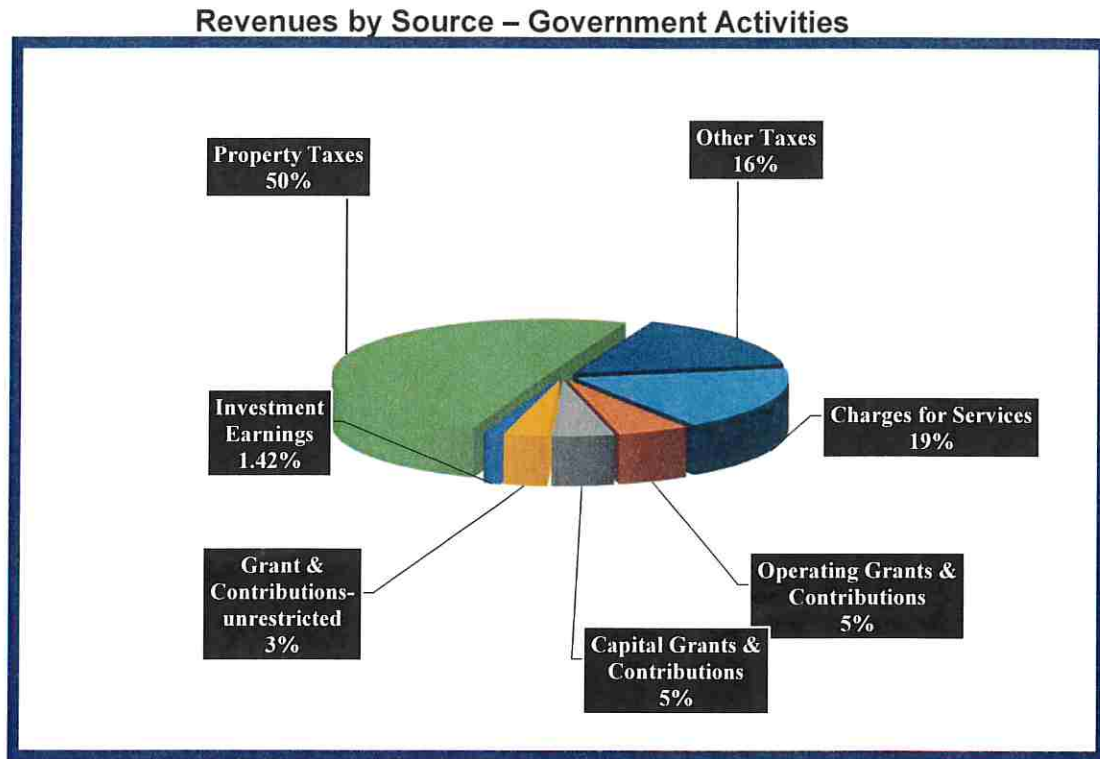
LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis

Lancaster County's Changes in Net Position

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|--|--------------------------------|---------------------|---------------------------------|--------------------|---------------------|---------------------|
| | FY 2019 | FY 2018 | FY 2019 | FY 2018 | FY 2019 | FY 2018 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$16,617,667 | \$14,906,558 | 159,551 | 164,079 | 15,070,637 | 15,070,637 |
| Operating grants & contributions | 4,848,593 | 5,248,920 | - | - | 5,248,920 | 5,248,920 |
| Capital grants & contributions | 4,258,929 | 2,584,615 | 184,601 | 1,618,622 | 4,203,237 | 4,203,237 |
| General Revenues: | | | | | | |
| Property taxes | 45,315,985 | 38,920,804 | - | - | 45,315,985 | 38,920,804 |
| Other taxes & licenses | 14,622,673 | 13,315,667 | - | - | 14,622,673 | 13,315,667 |
| Unrestricted grants & contributions | 2,954,940 | 3,081,986 | - | - | 2,954,940 | 3,081,986 |
| Unrestricted investment earnings | 1,272,202 | 553,374 | - | - | 1,272,202 | 553,374 |
| Other | - | - | - | - | - | - |
| Total revenues | 89,890,989 | 78,611,924 | 344,152 | 1,782,701 | 80,394,625 | 80,394,625 |
| Expenses: | | | | | | |
| General government | 17,460,461 | 17,494,736 | - | - | 17,494,736 | 17,494,736 |
| Administration of justice | 3,132,517 | 3,088,081 | - | - | 3,088,081 | 3,088,081 |
| Public safety and law enforcement | 26,338,671 | 24,935,032 | - | - | 24,935,032 | 24,935,032 |
| Public works | 10,105,887 | 11,076,062 | - | - | 11,076,062 | 11,076,062 |
| Public health & welfare | 7,939,548 | 7,699,119 | - | - | 7,699,119 | 7,699,119 |
| Economic development | 1,311,724 | 2,906,275 | - | - | 2,906,275 | 2,906,275 |
| Culture & recreation | 3,680,459 | 3,842,198 | - | - | 3,842,198 | 3,842,198 |
| Interest on long-term debt | 805,045 | 769,636 | - | - | 769,636 | 769,636 |
| Airport | - | - | 576,261 | 570,727 | 570,727 | 570,727 |
| Total expenses | 70,774,312 | 71,811,139 | 570,727 | 570,727 | 72,381,866 | 72,381,866 |
| Increase (Decrease) in net position before Transfers | 19,116,677 | 6,800,785 | (232,109) | 1,211,974 | 8,012,759 | 8,012,759 |
| Transfers | (151,901) | (67,000) | 151,901 | 67,000 | - | - |
| Increase (Decrease) in net position | 18,964,776 | 6,733,785 | (80,208) | 1,278,974 | 18,884,568 | 8,012,759 |
| Net position- beginning of year (restated) | 70,737,308 | 64,003,523 | 6,859,942 | 5,580,968 | 77,597,250 | 69,584,491 |
| Net position- end of year | \$89,702,084 | \$70,737,308 | \$6,779,734 | \$6,859,942 | \$96,481,818 | \$77,597,250 |

LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis

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

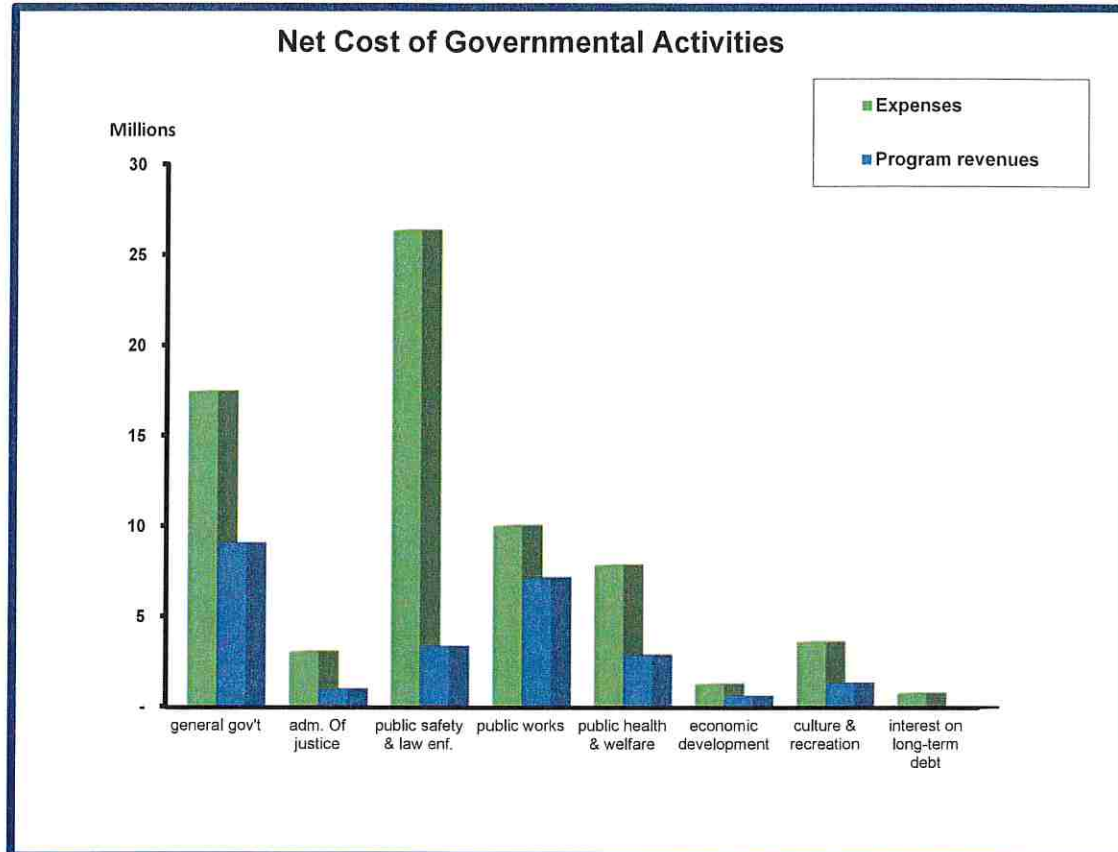


As illustrated in the pie chart above, **Property Taxes (50%)** are the government's main source of revenue. This category includes general fund, debt service, court security, and capital improvement. **Charges for services**, another major source (19%), include: Stormwater management, EMS charges, & building permit fees. **Investment earnings** represent the least source of general revenue. **Other taxes** (16%) reflect revenue from road improvement fees, hospitality taxes, and capital projects sales tax 2 (CPST2).

LANCASTER COUNTY, SOUTH CAROLINA

Management's Discussion and Analysis

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



As shown in the graph above, the net cost of **Public Safety** was the highest for the government. This category includes the Indian Land & Pleasant Valley Fire Districts which are funded by fire fees (\$1,332,630). **General Government** expense was the second largest net expense after receiving \$7,463,310 in charges for services which include: deed fees (\$1,178,227), building permits (\$4,294,283), and franchise fees (\$765,823). **Public Works** activity is the third largest net expense for the government. The stormwater management department is included in this category.

Financial Analysis of the County's Funds

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

LANCASTER COUNTY, SOUTH CAROLINA

Management's Discussion and Analysis

The sum of all the County's governmental funds fund balances reached \$95,089,395 with \$29,140,553 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 \$29,249,962 compared to \$27,087,195 the prior year. Taxes account for 64% of the general fund revenues. Property taxes increased by \$4,023,083 from the prior year, due to a combination of tax millage increase (80.10 mils to 84.20 mils), assessed value growth, and a lower tax credit factor set by the Auditor. The excess credit (estimated \$1M) is restricted in the current year and credited back to the taxpayers by raising the credit factor in the subsequent year. Building permit collections also increased due to residential and commercial growth. The permits have been a key factor in the County's reserves increasing over the years. The general fund balance increased by \$7,054,593 compared to \$1,928,613 last fiscal year. The County continues to maintain a healthy fund balance due to conservatively estimating revenues and controlled spending. There were also a number of vacancies and projects carried forward, as explained in the *general budgetary highlights* below, which contributed to the fund balance increase.

The **Capital Projects Sales Tax 2 Fund (CPST)**, also a major fund, reports the County's second CPST approved by the voters in November 2018. In FY19, the funds were used for road improvements, the completion of the construction of public safety/emergency services communications system, and architecture services for the library system. Fund balance accumulates to fund the "pay go" projects and ensure debt payments are made. The County's **Debt Service Fund**, which reports general obligation debt, is also reported as a major fund this year. **Other Governmental Funds** include capital projects and special revenue funds which fund balances are restricted. The **Bond Projects Fund** accounts for the 2019 General Obligation bonds issued May 23, 2019.

General Fund Budgetary Highlights

A budgetary comparison schedule is included for the general fund on pages 72-73. After accounting for other financing sources and uses, the net change in fund balance was an increase of \$7,054,593. Actual revenues were above budgetary estimates by \$3,208,068 and actual expenditures were below budgetary appropriations by \$3,797,741 due to reasons explained below. A transfer of \$151,901 was also made to assist the airport operations in purchasing equipment.

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

- **Fund Balance-** The County's original and amended budget included appropriating fund balance for non-recurring items discussed in a section below;
- **Property Taxes-** There was a 3.1 mil increase combined with growth in the assessed value. Local option sales revenue collected by the state, increased by \$813,497. The local option credit factor as explained above also contributed to the variance.
- **Other Taxes-** Includes road fees of \$30 per vehicle and increase is due to population growth;
- **Licenses & permits-** Total Collections were \$2,295,678 above revenue estimates in this category which are very conservative since it is driven by the market and economy. Building permits collected were \$1,471,313

LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis

above estimates and register of deeds fees, county portion, were \$357,718 above estimates.

- **Intergovernmental Revenue-** Reflected a favorable variance attributed to a \$214,273 pension contribution reimbursement from the state;
- **Interest Revenue-** \$616,451 above estimates attributed to pooling cash accounts and investing in the South Carolina Local Government Pool.

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

*Below were the significant **negative** variances:*

- Legal team (\$41,888)- The in-house attorney left employment mid-year and the county decided to hire a firm to assist us;
- Vehicle Maintenance (\$47,446) – Partially due to the breakdown of the fuel truck for about three months and fuel overages for the motor pool;
- Coroner (\$110,044)- Increase in the number of autopsies and technical expertise attributed by an increase in deaths;
- Fire Commission (\$47,842)- overtime & fringe due to increased calls and backfill needs;
- Solid Waste (\$95,867)- Overtime and part-time due to convenience site schedule changes, cost of commingled recyclables;
- Recreation (\$43,540) - overage in program expenditures due to number of participants increased.

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

- Non-departmental \$192,071- Property insurance estimates were lower than expected, unemployment expenditure lower than expected, and retiree insurance match lower than budget;
- County Council \$655,129- Barnette building improvements delayed;
- Administrator \$299,602- Compensation plan implementation delayed to FY20;
- Management information services \$68,114- Carry forward on Evolve software project and unused funding when switching to another timekeeping platform;
- GIS \$78,215- Eliminated director position;
- Building \$158,955- vacancies in department;
- Zoning \$59,349- vacancies;
- Planning \$166,088- Multiple vacancies and carry forward on small area plan;
- Building Maintenance \$140,063- Time constraints on completing one-time projects;
- Family Court \$42,697- Didn't replace employee who retired and new efficiencies with state software;
- Sheriff \$181,550- savings from vacancies in full-time and part-time, fringe benefits savings, and gasoline savings;
- Detention center \$57,805- savings in health insurance after budget for vacancies;
- Communications \$235,021-vacancies;

LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis

- Emergency management \$48,061- Carried forward Catawba nuclear donation and savings in phone charges;
- Roads and Bridges \$575,537- Two equipment operator and one field supervisor positions unfilled while private sector offering higher pay, savings in capital from equipment trade-in;
- Landfill \$49,261- in-house staff kept the maintenance and no PT position was filled;
- EMS \$845,839- Included \$1M to upgrade building for headquarters, project postponed due to EMS 4/9 a priority.

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

Revenues:

- Fund Balance—The budget was amended \$1,198,255 to appropriate fund balance for nonrecurring items listed below.
- Intergovernmental \$351,590- reimbursement from school for SROs which increased after the fiscal year.

Expenditures:

- County Council \$1,136,800- AV equipment improvements (\$26K), Barnette building improvements (\$1M), \$110K for development services software;
- Sheriff \$413,045- the addition of six SROs and equipment.

Capital Assets

Lancaster County's net investment in capital assets for its governmental activities as of June 30, 2019, totaled \$88,305,701, net of accumulated depreciation. This investment in capital assets includes land, buildings and building improvements, vehicles, furniture and equipment. The roads, highways and bridges (i.e., infrastructure assets) added during the fiscal year.

Lancaster County's Capital Assets (net of depreciation)

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|--------------------------|--------------------------------|---------------------|---------------------------------|--------------------|---------------------|---------------------|
| | FY 2019 | FY 2018 | FY 2019 | FY 2018 | FY 2019 | FY 2018 |
| Land | \$8,011,465 | \$7,648,702 | \$ 598,607 | \$ 598,607 | \$ 8,610,072 | \$ 8,247,309 |
| Buildings & Improvements | 48,781,320 | 47,875,885 | 6,201,328 | 4,660,759 | 54,982,648 | 52,536,644 |
| Vehicles | 12,056,213 | 13,378,782 | - | - | 12,056,213 | 13,525,286 |
| Furniture & Equipment | 7,483,859 | 8,684,891 | 79,122 | - | 7,562,981 | 8,684,891 |
| Infrastructure | 10,269,432 | 8,101,924 | - | - | 10,269,432 | 8,101,924 |
| Construction in Progress | 1,703,412 | 1,747,921 | 108,914 | 1,792,204 | 1,812,326 | 3,540,125 |
| Total | \$88,305,701 | \$87,438,105 | \$6,987,971 | \$5,259,366 | \$95,293,672 | \$92,697,471 |

LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis

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

- Building donation- Barnette bldg. valued at \$1,146,800;
- Construction in progress: Library system architectural costs, EMS 4/9, Animal Shelter \$423,608, and Buford recreation \$410,710;
- Server upgrades for sheriff and communications;
- \$456,342- Three Mack trucks for roads and bridges;
- The Sheriff's vehicles in the amount of \$386,546, along with cameras totaling \$68,047;
- \$231,697 for wheel loader & mini excavator- public works;
- \$169,000 Mack roll-off truck- solid waste;
- \$2,676,212- subdivision roads added to County system;
- \$66,300 LiveScan upgrade- detention center;
- \$232,535- two Mack trucks;
- \$33,044 truck for stormwater department;
- Ford F350 \$35,838- recreation;
- \$171,425 vehicles purchased by fleet maintenance.

The airport, enterprise fund, building improvements increased due to the following paid with FAA grant revenue:

- Apron \$1,789,704, completed in this fiscal year.

Additional information on the County's capital assets can be found in note 5 beginning on page 46.

Debt Administration

The legal limit on the amount of general obligation bonded indebtedness that the County can incur is 8% of assessed value. The estimated legal debt margin is \$16,645,617 without a referendum. At the end of the current fiscal year, the County had total long-term liabilities outstanding of \$108,842,378. General obligation bonds make up 39% (\$42,398,607) of long-term debt and are backed by the full faith and credit of the government.

Lancaster County's Outstanding Debt
General Obligation and Revenue Bonds

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|------------------------------|--------------------------------|---------------------|---------------------------------|----------------|---------------------|---------------------|
| | <u>FY 2019</u> | <u>FY 2018</u> | <u>FY 2019</u> | <u>FY 2018</u> | <u>FY 2019</u> | <u>FY 2018</u> |
| General Obligation Bonds | \$42,398,607 | \$29,372,360 | - | - | \$42,398,607 | \$29,372,360 |
| Special Source Revenue Bonds | 6,433,649 | 6,782,076 | - | - | 6,433,649 | 6,782,076 |
| Total | \$48,832,256 | \$36,154,436 | - | - | \$48,832,256 | \$36,154,436 |

LANCASTER COUNTY, SOUTH CAROLINA

Management's Discussion and Analysis

The County's long term obligations include three general obligation bonds and three general obligation refunding bonds. The County's general obligation debt decreased due to the addition of a \$19.9M general obligation refunding and improvement debt issued on May 23, 2019.

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 48 - 54 of this report.

Economic Factors and Next Year's Budgets and Tax Rates

- The unemployment rate for Lancaster County was at a level of 4.1% in June 2019. Statewide unemployment was 3.5%, while the national rate was 3.7% the same period;
- The County approved the following budgets in the amount of \$98,953,273 for fiscal year 2020:

| Lancaster County, South Carolina | | |
|---|----------------------|----------------------|
| Original Adopted Budgets | | |
| Fiscal Year Ended June 30, 2020 | | |
| General Funds | | |
| General Fund | | 60,213,597 |
| Capital Project Sales Tax Special Revenue Fund | | 17,530,162 |
| Other Special Revenue Funds | | |
| Court Security | \$ 1,504,706 | |
| Victims Services | 76,500 | |
| E-911 | 734,013 | |
| Stormwater | 1,316,505 | |
| Transportation | 1,800,000 | |
| Indian Land Fire District | 850,000 | |
| Local Accommodations Tax | 100,000 | |
| Lancaster County Airport Commission | 239,863 | |
| Pleasant Valley Fire District | 786,933 | |
| Development Agreement Fund | 1,305,801 | |
| Hospitality Tax Fund | 1,280,000 | |
| State Accommodations Tax Fund | 381,550 | |
| | \$ 10,375,871 | 10,375,871 |
| Debt Service Funds | | |
| Debt Service | | 8,233,643 |
| Capital Project Fund | | |
| Capital Improvement | | 2,600,000 |
| Total All Budgeted Funds | | \$ 98,953,273 |

LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis

The FY20 Budget addressed the following:

- One-time capital project in the amount of \$1M for renovations in Barnett building;
- Included an employee holiday bonus totaling \$321,355;
- Included \$200K to update the comprehensive plan;
- Reassessment costs of \$58,700;
- Probate Court Software \$35,630;
- Constable vehicles \$50,000
- Detention Center surveillance system \$225K;
- Animal shelter incinerator \$100,000;
- Convenience site upgrades \$360K;
- Transfer to bond fund to assist with animal shelter costs, \$382,944;
- \$270,630 increase in fire rescue recruitment/retention stipends and tuition;

The Budget also addresses personnel needs which included:

- Increases of \$970,770 in wages for current staff salary adjustments (Compensation Plan);
- Added 33 new positions to address operational needs;

In order to maintain the County's net position and fund balances at current levels in the face of increased demand for services, County Council adopted a general fund budget for fiscal year 2020 which includes 88.7 mills. County Council also adopted 5.0 mills for capital replacement needs, 11.5 mills for debt service, and 3.8 mills for Court Security. The Budget in its entirety can be found on the County's website at:

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

Requests for Information

This financial report is designed to provide a general overview of Lancaster County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

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

LANCASTER COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION JUNE 30, 2019

| | Primary Government | | |
|--|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-type Activities | Total |
| ASSETS | | | |
| Cash and cash equivalents | \$ 25,019,345 | \$ 100 | \$ 25,019,445 |
| Investments | 69,376,700 | - | 69,376,700 |
| Receivables: | | | |
| Taxes | 2,421,212 | - | 2,421,212 |
| Accounts | 4,757,962 | - | 4,757,962 |
| Due from other governments | 5,629,820 | 23,188 | 5,653,008 |
| Internal balances | 163,680 | (163,680) | - |
| Inventories | 106,665 | 49,109 | 155,774 |
| Prepaid expenses | 57,955 | - | 57,955 |
| Assets held for resale | 888,428 | - | 888,428 |
| Capital assets: | | | |
| Nondepreciable | 9,714,877 | 707,521 | 10,422,398 |
| Depreciable, net | 78,590,824 | 6,280,450 | 84,871,274 |
| Total assets | <u>196,727,468</u> | <u>6,896,688</u> | <u>203,624,156</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred charge on refunding | 205,339 | - | 205,339 |
| Pension - South Carolina Retirement System | 4,907,123 | 18,224 | 4,925,347 |
| Pension - South Carolina Police Officers Retirement System | 4,523,280 | - | 4,523,280 |
| Other postemployment benefits | 311,624 | - | 311,624 |
| Total deferred outflows of resources | <u>9,947,366</u> | <u>18,224</u> | <u>9,965,590</u> |
| LIABILITIES | | | |
| Accounts payable | 4,455,285 | - | 4,455,285 |
| Accrued liabilities | 2,209,144 | - | 2,209,144 |
| Unearned revenues | 586,999 | 22,900 | 609,899 |
| Accrued interest payable | 339,567 | - | 339,567 |
| Noncurrent liabilities: | | | |
| Due within one year | 10,751,131 | - | 10,751,131 |
| Due in more than one year | 45,777,207 | - | 45,777,207 |
| Total other postemployment benefits liability | 3,803,552 | - | 3,803,552 |
| Net pension liability: | | | |
| South Carolina Retirement System | 29,898,635 | 111,036 | 30,009,671 |
| South Carolina Police Officers Retirement System | 18,611,853 | - | 18,611,853 |
| Total liabilities | <u>116,433,373</u> | <u>133,936</u> | <u>116,567,309</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension - South Carolina Retirement System | 334,520 | 1,242 | 335,762 |
| Other postemployment benefits | 204,857 | - | 204,857 |
| Total deferred inflows of resources | <u>539,377</u> | <u>1,242</u> | <u>540,619</u> |
| NET POSITION | | | |
| Net investment in capital assets | 57,524,123 | 6,987,971 | 64,512,094 |
| Restricted for: | | | |
| Property tax reduction | 1,945,815 | - | 1,945,815 |
| Capital projects | 18,690,442 | - | 18,690,442 |
| Public safety | 4,108,241 | - | 4,108,241 |
| Public works | 551,776 | - | 551,776 |
| Public health and welfare | 204,907 | - | 204,907 |
| Cultural and recreation | 285,768 | - | 285,768 |
| Economic development | 2,154,928 | - | 2,154,928 |
| Debt service | 18,465,562 | - | 18,465,562 |
| Unrestricted | (14,229,478) | (208,237) | (14,437,715) |
| Total net position | <u>\$ 89,702,084</u> | <u>\$ 6,779,734</u> | <u>\$ 96,481,818</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, 2019

| 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 |
| Primary government: | | | | | | |
| General government | \$ 17,460,461 | \$ 8,305,241 | \$ 835,009 | \$ - | \$ (8,320,211) | \$ - |
| Administration of justice | 3,132,517 | 1,002,973 | 6,300 | - | (2,123,244) | - |
| Public safety | 26,338,671 | 1,719,364 | 1,696,138 | - | (22,923,169) | - |
| Public works | 10,105,887 | 1,424,674 | 1,739,973 | 4,070,812 | (2,870,428) | - |
| Public health and welfare | 7,939,548 | 2,907,450 | 18,453 | - | (5,013,645) | - |
| Culture and recreation | 3,680,459 | 1,195,752 | 17,616 | 155,880 | (2,311,211) | - |
| Economic development | 1,311,724 | 62,213 | 535,104 | 32,237 | (682,170) | - |
| Interest on long-term debt | 805,045 | - | - | - | (805,045) | - |
| Total governmental activities | 70,774,312 | 16,617,667 | 4,848,593 | 4,258,929 | (45,049,123) | - |
| Business-type activities: | | | | | | |
| Airport | 576,261 | 159,551 | - | 184,601 | - | (232,109) |
| Total business-type activities | 576,261 | 159,551 | - | 184,601 | - | (232,109) |
| Total primary government | \$ 71,350,573 | \$ 16,777,218 | \$ 4,848,593 | \$ 4,443,530 | (45,049,123) | (232,109) |
| General revenues: | | | | | | |
| Property taxes levied for: | | | | | | |
| General purposes | | | | | 38,050,222 | - |
| Public safety | | | | | 1,513,340 | - |
| Debt service | | | | | 3,392,508 | - |
| Capital projects | | | | | 2,359,915 | - |
| Other taxes and licenses | | | | | 14,622,673 | - |
| Grants and contributions not restricted for a specific purpose | | | | | 2,954,940 | - |
| Unrestricted investment earnings | | | | | 1,272,202 | - |
| Transfers | | | | | (151,901) | 151,901 |
| Total general revenues and transfers | | | | | 64,013,899 | 151,901 |
| Change in net position | | | | | 18,964,776 | (80,208) |
| Net position, beginning of year | | | | | 70,737,308 | 6,859,942 |
| Net position, end of year | | | | | \$ 89,702,084 | \$ 6,779,734 |
| | | | | | | \$ 96,481,818 |

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

LANCASTER COUNTY, SOUTH CAROLINA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

| | General Fund | Capital Projects Sales Tax 2 Fund | Bond Projects Fund | Debt Service Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|----------------------|--|--------------------------|----------------------|-----------------------------------|--------------------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 20,564,347 | \$ - | \$ - | \$ 4,450,209 | \$ 4,789 | \$ 25,019,345 |
| Investments | 52,341,433 | - | 17,034,443 | - | 824 | 69,376,700 |
| Taxes receivable, net | 1,984,828 | - | - | 207,394 | 228,990 | 2,421,212 |
| Accounts receivable, net | 4,519,239 | - | - | 130 | 238,593 | 4,757,962 |
| Due from other governments | 2,592,881 | 2,498,372 | - | 405 | 538,162 | 5,629,820 |
| Due from other funds | 616,516 | 20,377,951 | - | - | 10,989,634 | 31,984,101 |
| Prepaid expenditures | 57,955 | - | - | - | - | 57,955 |
| Inventories | 106,665 | - | - | - | - | 106,665 |
| Land held for resale | 888,428 | - | - | - | - | 888,428 |
| Total assets | <u>\$ 83,672,292</u> | <u>\$ 22,876,323</u> | <u>\$ 17,034,443</u> | <u>\$ 4,658,138</u> | <u>\$ 12,000,992</u> | <u>\$ 140,242,188</u> |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 4,358,604 | \$ 12,023 | \$ 10,558 | \$ - | \$ 74,100 | \$ 4,455,285 |
| Accrued liabilities | 2,209,144 | - | - | - | - | 2,209,144 |
| Due to other funds | 31,367,585 | - | 150,384 | - | 302,452 | 31,820,421 |
| Unearned revenues | 576,898 | - | - | - | 10,101 | 586,999 |
| Total liabilities | <u>38,512,231</u> | <u>12,023</u> | <u>160,942</u> | <u>-</u> | <u>386,653</u> | <u>39,071,849</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue - property taxes | 1,892,088 | - | - | 196,922 | 217,942 | 2,306,952 |
| Unavailable revenue - emergency medical services | 3,692,780 | - | - | - | - | 3,692,780 |
| Unavailable revenue - intergovernmental | - | - | - | - | 81,212 | 81,212 |
| Total deferred inflows of resources | <u>5,584,868</u> | <u>-</u> | <u>-</u> | <u>196,922</u> | <u>299,154</u> | <u>6,080,944</u> |
| FUND BALANCES | | | | | | |
| Nonspendable: | | | | | | |
| Prepaid expenditures | 57,955 | - | - | - | - | 57,955 |
| Inventories | 106,665 | - | - | - | - | 106,665 |
| Land held for resale | 888,428 | - | - | - | - | 888,428 |
| Restricted for: | | | | | | |
| Property tax reduction | 1,945,815 | - | - | - | - | 1,945,815 |
| DSS IV-D Incentive | 204,907 | - | - | - | - | 204,907 |
| Inmate commissary | 107,604 | - | - | - | - | 107,604 |
| Drug task force | 145,300 | - | - | - | - | 145,300 |
| Capital projects | - | 17,669,022 | - | - | 1,021,420 | 18,690,442 |
| Public safety | - | - | - | - | 3,855,337 | 3,855,337 |
| Public works | - | - | - | - | 924,109 | 924,109 |
| Culture and recreation | - | - | - | - | 285,768 | 285,768 |
| Economic development | - | - | - | - | 2,154,928 | 2,154,928 |
| Roads and bridges | - | - | - | - | 551,776 | 551,776 |
| Debt service | - | - | 14,004,346 | 4,461,216 | - | 18,465,562 |
| Assigned: | | | | | | |
| General government | 378,000 | - | - | - | - | 378,000 |
| Public safety | 960,000 | - | - | - | - | 960,000 |
| Roads and bridges | 1,205,323 | - | - | - | - | 1,205,323 |
| Culture and recreation | 94,768 | - | - | - | - | 94,768 |
| Subsequent year's budget | 4,230,466 | 5,195,278 | 2,869,155 | - | 2,631,256 | 14,926,155 |
| Unassigned | 29,249,962 | - | - | - | (109,409) | 29,140,553 |
| Total fund balances | <u>39,575,193</u> | <u>22,864,300</u> | <u>16,873,501</u> | <u>4,461,216</u> | <u>11,315,185</u> | <u>95,089,395</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 83,672,292</u> | <u>\$ 22,876,323</u> | <u>\$ 17,034,443</u> | <u>\$ 4,658,138</u> | <u>\$ 12,000,992</u> | <u>\$ 140,242,188</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, 2019

| | |
|---|---------------|
| Total fund balances for governmental funds: | \$ 95,089,395 |
|---|---------------|

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. | 88,305,701 |
|---|------------|

| | |
|--|-----------|
| Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. | 6,080,944 |
|--|-----------|

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 | \$ (42,398,607) | |
| Unamortized refunding deferral amount on general obligation bonds | 205,339 | |
| Unamortized bond premium | (3,654,075) | |
| Capital lease obligations | (1,602,396) | |
| Special source revenue bonds | (6,433,649) | |
| Post-closure care liabilities | (1,110,064) | |
| Compensated absences payable | (1,329,547) | |
| Total other postemployment benefits liability | (3,696,785) | |
| Net pension liability | (39,414,605) | |
| Total long-term liabilities | | (99,434,389) |

| | |
|---|-----------|
| Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. | (339,567) |
|---|-----------|

| | |
|---|---------------|
| Net position of governmental activities | \$ 89,702,084 |
|---|---------------|

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

LANCASTER COUNTY, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| | General Fund | Capital Projects Sales Tax 2 Fund | Bond Projects Fund | Debt Service Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|----------------------|--|--------------------------|----------------------|-----------------------------------|--------------------------------|
| REVENUES | | | | | | |
| Property taxes | \$ 37,751,878 | \$ - | \$ - | \$ 3,392,508 | \$ 3,912,740 | \$ 45,057,126 |
| Sales and other local taxes | 2,487,225 | 9,632,957 | - | - | 1,982,814 | 14,102,996 |
| Licenses and permits | 6,912,416 | - | - | - | - | 6,912,416 |
| Intergovernmental | 5,003,978 | - | - | - | 4,213,454 | 9,217,432 |
| Charges for services | 4,438,960 | - | - | - | 2,738,438 | 7,177,398 |
| Fines and forfeitures | 974,883 | - | - | - | 70,385 | 1,045,268 |
| Interest revenue | 766,951 | 451,265 | 46,170 | 1,702 | 6,114 | 1,272,202 |
| Contributions and donations | 422,631 | - | - | - | 104,300 | 526,931 |
| Other revenues | 207,784 | - | - | - | 56,493 | 264,277 |
| Total revenues | <u>58,966,706</u> | <u>10,084,222</u> | <u>46,170</u> | <u>3,394,210</u> | <u>13,084,738</u> | <u>85,576,046</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 14,298,332 | - | - | - | 623,935 | 14,922,267 |
| Administration of justice | 2,157,241 | - | - | - | 11,491 | 2,168,732 |
| Public safety | 17,947,213 | - | - | - | 4,484,460 | 22,431,673 |
| Public works | 5,479,025 | 1,597,636 | - | - | 2,200,222 | 9,276,883 |
| Public health and welfare | 7,618,327 | - | - | - | 11,787 | 7,630,114 |
| Culture and recreation | 3,671,713 | 399,835 | - | - | 165,277 | 4,236,825 |
| Economic development | 417,582 | - | - | - | 777,590 | 1,195,172 |
| Capital outlay | - | 400,339 | 486,446 | - | 1,199,551 | 2,086,336 |
| Debt service: | | | | | | |
| Principal | 177,486 | - | - | 6,715,000 | 526,544 | 7,419,030 |
| Interest | 49,763 | - | - | 1,246,546 | 68,337 | 1,364,646 |
| Fees | - | - | 197,114 | 29,742 | 806 | 227,662 |
| Total expenditures | <u>51,816,682</u> | <u>2,397,810</u> | <u>683,560</u> | <u>7,991,288</u> | <u>10,070,000</u> | <u>72,959,340</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>7,150,024</u> | <u>7,686,412</u> | <u>(637,390)</u> | <u>(4,597,078)</u> | <u>3,014,738</u> | <u>12,616,706</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 31,870 | - | 3,301 | 5,593,316 | - | 5,628,487 |
| Transfers out | (151,901) | (3,768,550) | (1,824,766) | (3,301) | (31,870) | (5,780,388) |
| Issuance of bonds | - | - | 17,500,000 | 2,405,000 | - | 19,905,000 |
| Premium on bonds issued | - | - | 1,892,255 | 224,068 | - | 2,116,323 |
| Proceeds from the sale of capital assets | 24,600 | - | - | - | - | 24,600 |
| Total other financing sources (uses), net | <u>(95,431)</u> | <u>(3,768,550)</u> | <u>17,570,790</u> | <u>8,219,083</u> | <u>(31,870)</u> | <u>21,894,022</u> |
| Net change in fund balances | <u>7,054,593</u> | <u>3,917,862</u> | <u>16,933,400</u> | <u>3,622,005</u> | <u>2,982,868</u> | <u>34,510,728</u> |
| Fund balances (deficit), beginning of year | <u>32,520,600</u> | <u>18,946,438</u> | <u>(59,899)</u> | <u>839,211</u> | <u>8,332,317</u> | <u>60,578,667</u> |
| Fund balances, end of year | <u>\$ 39,575,193</u> | <u>\$ 22,864,300</u> | <u>\$ 16,873,501</u> | <u>\$ 4,461,216</u> | <u>\$ 11,315,185</u> | <u>\$ 95,089,395</u> |

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, 2019

| | |
|--|---------------|
| Net change in fund balances - total governmental funds | \$ 34,510,728 |
|--|---------------|

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

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

| | | |
|----------------------|--------------------|---------|
| Capital outlay | \$ 8,412,168 | |
| Depreciation expense | <u>(7,444,512)</u> | 967,656 |

| | |
|---|-----------|
| The net effect of various miscellaneous transactions (i.e., sales and donations) is to decrease net position. | (100,060) |
|---|-----------|

| | |
|--|---------|
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | 211,894 |
|--|---------|

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

| | | |
|---|--------------|--------------|
| Repayment of the principal of long-term debt | \$ 7,451,267 | |
| Issuance of general obligation bonds | (22,021,323) | |
| Amortization of premium/discount on long-term debt | 620,385 | |
| Amortization of the refunding deferral amount on the refunding general obligation bonds | <u>6,704</u> | (13,942,967) |

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 | \$ (2,787,998) | |
| Landfill post-closure liability | 7,139 | |
| Compensated absences | 40,941 | |
| Accrued interest on long-term debt | 117,288 | |
| Other postemployment benefits liability | <u>(59,845)</u> | (2,682,475) |
| | | <u>\$ 18,964,776</u> |

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

LANCASTER COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUND JUNE 30, 2019

| | Major Enterprise Fund Airport Fund |
|--|---|
| ASSETS | |
| CURRENT ASSETS | |
| Cash | \$ 100 |
| Due from other governments | 23,188 |
| Inventory | 49,109 |
| Total current assets | <u>72,397</u> |
| NONCURRENT ASSETS | |
| Capital assets: | |
| Nondepreciable | 707,521 |
| Depreciable, net of accumulated depreciation | 6,280,450 |
| Total noncurrent assets | <u>6,987,971</u> |
| Total assets | <u>7,060,368</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pension | 18,224 |
| Total deferred outflows of resources | <u>18,224</u> |
| LIABILITIES | |
| CURRENT LIABILITIES | |
| Due to other funds | 163,680 |
| Unearned revenues | 22,900 |
| Total current liabilities | <u>186,580</u> |
| NONCURRENT LIABILITIES | |
| Net pension liability | 111,036 |
| Total noncurrent liabilities | <u>111,036</u> |
| Total liabilities | <u>297,616</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Pension | 1,242 |
| Total deferred inflows of resources | <u>1,242</u> |
| NET POSITION | |
| Investment in capital assets | 6,987,971 |
| Unrestricted | (208,237) |
| Total net position | <u>\$ 6,779,734</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, 2019

| | Major Enterprise Fund Airport Fund |
|--|---|
| OPERATING REVENUES | |
| Charges for services: | |
| Sale of fuel | \$ 116,986 |
| Rental income | 42,565 |
| Total operating revenues | <u>159,551</u> |
| OPERATING EXPENSES | |
| Salaries and fringe benefits | 71,369 |
| Costs of services | 175,279 |
| Depreciation | 329,613 |
| Total operating expenses | <u>576,261</u> |
| Operating loss | <u>(416,710)</u> |
| CAPITAL CONTRIBUTIONS | <u>184,601</u> |
| TRANSFERS | |
| Transfers in | 151,901 |
| Total transfers | <u>151,901</u> |
| Change in net position | (80,208) |
| Net position, beginning of year | <u>6,859,942</u> |
| Net position, end of year | <u>\$ 6,779,734</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, 2019

| | Major Enterprise Fund Airport Fund |
|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from customers and users | \$ 244,858 |
| Payments to suppliers | (250,434) |
| Payments to employees | (64,912) |
| Net cash used in operating activities | (70,488) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Transfers in | 151,901 |
| Net cash provided by noncapital financing activities | 151,901 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Acquisition of capital assets | (266,014) |
| Intergovernmental revenues | 184,601 |
| Net cash used in capital and related financing activities | (81,413) |
| Net change in cash and cash equivalents | - |
| Cash and cash equivalents: | |
| Beginning of year | 100 |
| End of year | \$ 100 |
| Reconciliation of operating loss to net cash used in operating activities: | |
| Operating loss | \$ (416,710) |
| Adjustments to reconcile operating loss to net cash used for operating activities: | |
| Depreciation | 329,613 |
| Changes in assets and liabilities: | |
| Decrease in due from other governments | 147,892 |
| Increase in inventory | (6,941) |
| Decrease in deferred outflows of resources | 5,113 |
| Decrease in accounts payable | (68,214) |
| Decrease in due to other funds | (68,435) |
| Increase in unearned revenues | 5,850 |
| Increase in net pension liability | 1,036 |
| Increase in deferred inflows of resources | 308 |
| Net cash used in operating activities | \$ (70,488) |

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

LANCASTER COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2019

| | <u>Agency Funds</u> |
|--|-------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 21,441,970 |
| Investments | 102,595,812 |
| Taxes receivable | 6,235,802 |
| Accounts receivable | 4,050 |
| Due from other governments | 12,703 |
| Total assets | <u>\$ 130,290,337</u> |
| LIABILITIES | |
| Due to other taxing districts and agencies | \$ 122,062,055 |
| Due to others | 8,228,282 |
| Total liabilities | <u>\$ 130,290,337</u> |

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

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NOTES TO THE FINANCIAL STATEMENTS

LANCASTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

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

Government-wide Financial Statements

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Government-wide Financial Statements (Continued)

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

Fund Financial Statements

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

The County reports the following major governmental funds:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The County reports the following major proprietary fund:

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

Additionally, the County reports the following fund types:

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

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

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

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Government-wide Financial Statements (Continued)

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

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

Fund Financial Statements

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements (Continued)

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

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

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

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

Revenue - Exchange and Non-exchange Transactions

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Revenue - Exchange and Non-exchange Transactions (Continued)

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

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

Unearned Revenue

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

Unavailable Revenue

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

Property taxes for which there is an enforceable legal claim as of year-end, but which were levied to finance fiscal year 2019 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 \$344,922, \$5,195,278, and \$369,909 in the General Fund, the Capital Projects Sales Tax 2 Fund, and the Nonmajor Governmental Funds, respectively. The assigned fund balance for the subsequent year's budget also includes appropriations of existing unassigned fund balance at year-end to eliminate a deficit in next year's budget of \$3,885,544, and \$1,327,857 in the General Fund, and the Nonmajor Governmental Funds, respectively.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity

Cash and Investments

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

Receivables

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

Intergovernmental Receivable

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

Inventories and Prepaid Assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets

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

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

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

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

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

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

Compensated Absences

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Deferred Inflows/Outflows of Resources

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Deferred Inflows/Outflows of Resources (Continued)

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

Interfund Transactions

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

Long-term Obligations

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity (Continued)

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

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

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

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

Net Position

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

Restricted Resources

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Use of Estimates

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

Budgetary Information

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

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

Deficit Fund Equity

For the year ended June 30, 2019, the Restricted Grants Fund, and the Victim Services Fund reported deficit fund balances of \$81,123, and 28,286, respectively. These deficits will be eliminated through the recognition of unearned revenues in future periods, through transfers from other funds, and from other future revenues.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Total deposits and investments at June 30, 2019, are summarized below:

As reported in the Statement of Net Position:

| | |
|--|-----------------------|
| Primary government | |
| Cash and cash equivalents | \$ 25,019,445 |
| Investments | 69,376,700 |
| Agency Fund - cash and cash equivalents | 21,441,970 |
| Agency Fund - investments | 102,595,812 |
| | <u>\$ 218,433,927</u> |
| Cash deposited with financial institutions | \$ 50,563,542 |
| SC State Investment Pool | 166,231,367 |
| U.S. Government Treasuries | 1,211,725 |
| U.S. Government Agencies | 400,893 |
| Mutual funds | 5,928 |
| Certificates of deposit | 20,472 |
| | <u>\$ 218,433,927</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, 2019, the carrying amount of the County's deposits was \$218,533,927 and the bank balance was \$218,851,445. All of the County's deposits at year-end were covered by federal depository insurance or by collateral held in the pledging financial institutions' trust departments in the County's name. Petty cash funds of \$11,510 are reflected as cash.

As of June 30, 2019, 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 | \$ 166,231,367 | \$ 166,231,367 | \$ - | \$ - |
| Money market accounts | 4,102,127 | 4,102,127 | - | - |
| Mutual funds | 5,928 | 5,928 | - | - |
| U.S. Government Treasuries | 1,211,725 | 414,049 | 797,676 | - |
| U.S. Government Agencies | 400,893 | 99,634 | 301,259 | - |
| Certificates of deposit | 20,472 | 20,472 | - | - |
| | <u>\$ 171,972,512</u> | <u>\$ 170,873,577</u> | <u>\$ 1,098,935</u> | <u>\$ -</u> |

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The County has the following recurring fair value measurements as of June 30, 2019:

| Investment | Level 1 | Level 2 | Level 3 | Fair Value |
|--|---------------------|-------------|-------------|---------------------|
| Investments by Fair Value Level | | | | |
| Debt securities: | | | | |
| U.S. Treasuries | \$ 1,211,725 | \$ - | \$ - | \$ 1,211,725 |
| U.S. Agencies | 400,893 | - | - | 400,893 |
| Total debt securities | <u>1,612,618</u> | <u>-</u> | <u>-</u> | <u>1,612,618</u> |
| Mutual funds: | | | | |
| Mutual fund taxable fixed income | 5,928 | - | - | 5,928 |
| Total mutual funds | <u>5,928</u> | <u>-</u> | <u>-</u> | <u>5,928</u> |
| Total investments by fair value level | <u>\$ 1,618,546</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,618,546</u> |

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued). The County has no investments classified in Level 2 or 3 of the fair value hierarchy. The South Carolina Local Government Investment Pool (LGIP) is an investment pool, which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the County does not disclose investment in the LGIP within the fair value hierarchy. The County's investments in certificates of deposit are valued at amortized cost, which approximates fair value. As a result, the County's certificates of deposit 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, 2019, the County owned \$400,893 of government sponsored entity (GSE) debt securities. These bonds are the direct obligation of the FFCB, FHLB, FHLMC, and FNMA, which are rated AA+ or equivalent by all rating agencies. The investments are either directly or indirectly guaranteed by the US Treasury. The money market accounts were rated AAA by Standard & Poor's and Aaa by Moody Investor Services. The LGIP is not rated, but generally, investments in this pool are collateralized by debt securities in corporate obligations, state or political subdivision obligations of investment grade or higher quality and in federal agency securities.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES AND PROPERTY TAXES

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

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

Receivables as of June 30, 2019, including the applicable allowances for uncollectible accounts, are as follows:

| | General | Capital Projects Sales Tax 2 | Debt Service |
|----------------------------|---------------------|------------------------------------|-------------------|
| Taxes receivable | \$ 2,089,292 | \$ - | \$ 218,309 |
| Accounts receivable | 9,567,924 | - | 130 |
| Due from other governments | 2,592,881 | 2,498,372 | 405 |
| Less: Allowance | (5,153,149) | - | (10,915) |
| Net receivables | <u>\$ 9,096,948</u> | <u>\$ 2,498,372</u> | <u>\$ 207,929</u> |

| | Nonmajor Governmental | Airport | Total |
|----------------------------|--------------------------|------------------|----------------------|
| Taxes receivable | \$ 241,042 | \$ - | \$ 2,548,643 |
| Accounts receivable | 238,593 | - | 9,806,647 |
| Due from other governments | 538,162 | 23,188 | 5,653,008 |
| Less: Allowance | (12,052) | - | (5,176,116) |
| Net receivables | <u>\$ 1,005,745</u> | <u>\$ 23,188</u> | <u>\$ 12,832,182</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, 2019, was as follows:

| | Balance June 30, 2018 | Additions | Deletions | Transfers | Balance June 30, 2019 |
|---|--------------------------|-------------|--------------|-------------|--------------------------|
| Governmental activities | | | | | |
| Capital assets not being depreciated | | | | | |
| Land | \$ 7,648,702 | \$ 396,763 | \$ (34,000) | \$ - | \$ 8,011,465 |
| Construction in progress | 1,747,921 | 1,623,451 | - | (1,667,960) | 1,703,412 |
| Total capital assets not being depreciated | 9,396,623 | 2,020,214 | (34,000) | (1,667,960) | 9,714,877 |
| Capital assets being depreciated | | | | | |
| Buildings and improvements | 66,376,258 | 1,352,506 | - | 1,667,960 | 69,396,724 |
| Vehicles | 31,527,106 | 1,081,555 | (225,707) | - | 32,382,954 |
| Furniture and equipment | 24,021,379 | 1,071,061 | (370,604) | - | 24,721,836 |
| Infrastructure | 18,672,233 | 2,886,832 | - | - | 21,559,065 |
| Total capital assets being depreciated | 140,596,976 | 6,391,954 | (596,311) | 1,667,960 | 148,060,579 |
| Less accumulated depreciation | | | | | |
| Buildings and improvements | (18,500,373) | (2,115,031) | - | - | (20,615,404) |
| Vehicles | (18,148,324) | (2,384,225) | 205,808 | - | (20,326,741) |
| Furniture and equipment | (15,336,488) | (2,225,932) | 324,443 | - | (17,237,977) |
| Infrastructure | (10,570,309) | (719,324) | - | - | (11,289,633) |
| Total accumulated depreciation | (62,555,494) | (7,444,512) | 530,251 | - | (69,469,755) |
| Total capital assets being depreciated, net | 78,041,482 | (1,052,558) | (66,060) | 1,667,960 | 78,590,824 |
| Governmental activities capital assets, net | \$ 87,438,105 | \$ 967,656 | \$ (100,060) | \$ - | \$ 88,305,701 |

Depreciation expense was charged to functions as follows:

| | |
|---|---------------------|
| General government | \$ 662,247 |
| Administration of justice | 966,114 |
| Public safety | 3,426,180 |
| Public works, including depreciation of infrastructure assets | 1,248,483 |
| Public health and welfare | 656,716 |
| Culture and recreation | 368,220 |
| Economic development | 116,552 |
| Total governmental activities depreciation expense | <u>\$ 7,444,512</u> |

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the County's business-type activities for the year ended June 30, 2019, was as follows:

| | Balance June 30, 2018 | Additions | Deletions | Transfers | Balance June 30, 2019 |
|--|--------------------------|--------------------|-------------|-------------|--------------------------|
| Business-type activities | | | | | |
| Capital assets not being depreciated | | | | | |
| Land | \$ 598,607 | \$ - | \$ - | \$ - | \$ 598,607 |
| Construction in progress | 1,792,204 | 106,414 | - | (1,789,704) | 108,914 |
| Total capital assets not being depreciated | 2,390,811 | 106,414 | - | (1,789,704) | 707,521 |
| Capital assets being depreciated | | | | | |
| Buildings and improvements | 11,816,407 | 77,749 | - | 1,789,704 | 13,683,860 |
| Furniture and equipment | - | 81,851 | - | - | 81,851 |
| Total capital assets being depreciated | 11,816,407 | 159,600 | - | 1,789,704 | 13,765,711 |
| Less accumulated depreciation | | | | | |
| Buildings and improvements | (7,155,648) | (326,884) | - | - | (7,482,532) |
| Furniture and equipment | - | (2,729) | - | - | (2,729) |
| Total accumulated depreciation | (7,155,648) | (329,613) | - | - | (7,485,261) |
| Total capital assets being depreciated, net | 4,660,759 | (170,013) | - | 1,789,704 | 6,280,450 |
| Business-type activities capital assets, net | <u>\$ 7,051,570</u> | <u>\$ (63,599)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,987,971</u> |

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

| | |
|---|-------------------|
| Airport | <u>\$ 329,613</u> |
| Total business-type activities depreciation expense | <u>\$ 329,613</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, 2019:

| | Balance June 30, 2018 | Additions | Reductions | Balance June 30, 2019 | Due Within One Year |
|--|--------------------------|----------------------|------------------------|--------------------------|------------------------|
| Governmental activities | | | | | |
| General obligation bonds | \$ 29,372,360 | \$ 19,905,000 | \$ (6,878,753) | \$ 42,398,607 | \$ 8,274,895 |
| Capital lease obligations | 1,826,483 | - | (224,087) | 1,602,396 | 982,395 |
| Special source revenue bonds | 6,782,076 | - | (348,427) | 6,433,649 | 323,592 |
| Post-closure care costs | 1,117,203 | - | (7,139) | 1,110,064 | 56,398 |
| Compensated absences | 1,370,488 | 1,072,910 | (1,113,851) | 1,329,547 | 1,113,851 |
| Total postemployment benefit liability | 3,626,458 | 401,727 | (224,633) | 3,803,552 | - |
| Net pension liability - SCRS | 29,619,731 | 3,887,474 | (3,608,570) | 29,898,635 | - |
| Net pension liability - PORS | 17,449,878 | 3,317,062 | (2,155,087) | 18,611,853 | - |
| Deferred amounts: | | | | | |
| Unamortized premium | 2,158,137 | 2,116,323 | (620,385) | 3,654,075 | - |
| | <u>\$ 93,322,814</u> | <u>\$ 30,700,496</u> | <u>\$ (15,180,932)</u> | <u>\$ 108,842,378</u> | <u>\$ 10,751,131</u> |
| Business-type activities | | | | | |
| Net pension liability - SCRS | \$ 105,635 | \$ 14,437 | \$ (9,036) | \$ 111,036 | \$ - |
| | <u>\$ 105,635</u> | <u>\$ 14,437</u> | <u>\$ (9,036)</u> | <u>\$ 111,036</u> | <u>\$ -</u> |

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

General Obligation Bonds

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds (Continued)

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

General obligation bonds currently outstanding are as follows:

| Description | Amount Issued | Interest Rate | Final Maturity | Annual Principal Payments | Amount Outstanding |
|---|---------------|---------------|----------------|---------------------------|----------------------|
| General obligation refunding bonds, taxable series 2010D | \$ 3,660,000 | 2% to 3.5% | 2020 | \$115,000 to \$690,000 | \$ 690,000 |
| General obligation bonds, series 2015A | 16,500,000 | 4% to 5% | 2022 | \$100,000 to \$3,600,000 | 10,295,000 |
| General obligation refunding bonds, series 2015B | 1,935,000 | 3% to 3.25% | 2030 | \$115,000 to \$165,000 | 1,585,000 |
| General obligation refunding bonds, series 2015C | 6,110,000 | 3% to 5% | 2025 | \$120,000 to \$1,475,000 | 5,585,000 |
| General obligation bonds, series 2016A | 6,750,000 | 2% to 5% | 2023 | \$800,000 to \$1,335,000 | 3,775,000 |
| General obligation bonds, series 2017 (Brookchase) | 650,000 | 2.61% | 2030 | \$40,000 to \$60,000 | 563,607 |
| General obligation refunding & improvement bonds, series 2019 | 19,905,000 | 5.00% | 2039 | \$595,000 to \$890,000 | 19,905,000 |
| | | | | | <u>\$ 42,398,607</u> |

The annual requirements to amortize all general obligation bonds as of June 30, 2019, including interest payments, are as follows:

| Year Ending June 30, | General Obligation Bonds | | |
|-------------------------|--------------------------|---------------------|----------------------|
| | Principal | Interest | Total |
| 2020 | \$ 8,274,895 | \$ 1,642,902 | \$ 9,917,797 |
| 2021 | 6,906,065 | 1,520,901 | 8,426,966 |
| 2022 | 7,262,269 | 1,179,198 | 8,441,467 |
| 2023 | 3,833,503 | 829,515 | 4,663,018 |
| 2024 | 2,984,768 | 671,698 | 3,656,466 |
| 2025-2029 | 6,569,018 | 1,754,469 | 8,323,487 |
| 2030-2034 | 3,143,089 | 829,378 | 3,972,467 |
| 2035-2039 | 3,425,000 | 314,250 | 3,739,250 |
| | <u>\$ 42,398,607</u> | <u>\$ 8,742,311</u> | <u>\$ 51,140,918</u> |

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds (Continued)

Debt service funds of \$4,450,209 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 December 14, 2010, the County issued \$3,660,000 General Obligation Refunding Bonds, Series 2010D. These bonds were issued and the proceeds were used to refund \$3,535,000 of outstanding General Obligation Bonds, Series 2001, and to pay certain issuance costs. In connection with the issuance of the bonds, a premium of \$46,977 was recorded and is being amortized over the life of the bonds. As of June 30, 2019, the unamortized premium was \$1,615.

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, 2019, the unamortized premium was \$2,116,323.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Advanced Refunding (Continued)

In current and prior years, advance refunding resulted in book losses that are being amortized over the original remaining life of the old bonds that were defeased. The unamortized losses at June 30, 2019 are classified as a deferred outflow of resources on the Statement of Net Position. Amortization of \$42,886 has been included in interest expense for the year ended June 30, 2019. As of June 30, 2019, the County's outstanding in-substance defeased general obligation bond debt totaled \$3,755,000.

Capital Leases

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

The following is an analysis of equipment leased under capital leases as of June 30, 2019:

| | |
|--|---------------------|
| Machinery and equipment and construction in progress | \$ 2,108,256 |
| Less: accumulated depreciation | <u>(669,188)</u> |
| | <u>\$ 1,439,068</u> |

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2019:

| Fiscal Year Ending June 30, | Governmental Funds |
|------------------------------------|-----------------------|
| 2020 | \$ 1,025,693 |
| 2021 | 50,000 |
| 2022 | 50,000 |
| 2023 | 50,000 |
| 2024 | 50,000 |
| 2025-2029 | 250,000 |
| 2030-2033 | <u>170,000</u> |
| Total Minimum Lease Payments | 1,645,693 |
| Less: Amount Representing Interest | <u>(43,297)</u> |
| | <u>\$ 1,602,396</u> |

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Special Source Revenue Bonds

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

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

| Year Ending June 30, | Special Source Revenue Bonds | | |
|-------------------------|------------------------------|---------------------|---------------------|
| | Principal | Interest | Total |
| 2020 | \$ 323,592 | \$ 257,346 | \$ 580,938 |
| 2021 | 297,764 | 244,402 | 542,166 |
| 2022 | 955,577 | 232,492 | 1,188,069 |
| 2023 | 911,326 | 194,269 | 1,105,595 |
| 2024 | 865,305 | 157,816 | 1,023,121 |
| 2025-2028 | 3,080,085 | 295,395 | 3,375,480 |
| | <u>\$ 6,433,649</u> | <u>\$ 1,381,720</u> | <u>\$ 7,815,369</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 2019, the County expended \$7,139 in landfill closure costs. Remaining post-closure costs are estimated at \$1,110,064 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, 2019, there no Industrial Revenue bonds outstanding.

Special Assessment Debt Obligations

In July 2003, the County issued \$13,760,000 of special assessment debt. This debt is applicable to the Edgewater Improvement District, which is located in the southern part of the County, and will be used to improve the area's infrastructure. The County is acting only as an agent and is in no manner obligated to repay the special assessment debt. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2019, the outstanding balance on this debt was \$3,355,000.

In June 2006, the County issued 2006A and 2006B special assessment debt in the amount of \$35,615,000. This debt is applicable to the Edenmoor Improvement District, which is located in the northern part of the County, and will be used to improve the area's infrastructure and to construct a sheriff and EMS substation. In February 2016, the County issued Walnut Creek Improvement District 2016A-1 in the amount of \$8,510,000 and the Endemoor Assessment 2016 A Bonds in the amount of \$14,365,000. In December 2016, the County issued the Walnut Creek Improvement District 2016A-2 in the amount of \$3,380,000. The County is acting only as an agent and is in no manner obligated to repay the special assessment debt. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2019, the outstanding balances on this debt was \$11,750,000, \$7,660,000, and \$3,000,000, 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, 2019, the outstanding balance on this debt was \$12,620,000.

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, 2019, the outstanding balance on this debt was \$28,602,500.

NOTE 7. EMPLOYEE BENEFITS

Retirement Plan

Overview:

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, and governed by an 11-member Board, 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. The Retirement Funding and Administration Act of 2017, which became effective July 1, 2017, increased the employer and employee contribution rates, established a ceiling on the SCRS and PORS employee contribution rates, lowered the assumed rate of return, required a scheduled reduction of the funding periods, and addressed various governance issues including the assignment of the PEBA Board as custodian of the retirement trust funds and assignment of the RSIC and PEBA as co-trustees of the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Plan Description:

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

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

Membership:

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is described below.

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Benefits:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Contributions:

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. If the scheduled employee and employer contributions provided in statute, or the rates last adopted by the board, are insufficient to maintain the amortization period set in statute, the board shall increase employer contribution rates as necessary.

After June 30, 2027, 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 eighty-five 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 eighty-five 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 eighty-five 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 eighty-five percent.

The Retirement System Funding and Administration Act establishes a ceiling on employee contribution rates at 9 percent and 9.75 percent for SCRS and PORS, respectively. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56 percent for SCRS and 21.24 percent for PORS. The amortization period is scheduled to be reduced one year for each of the next ten years to a twenty year amortization period. For the year ended June 30, 2019, the County contributed \$2,156,017 to the SCRS plan and \$1,681,015 to the PORS plan.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Contributions (Continued):

Required employee contribution rates for the year ended June 30, 2019, 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, 2019, are as follows:

South Carolina Retirement System

| | |
|-----------------------------------|---------------------------------|
| Employee Class Two | 14.41% of earnable compensation |
| Employee Class Three | 14.41% of earnable compensation |
| Employer incidental death benefit | 0.15% of earnable compensation |

South Carolina Police Officers Retirement System

| | |
|-----------------------------------|---------------------------------|
| Employee Class Two | 16.84% of earnable compensation |
| Employee Class Three | 16.84% 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, 2018, (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, 2017, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board, which utilized membership data as of July 1, 2017. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2018, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Net Pension Liability (Continued):

The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67, less that system's fiduciary net position. As of June 30, 2019 (measurement date of June 30, 2018), 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:

| <u>System</u> | <u>Total Pension Liability</u> | <u>Plan Fiduciary Net Position</u> | <u>Employer's Net Pension Liability</u> | <u>Plan Fiduciary Net Position as a percentage of the Total Pension Liability</u> | <u>County's Proportionate Share of the Collective Net Pension Liability</u> |
|---------------|--|--|---|---|---|
| SCRS | \$ 65,387,431 | \$ 35,377,760 | \$ 30,009,671 | 54.1% | 0.133931% |
| PORS | \$ 48,632,254 | \$ 30,020,401 | \$ 18,611,853 | 61.7% | 0.656840% |

Actuarial Assumptions and Methods:

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2015, and the next experience study is scheduled to be conducted after the June 30, 2020, annual valuation is complete.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Actuarial Assumptions and Methods (Continued):

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2017 valuations for SCRS and PORS.

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

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

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

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30-year capital market assumptions. The actuarial 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 real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year of the Systems. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation, which is summarized in the table on the following page.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Actuarial Assumptions and Methods (Continued):

For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

| Asset Class | Target Asset Allocation | Expected Arithmetic Real Rate of Return | Long-Term Expected Portfolio Real Rate of Return |
|----------------------------------|----------------------------------|--|---|
| Global Equity | 47.0% | | |
| Global Public Equity | 33.0% | 6.99% | 2.31% |
| Private Equity | 9.0% | 8.73% | 0.79% |
| Equity Options Strategies | 5.0% | 5.52% | 0.28% |
| Real Assets | 10.0% | | |
| Real Estate (Private) | 6.0% | 3.54% | 0.21% |
| Real Estate (REITs) | 2.0% | 5.46% | 0.11% |
| Infrastructure | 2.0% | 5.09% | 0.10% |
| Opportunistic | 13.0% | | |
| GTAA/Risk Parity | 8.0% | 3.75% | 0.30% |
| Hedge Funds (non-PA) | 2.0% | 3.45% | 0.07% |
| Other Opportunistic Strategies | 3.0% | 3.75% | 0.11% |
| Diversified Credit | 18.0% | | |
| Mixed Credit | 6.0% | 3.05% | 0.18% |
| Emerging Markets Debt | 5.0% | 3.94% | 0.20% |
| Private Debt | 7.0% | 3.89% | 0.27% |
| Conservative Fixed Income | 12.0% | | |
| Core Fixed Income | 10.0% | 0.94% | 0.09% |
| Cash and Short Duration (Net) | 2.0% | 0.34% | 0.01% |
| | 100.0% | | |
| | Total expected real return | | 5.03% |
| | Inflation for actuarial purposes | | 2.25% |
| | Total expected nominal return | | 7.28% |

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Discount Rate:

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, the County's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The following table presents the sensitivity of the net pension liabilities to changes in the discount rate.

| Sensitivity of the Net Position Liability to Changes in the Discount Rate | | | | |
|--|--------------------|----------------------|--------------------|--|
| | 1% Decrease | Current | 1% Increase | |
| | (6.25%) | Discount Rate | (8.25%) | |
| | | (7.25%) | | |
| SCRS | \$ 38,346,785 | \$ 30,009,671 | \$ 24,049,431 | |
| PORS | \$ 25,091,086 | \$ 18,611,853 | \$ 13,304,793 | |

Pension Expense:

For the year ended June 30, 2019, the County recognized its proportionate share of collective pension expense of \$2,921,394 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 \$980,517 for a total of \$3,901,911 for the SCRS plan. Additionally, for the year ended June 30, 2019, the County recognized its proportionate share of collective pension expense of \$2,431,347 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 \$303,218 for a total of \$2,734,565 for the PORS plan.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

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

At June 30, 2019, 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 | \$ 54,171 | \$ 176,599 |
| Changes of assumptions | 1,190,616 | - |
| Net difference between projected and actual earnings on pension plan investments | 476,704 | - |
| Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions | 1,047,839 | 159,163 |
| Employer contributions subsequent to the measurement date | 2,156,017 | - |
| Total | <u>\$ 4,925,347</u> | <u>\$ 335,762</u> |
| PORS | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 573,461 | \$ - |
| Changes of assumptions | 1,227,170 | - |
| Net difference between projected and actual earnings on pension plan investments | 372,192 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 669,442 | - |
| Employer contributions subsequent to the measurement date | 1,681,015 | - |
| Total | <u>\$ 4,523,280</u> | <u>\$ -</u> |

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued):

County contributions subsequent to the measurement date of \$2,156,017 and \$1,681,015 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, 2020. 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 |
|---------------------|--------------|--------------|
| 2020 | \$ 1,876,720 | \$ 1,442,340 |
| 2021 | 845,715 | 1,039,177 |
| 2022 | (246,664) | 299,342 |
| 2023 | (42,203) | 61,406 |

Pension Plan Fiduciary Net Position:

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

Deferred Compensation Plan

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

Other Post-Employment Healthcare Benefits (OPEB)

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

Plan Membership. The Plan has 576 covered members for the year ended June 30, 2019; 85 members are retirees receiving benefits and 491 are active participants and dependents.

Funding Policy and Contributions. The County currently pays for other post-employment benefits on a pay-as-you-go basis. For the year ended June 30, 2019, the County paid \$192,635 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 Lancaster 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. Effective July 1, 2017, the County implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly changed the County's accounting for OPEB amounts. The information disclosed below and on the following page is presented in accordance with this new standard.

The County's total OPEB liability was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2018, with the actuary using standard techniques to roll forward the liability to the measurement date.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

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

Actuarial assumptions. The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|-----------------------------|--|
| Discount rate: | 3.62% as of June 30, 2018 |
| Healthcare cost trend rate: | 6.40% - 4.15%, Ultimate Trend after 15 years |
| Inflation rate: | 2.25% |
| Salary increase: | 3.50% - 9.50% for PORS eligible employees and 3.00% - 7.00% for SCRS eligible employees per annum |
| Participation rate: | 40.00% of all eligible employees and 25% for dental only coverage |

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

Discount rate. The discount rate used to measure the total OPEB liability was 3.62% as of June 30, 2018. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher – which was 3.62% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2018.

Changes in the Total OPEB Liability. The changes in the total OPEB liability of the County for the years ended June 30, 2019, were as follows:

| | Total OPEB Liability |
|---|---------------------------------|
| Balances beginning of year | \$ 3,626,458 |
| Changes for the year: | |
| Service cost | 176,708 |
| Interest | 128,818 |
| Difference between actual and expected experience | 96,201 |
| Assumption changes | (31,998) |
| Benefit payments and implicit subsidy | (192,635) |
| Net changes | 177,094 |
| Balances end of year | \$ 3,803,552 |

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

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

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County as of June 30, 2019 (June 30, 2018 measurement date), as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62%) or 1-percentage-point higher (4.62%) than the current discount rate:

| Sensitivity of the Total OPEB Liability to Changes in the Discount Rate | | |
|--|--|--------------------------------|
| 1% Decrease (2.62%) | Current Discount Rate (3.62%) | 1% Increase (4.62%) |
| \$ 4,230,344 | \$ 3,803,552 | \$ 3,442,614 |

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, 2019 (June 30, 2018 measurement date), as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.40% decreasing to 3.15%) or 1-percentage-point higher (7.40% decreasing to 5.15%) than the current healthcare cost trend rates:

| Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate | | |
|---|--|--|
| 1% Decrease (5.40% decreasing to 3.15%) | Current Healthcare Cost Trend Rates (6.40% decreasing to 4.15%) | 1% Increase (7.40% decreasing to 5.15%) |
| \$ 3,434,206 | \$ 3,803,552 | \$ 4,275,644 |

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, 2019, and the current sharing pattern of costs between employer and inactive employees.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

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

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2019 the County recognized OPEB expense as follows:

| <u>Description</u> | | |
|---|-----------|-----------------|
| Service cost (annual cost of current service) | \$ | 176,708 |
| Interest on the total OPEB liability | | 128,818 |
| Recognition of current year amortization - difference between expected and actual experience & assumption changes | | 7,492 |
| Recognition of prior year amortization - difference between expected and actual experience & assumption changes | | <u>(26,524)</u> |
| Total aggregate OPEB expense | <u>\$</u> | <u>286,494</u> |

At June 30, 2019, 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 | \$ 84,975 | \$ 17,250 |
| Changes of assumptions | - | 187,607 |
| Employer contributions subsequent to the measurement date | <u>226,649</u> | <u>-</u> |
| Total | <u>\$ 311,624</u> | <u>\$ 204,857</u> |

County contributions subsequent to the measurement date of \$226,649 are deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2020. 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:

| | |
|------------|-------------|
| 2020 | \$ (19,032) |
| 2021 | (19,032) |
| 2022 | (19,032) |
| 2023 | (19,032) |
| 2024 | (19,032) |
| Thereafter | (24,722) |

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. RISK MANAGEMENT

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

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

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

NOTE 9. INTERFUND ASSETS AND LIABILITIES

Interfund receivable and payable balances at June 30, 2019, were as follows:

| Receivable Fund | Payable Fund | Amount |
|----------------------------------|----------------------------|----------------------|
| General Fund | Airport Fund | \$ 163,680 |
| General Fund | Bond Projects Fund | 150,384 |
| General Fund | Nonmajor Governmental Fund | 302,452 |
| Capital Project Sales Tax 2 Fund | General Fund | 20,377,951 |
| Nonmajor Governmental Funds | General Fund | 10,989,634 |
| | | <u>\$ 31,984,101</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 9. INTERFUND ASSETS AND LIABILITIES (CONTINUED)

Any transactions to transfer revenues from the fund budgeted to receive them to the fund budgeted to expend them are reported as transfers from and to other funds. Total transfers during the year ended June 30, 2019, consisted of the following individual amounts:

| Transfer In Fund | Transfer Out Fund | Amount |
|--------------------|-----------------------------|---------------------|
| General Fund | Nonmajor Governmental Funds | \$ 31,870 |
| Bond Projects Fund | Debt Service | 3,301 |
| Debt Service | Capital Projects Sales | |
| | Tax 2 Fund | 3,768,550 |
| Debt Service | Bond Projects Fund | 1,824,766 |
| Airport Fund | General Fund | 151,901 |
| | | <u>\$ 5,780,388</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 10. COMMITMENTS AND CONTINGENT LIABILITIES

The County participates in a number of federal and state assisted grant programs. These programs are subject to audits by grantors or their representatives. The audits of these programs for or including the year ended June 30, 2019, 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, 2019, totaled approximately \$3,292,133.

NOTE 11. LITIGATION

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12. TAX ABATEMENT PROGRAM

As of June 30, 2019, 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 \$5,166,941 for the year ended June 30, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

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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, 2019

| | Budgeted Amounts | | | Variance with Final Budget |
|-------------------------------------|------------------|---------------|---------------|----------------------------------|
| | Original | Final | Actual | |
| REVENUES: | | | | |
| Property taxes | \$ 34,496,266 | \$ 34,496,266 | \$ 37,751,878 | \$ 3,255,612 |
| Other local taxes | 2,375,473 | 2,375,473 | 2,487,225 | 111,752 |
| Licenses and permits | 4,616,738 | 4,616,738 | 6,912,416 | 2,295,678 |
| Intergovernmental | 4,415,038 | 4,766,628 | 5,003,978 | 237,350 |
| Charges for services | 4,317,849 | 4,317,849 | 4,438,960 | 121,111 |
| Fines and forfeitures | 875,250 | 875,250 | 974,883 | 99,633 |
| Interest revenue | 150,500 | 150,500 | 766,951 | 616,451 |
| Contributions and donations | 53,000 | 53,000 | 422,631 | 369,631 |
| Other revenues | 84,000 | 84,000 | 207,784 | 123,784 |
| Budgeted fund balance | 2,824,679 | 4,022,934 | - | (4,022,934) |
| Total revenues | 54,208,793 | 55,758,638 | 58,966,706 | 3,208,068 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government: | | | | |
| Non-departmental expenditures | 1,675,511 | 1,675,511 | 1,483,440 | 192,071 |
| Direct assistance to other agencies | 1,152,810 | 1,152,810 | 1,148,968 | 3,842 |
| County council | 1,208,756 | 2,235,556 | 1,580,427 | 655,129 |
| Administrator | 816,734 | 816,734 | 517,132 | 299,602 |
| Legal team | 253,025 | 253,025 | 294,913 | (41,888) |
| Finance | 516,905 | 516,905 | 496,992 | 19,913 |
| Human resources | 509,555 | 509,555 | 493,673 | 15,882 |
| Risk management | 104,460 | 104,460 | 105,539 | (1,079) |
| Management information services | 1,111,520 | 1,221,520 | 1,153,406 | 68,114 |
| GIS | 208,720 | 208,720 | 130,505 | 78,215 |
| Building | 1,001,425 | 1,001,425 | 842,470 | 158,955 |
| Zoning | 454,880 | 454,880 | 395,531 | 59,349 |
| Planning | 635,676 | 635,676 | 469,588 | 166,088 |
| Assessor | 874,645 | 874,645 | 836,699 | 37,946 |
| Auditor | 314,585 | 314,585 | 283,442 | 31,143 |
| Treasurer | 421,810 | 421,810 | 418,102 | 3,708 |
| Delinquent tax collector | 346,475 | 346,475 | 307,187 | 39,288 |
| Voter registration and elections | 335,235 | 335,235 | 298,165 | 37,070 |
| Register of deeds | 354,420 | 354,420 | 330,880 | 23,540 |
| Procurement | 199,430 | 199,430 | 188,541 | 10,889 |
| Vehicle maintenance | 627,970 | 627,970 | 675,418 | (47,448) |
| Building maintenance | 1,987,377 | 1,987,377 | 1,847,314 | 140,063 |
| Total general government | 15,111,924 | 16,248,724 | 14,298,332 | 1,950,392 |
| Administration of justice: | | | | |
| Circuit court | 85,425 | 85,425 | 53,258 | 32,167 |
| Clerk of court | 356,970 | 356,970 | 351,269 | 5,701 |
| Family court | 395,997 | 395,997 | 353,300 | 42,697 |
| Probate court | 471,108 | 471,108 | 443,202 | 27,906 |
| Magistrate court | 940,085 | 940,085 | 956,212 | (16,127) |
| Total administration of justice | 2,249,585 | 2,249,585 | 2,157,241 | 92,344 |
| Public safety: | | | | |
| Coroner | 481,000 | 481,000 | 591,044 | (110,044) |
| Sheriff | 9,307,795 | 9,720,840 | 9,539,290 | 181,550 |
| Detention center | 2,634,245 | 2,634,245 | 2,576,440 | 57,805 |
| Communications | 2,306,820 | 2,306,820 | 2,071,799 | 235,021 |
| Emergency management | 368,115 | 368,115 | 320,054 | 48,061 |
| Fire commission | 2,800,744 | 2,800,744 | 2,848,586 | (47,842) |
| Total public safety | 17,898,719 | 18,311,764 | 17,947,213 | 364,551 |

(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, 2019**

| | Budgeted Amounts | | | Variance with Final Budget |
|--|-------------------------|-------------------|----------------------|---|
| | Original | Final | Actual | |
| EXPENDITURES: (CONTINUED) | | | | |
| Current: (Continued) | | | | |
| Public works: | | | | |
| Roads and bridges | \$ 3,178,741 | \$ 3,178,741 | \$ 2,603,204 | \$ 575,537 |
| Landfill | 56,398 | 56,398 | 7,137 | 49,261 |
| Solid waste | 2,772,817 | 2,772,817 | 2,868,684 | (95,867) |
| Total public works | <u>6,007,956</u> | <u>6,007,956</u> | <u>5,479,025</u> | <u>528,931</u> |
| Public health and welfare: | | | | |
| EMS | 7,756,515 | 7,756,515 | 6,910,676 | 845,839 |
| Animal control | 305,440 | 305,440 | 309,611 | (4,171) |
| Health services | 82,940 | 82,940 | 78,703 | 4,237 |
| Social services and food stamps | 66,210 | 66,210 | 52,766 | 13,444 |
| DSS Family Independence | 58,330 | 58,330 | 62,367 | (4,037) |
| Veteran affairs | 201,233 | 201,233 | 204,204 | (2,971) |
| Total public health and welfare | <u>8,470,668</u> | <u>8,470,668</u> | <u>7,618,327</u> | <u>852,341</u> |
| Culture and recreation: | | | | |
| Recreation | 2,419,716 | 2,419,716 | 2,463,256 | (43,540) |
| Library | 1,228,845 | 1,228,845 | 1,208,457 | 20,388 |
| Total culture and recreation | <u>3,648,561</u> | <u>3,648,561</u> | <u>3,671,713</u> | <u>(23,152)</u> |
| Economic development: | | | | |
| Economic development | <u>444,595</u> | <u>444,595</u> | <u>417,582</u> | <u>27,013</u> |
| Debt service: | | | | |
| Principal | 182,807 | 182,807 | 177,486 | 5,321 |
| Interest and other charges | 49,763 | 49,763 | 49,763 | - |
| Total debt service | <u>232,570</u> | <u>232,570</u> | <u>227,249</u> | <u>5,321</u> |
| Total expenditures | <u>54,064,578</u> | <u>55,614,423</u> | <u>51,816,682</u> | <u>3,797,741</u> |
| Excess of revenues over expenditures | <u>144,215</u> | <u>144,215</u> | <u>7,150,024</u> | <u>7,005,809</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 30,835 | 30,835 | 31,870 | 1,035 |
| Transfers out | (175,050) | (175,050) | (151,901) | 23,149 |
| Proceeds from the sale of capital assets | - | - | 24,600 | 24,600 |
| Total other financing (uses), net | <u>(144,215)</u> | <u>(144,215)</u> | <u>(95,431)</u> | <u>48,784</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>7,054,593</u> | <u>\$ 7,054,593</u> |
| Fund balances, beginning of year | | | <u>32,520,600</u> | |
| Fund balances, end of year | | | <u>\$ 39,575,193</u> | |

LANCASTER COUNTY, SOUTH CAROLINA

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

| | 2019 | 2018 |
|---|----------------------------|----------------------------|
| Total OPEB liability | | |
| Service cost | \$ 176,708 | \$ 168,154 |
| Interest on total OPEB liability | 128,818 | 109,436 |
| Assumption changes | (31,998) | (207,209) |
| Difference between actual and expected experience | 96,201 | (22,432) |
| Benefit payments and implicit subsidy | (192,635) | (170,414) |
| Net change in total OPEB liability | <u>177,094</u> | <u>(122,465)</u> |
| Total OPEB liability - beginning | <u>3,626,458</u> | <u>3,748,923</u> |
| Total OPEB liability - ending | <u><u>\$ 3,803,552</u></u> | <u><u>\$ 3,626,458</u></u> |
| Covered-employee payroll | \$ 20,344,803 | \$ 19,252,683 |
| Total OPEB liability as a percentage of covered-employee payroll | 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 funds 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.

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

LANCASTER COUNTY, SOUTH CAROLINA

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

| South Carolina Retirement System | | | | | |
|----------------------------------|---|--|-----------------------------|--|--|
| Plan Year Ended June 30, | County's proportion of the net pension liability | County's proportionate share of the net pension liability | County's covered payroll | County's share of the net pension liability as a percentage of its covered payroll | Plan fiduciary net position as a percentage of the total pension liability |
| 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 |
| 2018 | 0.65684% | \$ 18,611,853 | \$ 9,065,769 | 205.3% | 61.7% |
| 2017 | 0.63696% | 17,449,878 | 8,363,722 | 208.6% | 60.9% |
| 2016 | 0.63075% | 15,998,839 | 7,070,498 | 226.3% | 60.4% |
| 2015 | 0.60504% | 13,186,911 | 6,953,011 | 189.7% | 64.6% |
| 2014 | 0.59357% | 11,363,505 | 6,132,698 | 185.3% | 67.5% |

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

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

LANCASTER COUNTY, SOUTH CAROLINA

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

| South Carolina Retirement System | | | | | | |
|----------------------------------|---|--|--|-----------------------------|--|--|
| Fiscal Year Ended June 30, | Statutorily required contribution | Contributions in relation to the statutorily required contribution | Contribution deficiency (excess) | County's covered payroll | Contributions as a percentage of covered payroll | |
| 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 | |
| 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.

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

| System | SCRS | PORS |
|------------------------|--|---|
| Calculation date | July 1, 2016 | July 1, 2016 |
| Actuarial cost method | Entry Age Normal | Entry Age Normal |
| Asset valuation method | 5-year smoothed | 5-year smoothed |
| Amortization method | Level % of pay | Level % of pay |
| Amortization period | 30 years variable, but not to exceed 30 years | 30 years variable, but not to exceed 30 years |
| Investment return | 7.50% | 7.50% |
| Inflation | 2.25% | 2.25% |
| Salary increases | 3.00% plus step-rate increases for members with less than 21 years of service | 3.50% plus step-rate increases for members with less than 15 years of service |
| Mortality | The 2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Males rates multiplied by 100% for non-educators and 92% for educators. Female rates multiplied by 111% for non-educators and 98% for educators. | The 2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Males rates multiplied by 125% and female rates are multiplied by 111%. |

COMBINING STATEMENTS AND SCHEDULES

LANCASTER COUNTY, SOUTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

LANCASTER COUNTY, SOUTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (CONTINUED)

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

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

CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

LANCASTER COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2019

| | Special Revenue Funds | Capital Projects Funds | Totals |
|--|--------------------------|---------------------------|----------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 4,789 | \$ - | \$ 4,789 |
| Investments | - | 824 | 824 |
| Taxes receivable, net | 99,544 | 129,446 | 228,990 |
| Accounts receivable, net | 182,088 | 56,505 | 238,593 |
| Due from other governments | 538,162 | - | 538,162 |
| Due from other funds | 9,243,224 | 1,746,410 | 10,989,634 |
| Total assets | <u>\$ 10,067,807</u> | <u>\$ 1,933,185</u> | <u>\$ 12,000,992</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 62,785 | \$ 11,315 | \$ 74,100 |
| Due to other funds | 302,452 | - | 302,452 |
| Unearned revenues | 10,101 | - | 10,101 |
| Total liabilities | <u>375,338</u> | <u>11,315</u> | <u>386,653</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue - property taxes | 94,840 | 123,102 | 217,942 |
| Unavailable revenue - intergovernmental | 81,212 | - | 81,212 |
| Total deferred inflows of resources | <u>176,052</u> | <u>123,102</u> | <u>299,154</u> |
| FUND BALANCES | | | |
| Restricted for: | | | |
| Public safety | 3,855,337 | - | 3,855,337 |
| Public works | 924,109 | - | 924,109 |
| Culture and recreation | 285,768 | - | 285,768 |
| Economic development | 2,154,928 | - | 2,154,928 |
| Roads and bridges | 551,776 | - | 551,776 |
| Capital projects | - | 1,021,420 | 1,021,420 |
| Assigned: | | | |
| Subsequent year's budget | 1,853,908 | 777,348 | 2,631,256 |
| Unassigned | (109,409) | - | (109,409) |
| Total fund balances | <u>9,516,417</u> | <u>1,798,768</u> | <u>11,315,185</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 10,067,807</u> | <u>\$ 1,933,185</u> | <u>\$ 12,000,992</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, 2019

| | Special Revenue Funds | Capital Projects Funds | Totals |
|--------------------------------------|--------------------------|---------------------------|----------------------|
| Revenues: | | | |
| Property taxes | \$ 1,552,825 | \$ 2,359,915 | \$ 3,912,740 |
| Other taxes | 1,982,814 | - | 1,982,814 |
| Intergovernmental | 4,213,454 | - | 4,213,454 |
| Charges for services | 2,676,225 | 62,213 | 2,738,438 |
| Fines and forfeitures | 70,385 | - | 70,385 |
| Interest revenue | 6,008 | 106 | 6,114 |
| Contributions and donations | 104,300 | - | 104,300 |
| Other revenues | 76 | 56,417 | 56,493 |
| Total revenues | <u>10,606,087</u> | <u>2,478,651</u> | <u>13,084,738</u> |
| Expenditures: | | | |
| Current: | | | |
| General government | 623,935 | - | 623,935 |
| Administration of justice | 11,491 | - | 11,491 |
| Public safety | 4,484,460 | - | 4,484,460 |
| Public works | 2,200,222 | - | 2,200,222 |
| Public health and welfare | 11,787 | - | 11,787 |
| Culture and recreation | 165,277 | - | 165,277 |
| Economic development | 777,590 | - | 777,590 |
| Capital outlay | - | 1,199,551 | 1,199,551 |
| Debt service: | | | |
| Principal | 166,601 | 359,943 | 526,544 |
| Interest | 52,485 | 15,852 | 68,337 |
| Fees | 806 | - | 806 |
| Total expenditures | <u>8,494,654</u> | <u>1,575,346</u> | <u>10,070,000</u> |
| Excess of revenues over expenditures | <u>2,111,433</u> | <u>903,305</u> | <u>3,014,738</u> |
| Other financing uses: | | | |
| Transfers out | (31,870) | - | (31,870) |
| Total other financing uses | <u>(31,870)</u> | <u>-</u> | <u>(31,870)</u> |
| Net change in fund balances | 2,079,563 | 903,305 | 2,982,868 |
| Fund balances, beginning of year | <u>7,436,854</u> | <u>895,463</u> | <u>8,332,317</u> |
| Fund balances, end of year | <u>\$ 9,516,417</u> | <u>\$ 1,798,768</u> | <u>\$ 11,315,185</u> |

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LANCASTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

| | Local Accommodations Tax Fund | Indian Land Fire Protection District Fund | E-911 Fund | Pleasant Valley Fire District Fund | Court Mandated Security Fund | Victim Services Fund |
|---|-------------------------------------|--|---------------------|---|---------------------------------------|----------------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,679 |
| Taxes receivable, net | - | - | - | - | 99,544 | - |
| Accounts receivable, net | 15,587 | - | 26,237 | - | 67 | - |
| Due from other governments | - | - | 105,385 | - | - | - |
| Due from other funds | 270,181 | 652,985 | 1,279,278 | 764,486 | 1,083,936 | - |
| Total assets | <u>\$ 285,768</u> | <u>\$ 652,985</u> | <u>\$ 1,410,900</u> | <u>\$ 764,486</u> | <u>\$ 1,183,547</u> | <u>\$ 4,679</u> |
| LIABILITIES | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due to other funds | - | - | - | - | - | 32,965 |
| Unearned revenues | - | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>32,965</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue - property taxes | - | - | - | - | 94,840 | - |
| Unavailable revenue - intergovernmental | - | - | - | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>94,840</u> | <u>-</u> |
| FUND BALANCES (DEFICITS) | | | | | | |
| Restricted for: | | | | | | |
| Victim services | - | - | - | - | - | - |
| Public safety | - | 652,985 | 1,272,524 | 764,486 | 1,069,441 | - |
| Public works | - | - | - | - | - | - |
| Culture and recreation | 285,768 | - | - | - | - | - |
| Economic development | - | - | - | - | - | - |
| Roads and bridges | - | - | - | - | - | - |
| Assigned: | | | | | | |
| Subsequent year's budget | - | - | 138,376 | - | 19,266 | - |
| Unassigned | - | - | - | - | - | (28,286) |
| Total fund balances (deficits) | <u>285,768</u> | <u>652,985</u> | <u>1,410,900</u> | <u>764,486</u> | <u>1,088,707</u> | <u>(28,286)</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 285,768</u> | <u>\$ 652,985</u> | <u>\$ 1,410,900</u> | <u>\$ 764,486</u> | <u>\$ 1,183,547</u> | <u>\$ 4,679</u> |

(Continued)

| Transportation Fund | Sunday Alcohol Sales Fund | Restricted Grants Fund | Economic Development Fund | Development Agreements Fund | Hospitality Tax Fund |
|------------------------|------------------------------------|------------------------------|---------------------------------|-----------------------------------|----------------------------|
| \$ - | \$ - | \$ 110 | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | - | 139,616 |
| 135,210 | 18,000 | 279,567 | - | - | - |
| 514,641 | 77,901 | - | 60,177 | 1,326,357 | 1,957,409 |
| <u>\$ 649,851</u> | <u>\$ 95,901</u> | <u>\$ 279,677</u> | <u>\$ 60,177</u> | <u>\$ 1,326,357</u> | <u>\$ 2,097,025</u> |
| \$ 27,767 | \$ - | \$ - | \$ - | \$ - | \$ 35,018 |
| - | - | 269,487 | - | - | - |
| - | - | 10,101 | - | - | - |
| <u>27,767</u> | <u>-</u> | <u>279,588</u> | <u>-</u> | <u>-</u> | <u>35,018</u> |
| - | - | - | - | - | - |
| - | - | 81,212 | - | - | - |
| - | - | 81,212 | - | - | - |
| - | - | - | - | - | - |
| - | 95,901 | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 60,177 | - | 2,004,266 |
| 551,776 | - | - | - | - | - |
| 70,308 | - | - | - | 1,326,357 | 57,741 |
| - | - | (81,123) | - | - | - |
| <u>622,084</u> | <u>95,901</u> | <u>(81,123)</u> | <u>60,177</u> | <u>1,326,357</u> | <u>2,062,007</u> |
| <u>\$ 649,851</u> | <u>\$ 95,901</u> | <u>\$ 279,677</u> | <u>\$ 60,177</u> | <u>\$ 1,326,357</u> | <u>\$ 2,097,025</u> |

LANCASTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

| | State Accommodations Tax Fund | Stormwater Fund | Totals |
|---|-------------------------------------|--------------------|----------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ 4,789 |
| Taxes receivable, net | - | - | 99,544 |
| Accounts receivable, net | - | 581 | 182,088 |
| Due from other governments | - | - | 538,162 |
| Due from other funds | 292,035 | 963,838 | 9,243,224 |
| Total assets | <u>\$ 292,035</u> | <u>\$ 964,419</u> | <u>\$ 10,067,807</u> |
| LIABILITIES | | | |
| Accounts payable | \$ - | \$ - | \$ 62,785 |
| Due to other funds | - | - | 302,452 |
| Unearned revenues | - | - | 10,101 |
| Total liabilities | <u>-</u> | <u>-</u> | <u>375,338</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue - property taxes | - | - | 94,840 |
| Unavailable revenue - intergovernmental | - | - | 81,212 |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>176,052</u> |
| FUND BALANCES (DEFICITS) | | | |
| Restricted for: | | | |
| Public safety | - | - | 3,855,337 |
| Public works | - | 924,109 | 924,109 |
| Culture and recreation | - | - | 285,768 |
| Economic development | 90,485 | - | 2,154,928 |
| Roads and bridges | - | - | 551,776 |
| Assigned: | | | |
| Subsequent year's budget | 201,550 | 40,310 | 1,853,908 |
| Unassigned | - | - | (109,409) |
| Total fund balances (deficits) | <u>292,035</u> | <u>964,419</u> | <u>9,516,417</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 292,035</u> | <u>\$ 964,419</u> | <u>\$ 10,067,807</u> |

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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, 2019

| | Local Accommodations Tax Fund | Indian Land Fire Protection District Fund | E-911 Fund | Pleasant Valley Fire District Fund | Court Mandated Security Fund | Victim Services Fund |
|---|-------------------------------------|--|---------------------|---|---------------------------------------|----------------------------|
| Revenues: | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ 1,513,340 | \$ - |
| Other taxes | 149,626 | - | 326,666 | - | - | - |
| Intergovernmental | - | - | 357,882 | - | - | - |
| Charges for services | - | 778,635 | - | 636,930 | - | - |
| Fines and forfeitures | - | 2,912 | - | 2,549 | - | 58,098 |
| Interest revenue | 214 | 637 | 1,303 | 766 | - | - |
| Contributions and donations | - | 300 | - | - | - | - |
| Other revenues | - | - | - | - | - | - |
| Total revenues | <u>149,840</u> | <u>782,484</u> | <u>685,851</u> | <u>640,245</u> | <u>1,513,340</u> | <u>58,098</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | - | - |
| Administration of justice | - | - | - | - | - | - |
| Public safety | - | 598,342 | 624,958 | 405,366 | 1,303,193 | 89,754 |
| Public works | - | - | - | - | - | - |
| Public health and welfare | - | - | - | - | - | - |
| Culture and recreation | 43,752 | - | - | - | - | - |
| Economic development | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal | - | 46,601 | - | 120,000 | - | - |
| Interest | - | 722 | - | 51,763 | - | - |
| Fees | - | - | - | 806 | - | - |
| Total expenditures | <u>43,752</u> | <u>645,665</u> | <u>624,958</u> | <u>577,935</u> | <u>1,303,193</u> | <u>89,754</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>106,088</u> | <u>136,819</u> | <u>60,893</u> | <u>62,310</u> | <u>210,147</u> | <u>(31,656)</u> |
| Other financing uses: | | | | | | |
| Transfers out | - | - | - | - | - | - |
| Total other financing uses | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>106,088</u> | <u>136,819</u> | <u>60,893</u> | <u>62,310</u> | <u>210,147</u> | <u>(31,656)</u> |
| Fund balances (deficits), beginning of year | <u>179,680</u> | <u>516,166</u> | <u>1,350,007</u> | <u>702,176</u> | <u>878,560</u> | <u>3,370</u> |
| Fund balances (deficits), end of year | <u>\$ 285,768</u> | <u>\$ 652,985</u> | <u>\$ 1,410,900</u> | <u>\$ 764,486</u> | <u>\$ 1,088,707</u> | <u>\$ (28,286)</u> |

(Continued)

| Transportation Fund | Sunday Alcohol Sales Fund | Restricted Grants Fund | Economic Development Fund | Development Agreements Fund | Hospitality Tax Fund |
|---------------------|---------------------------|------------------------|---------------------------|-----------------------------|----------------------|
| \$ - | \$ - | \$ - | \$ 39,485 | \$ - | \$ - |
| - | - | - | - | - | 1,506,522 |
| 1,684,005 | 28,350 | 1,980,810 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 458 | - | - | - | - | 1,636 |
| - | 9,000 | 95,000 | - | - | - |
| - | 76 | - | - | - | - |
| <u>1,684,463</u> | <u>37,426</u> | <u>2,075,810</u> | <u>39,485</u> | <u>-</u> | <u>1,508,158</u> |
| - | - | 52,498 | - | - | 571,437 |
| - | - | 11,491 | - | - | - |
| - | 16,000 | 1,065,565 | - | 381,282 | - |
| 1,319,410 | - | 48,302 | - | - | - |
| - | - | 11,787 | - | - | - |
| - | - | 9,853 | - | - | - |
| - | - | 777,590 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>1,319,410</u> | <u>16,000</u> | <u>1,977,086</u> | <u>-</u> | <u>381,282</u> | <u>571,437</u> |
| <u>365,053</u> | <u>21,426</u> | <u>98,724</u> | <u>39,485</u> | <u>(381,282)</u> | <u>936,721</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 365,053 | 21,426 | 98,724 | 39,485 | (381,282) | 936,721 |
| 257,031 | 74,475 | (179,847) | 20,692 | 1,707,639 | 1,125,286 |
| <u>\$ 622,084</u> | <u>\$ 95,901</u> | <u>\$ (81,123)</u> | <u>\$ 60,177</u> | <u>\$ 1,326,357</u> | <u>\$ 2,062,007</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, 2019

| | State Accommodations Tax Fund | Stormwater Fund | Totals |
|---|-------------------------------------|--------------------|---------------------|
| Revenues: | | | |
| Property taxes | \$ - | \$ - | \$ 1,552,825 |
| Other taxes | - | - | 1,982,814 |
| Intergovernmental | 162,407 | - | 4,213,454 |
| Charges for services | - | 1,260,660 | 2,676,225 |
| Fines and forfeitures | - | 6,826 | 70,385 |
| Interest revenue | 151 | 843 | 6,008 |
| Contributions and donations | - | - | 104,300 |
| Other revenues | - | - | 76 |
| Total revenues | <u>162,558</u> | <u>1,268,329</u> | <u>10,606,087</u> |
| Expenditures: | | | |
| Current: | | | |
| General government | - | - | 623,935 |
| Administration of justice | - | - | 11,491 |
| Public safety | - | - | 4,484,460 |
| Public works | - | 832,510 | 2,200,222 |
| Public health and welfare | - | - | 11,787 |
| Culture and recreation | 111,672 | - | 165,277 |
| Economic development | - | - | 777,590 |
| Debt service: | | | |
| Principal | - | - | 166,601 |
| Interest | - | - | 52,485 |
| Fees | - | - | 806 |
| Total expenditures | <u>111,672</u> | <u>832,510</u> | <u>8,494,654</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>50,886</u> | <u>435,819</u> | <u>2,111,433</u> |
| Other financing uses: | | | |
| Transfers out | <u>(31,870)</u> | <u>-</u> | <u>(31,870)</u> |
| Total other financing uses | <u>(31,870)</u> | <u>-</u> | <u>(31,870)</u> |
| Net change in fund balances | 19,016 | 435,819 | 2,079,563 |
| Fund balances (deficit), beginning of year | <u>273,019</u> | <u>528,600</u> | <u>7,436,854</u> |
| Fund balances (deficits), end of year | <u>\$ 292,035</u> | <u>\$ 964,419</u> | <u>\$ 9,516,417</u> |

LANCASTER COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2019**

| | <u>KEER Special Sources Fund</u> | <u>Brookchase Special Tax District Fund</u> | <u>Capital Improvement Fund</u> | <u>Edgewater Improvement District Fund</u> | <u>Edgewater II Improvement District Fund</u> | <u>Totals</u> |
|---|--|---|---|--|---|---------------------|
| ASSETS | | | | | | |
| Investments | \$ - | \$ - | \$ - | \$ - | \$ 824 | \$ 824 |
| Taxes receivable, net | - | - | 129,446 | - | - | 129,446 |
| Accounts receivable, net | - | - | 56,505 | - | - | 56,505 |
| Due from other funds | - | 88,597 | 1,646,498 | 11,315 | - | 1,746,410 |
| Total assets | <u>\$ -</u> | <u>\$ 88,597</u> | <u>\$ 1,832,449</u> | <u>\$ 11,315</u> | <u>\$ 824</u> | <u>\$ 1,933,185</u> |
| LIABILITIES | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 11,315 | \$ - | \$ 11,315 |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>11,315</u> | <u>-</u> | <u>11,315</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue - property taxes | - | - | 123,102 | - | - | 123,102 |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>123,102</u> | <u>-</u> | <u>-</u> | <u>123,102</u> |
| FUND BALANCES (DEFICIT) | | | | | | |
| Restricted for: | | | | | | |
| Capital projects | - | 88,597 | 931,999 | - | 824 | 1,021,420 |
| Assigned: | | | | | | |
| Subsequent year's budget | - | - | 777,348 | - | - | 777,348 |
| Total fund balances | <u>-</u> | <u>88,597</u> | <u>1,709,347</u> | <u>-</u> | <u>824</u> | <u>1,798,768</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ -</u> | <u>\$ 88,597</u> | <u>\$ 1,832,449</u> | <u>\$ 11,315</u> | <u>\$ 824</u> | <u>\$ 1,933,185</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, 2019

| | KEER Special Sources Fund | Brookchase Special Tax District Fund | Capital Improvement Fund | Edgewater Improvement District Fund | Edgewater II Improvement District Fund | Totals |
|---|---------------------------------|--|--------------------------------|---|--|---------------------|
| Revenues: | | | | | | |
| Property taxes | \$ 316,190 | \$ - | \$ 2,043,725 | \$ - | \$ - | \$ 2,359,915 |
| Charges for services | - | 62,213 | - | - | - | 62,213 |
| Interest revenue | - | 91 | - | - | 15 | 106 |
| Other revenues | - | - | 56,417 | - | - | 56,417 |
| Total revenues | <u>316,190</u> | <u>62,304</u> | <u>2,100,142</u> | <u>-</u> | <u>15</u> | <u>2,478,651</u> |
| Expenditures: | | | | | | |
| Capital outlay: | | | | | | |
| General government | - | - | 238,214 | - | - | 238,214 |
| Public safety | - | - | 568,704 | - | - | 568,704 |
| Public works | - | - | 392,633 | - | - | 392,633 |
| Debt service: | | | | | | |
| Principal | 316,190 | 43,753 | - | - | - | 359,943 |
| Interest | - | 15,852 | - | - | - | 15,852 |
| Total expenditures | <u>316,190</u> | <u>59,605</u> | <u>1,199,551</u> | <u>-</u> | <u>-</u> | <u>1,575,346</u> |
| Net change in fund balances | - | 2,699 | 900,591 | - | 15 | 903,305 |
| FUND BALANCES, beginning of year | <u>-</u> | <u>85,898</u> | <u>808,756</u> | <u>-</u> | <u>809</u> | <u>895,463</u> |
| FUND BALANCES, end of year | <u>\$ -</u> | <u>\$ 88,597</u> | <u>\$ 1,709,347</u> | <u>\$ -</u> | <u>\$ 824</u> | <u>\$ 1,798,768</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, 2019

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|---|---------------------------------|------------------------------|-------------------|-------------------|
| REVENUES | | | | |
| Other taxes | \$ 55,000 | \$ 55,000 | \$ 149,626 | \$ 94,626 |
| Interest revenue | - | - | 214 | 214 |
| Total revenues | <u>55,000</u> | <u>55,000</u> | <u>149,840</u> | <u>94,840</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Culture and recreation | <u>55,000</u> | <u>55,000</u> | <u>43,752</u> | <u>11,248</u> |
| Total expenditures | <u>55,000</u> | <u>55,000</u> | <u>43,752</u> | <u>11,248</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 106,088 | <u>\$ 106,088</u> |
| FUND BALANCES, beginning of year | | | <u>179,680</u> | |
| FUND BALANCES, end of year | | | <u>\$ 285,768</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, 2019

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|---|---------------------------------|------------------------------|-------------------|-------------------|
| REVENUES | | | | |
| Charges for services | \$ 737,000 | \$ 737,000 | \$ 778,635 | \$ 41,635 |
| Fines and forfeitures | - | - | 2,912 | 2,912 |
| Investment income | - | - | 637 | 637 |
| Contributions and donations | - | - | 300 | 300 |
| Total revenues | <u>737,000</u> | <u>737,000</u> | <u>782,484</u> | <u>45,484</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 566,525 | 689,675 | 598,342 | 91,333 |
| Debt service: | | | | |
| Principal | 46,603 | 46,603 | 46,601 | 2 |
| Interest | 722 | 722 | 722 | - |
| Total expenditures | <u>613,850</u> | <u>737,000</u> | <u>645,665</u> | <u>91,335</u> |
| Net change in fund balance | <u>\$ 123,150</u> | <u>\$ -</u> | <u>136,819</u> | <u>\$ 136,819</u> |
| FUND BALANCES, beginning of year | | | <u>516,166</u> | |
| FUND BALANCES, end of year | | | <u>\$ 652,985</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, 2019**

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|---|---------------------------------|------------------------------|---------------------|------------------|
| REVENUES | | | | |
| Other taxes | \$ 325,000 | \$ 325,000 | \$ 326,666 | \$ 1,666 |
| Intergovernmental | 683,748 | 683,748 | 357,882 | (325,866) |
| Interest revenue | - | - | 1,303 | 1,303 |
| Total revenues | <u>1,008,748</u> | <u>1,008,748</u> | <u>685,851</u> | <u>(322,897)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | <u>1,008,748</u> | <u>1,008,748</u> | <u>624,958</u> | <u>383,790</u> |
| Total expenditures | <u>1,008,748</u> | <u>1,008,748</u> | <u>624,958</u> | <u>383,790</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 60,893 | <u>\$ 60,893</u> |
| FUND BALANCES, beginning of year | | | <u>1,350,007</u> | |
| FUND BALANCES, end of year | | | <u>\$ 1,410,900</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, 2019

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|---|---------------------------------|------------------------------|-------------------|------------------|
| REVENUES | | | | |
| Charges for services | \$ 735,728 | \$ 735,728 | \$ 636,930 | \$ (98,798) |
| Fines and forfeitures | 2,500 | 2,500 | 2,549 | 49 |
| Interest revenue | - | - | 766 | 766 |
| Total revenues | <u>738,228</u> | <u>738,228</u> | <u>640,245</u> | <u>(97,983)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 566,465 | 566,465 | 405,366 | 161,099 |
| Debt service: | | | | |
| Principal | 120,000 | 120,000 | 120,000 | - |
| Interest | 51,763 | 51,763 | 51,763 | - |
| Fees | - | - | 806 | (806) |
| Total expenditures | <u>738,228</u> | <u>738,228</u> | <u>577,935</u> | <u>160,293</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 62,310 | <u>\$ 62,310</u> |
| FUND BALANCES, beginning of year | | | <u>702,176</u> | |
| FUND BALANCES, end of year | | | <u>\$ 764,486</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, 2019

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|---|---------------------------------|------------------------------|---------------------|-------------------|
| REVENUES | | | | |
| Property taxes | \$ 1,420,170 | \$ 1,420,170 | \$ 1,513,340 | \$ 93,170 |
| Total revenues | <u>1,420,170</u> | <u>1,420,170</u> | <u>1,513,340</u> | <u>93,170</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 1,420,170 | 1,420,170 | 1,303,193 | 116,977 |
| Total expenditures | <u>1,420,170</u> | <u>1,420,170</u> | <u>1,303,193</u> | <u>116,977</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 210,147 | <u>\$ 210,147</u> |
| FUND BALANCES, beginning of year | | | <u>878,560</u> | |
| FUND BALANCES, end of year | | | <u>\$ 1,088,707</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, 2019**

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|---|---------------------------------|------------------------------|--------------------|--------------------|
| REVENUES | | | | |
| Fines and forfeitures | \$ 81,000 | \$ 81,000 | \$ 58,098 | \$ (22,902) |
| Total revenues | <u>81,000</u> | <u>81,000</u> | <u>58,098</u> | <u>(22,902)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 96,000 | 96,000 | 89,754 | 6,246 |
| Total expenditures | <u>96,000</u> | <u>96,000</u> | <u>89,754</u> | <u>6,246</u> |
| Deficiency of expenditures under revenues | (15,000) | (15,000) | (31,656) | (29,148) |
| Other financing sources | | | | |
| Transfers in | 15,000 | 15,000 | - | (15,000) |
| Total other financing sources | <u>15,000</u> | <u>15,000</u> | <u>-</u> | <u>(15,000)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | (31,656) | <u>\$ (44,148)</u> |
| FUND BALANCES, beginning of year | | | 3,370 | |
| FUND BALANCES, end of year | | | <u>\$ (28,286)</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, 2019

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|---|---------------------------------|------------------------------|-------------------|--------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 2,950,000 | \$ 2,950,000 | \$ 1,684,005 | \$ (1,265,995) |
| Interest revenue | - | - | 458 | 458 |
| Budgeted fund balance | 181,853 | 181,853 | - | (181,853) |
| Total revenues | <u>3,131,853</u> | <u>3,131,853</u> | <u>1,684,463</u> | <u>(1,447,390)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works | 3,131,853 | 3,131,853 | 1,319,410 | 1,812,443 |
| Total expenditures | <u>3,131,853</u> | <u>3,131,853</u> | <u>1,319,410</u> | <u>1,812,443</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 365,053 | <u>\$ 365,053</u> |
| FUND BALANCES, beginning of year | | | <u>257,031</u> | |
| FUND BALANCES, end of year | | | <u>\$ 622,084</u> | |

LANCASTER COUNTY, SOUTH CAROLINA
DEVELOPMENT AGREEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|---|---------------------------------|------------------------------|--------------|--------------|
| REVENUES | | | | |
| Budgeted fund balance | 1,749,693 | 1,749,693 | - | (1,749,693) |
| Total revenues | 1,749,693 | 1,749,693 | - | (1,749,693) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 1,749,693 | 1,749,693 | 381,282 | 1,368,411 |
| Total expenditures | 1,749,693 | 1,749,693 | 381,282 | 1,368,411 |
| Net change in fund balance | \$ - | \$ - | (381,282) | \$ (381,282) |
| FUND BALANCES, beginning of year | | | 1,707,639 | |
| FUND BALANCES, end of year | | | \$ 1,326,357 | |

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, 2019

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|---|---------------------------------|------------------------------|-------------------|------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 145,000 | \$ 145,000 | \$ 162,407 | \$ 17,407 |
| Interest revenue | - | - | 151 | 151 |
| Total revenues | <u>145,000</u> | <u>145,000</u> | <u>162,558</u> | <u>17,558</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Culture and recreation | 109,704 | 109,704 | 111,672 | (1,968) |
| Total expenditures | <u>109,704</u> | <u>109,704</u> | <u>111,672</u> | <u>(1,968)</u> |
| Excess of revenues over expenditures | 35,296 | 35,296 | 50,886 | 15,590 |
| Other financing uses | | | | |
| Transfers out | (31,000) | (31,000) | (31,870) | (870) |
| Total other financing uses | <u>(31,000)</u> | <u>(31,000)</u> | <u>(31,870)</u> | <u>(870)</u> |
| Net change in fund balance | <u>\$ 4,296</u> | <u>\$ 4,296</u> | 19,016 | <u>\$ 14,720</u> |
| FUND BALANCES, beginning of year | | | <u>273,019</u> | |
| FUND BALANCES, end of year | | | <u>\$ 292,035</u> | |

LANCASTER COUNTY, SOUTH CAROLINA
STORMWATER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|---|---------------------------------|------------------------------|-------------------|-------------------|
| REVENUES | | | | |
| Charges for services | \$ 1,141,450 | \$ 1,141,450 | \$ 1,260,660 | \$ 119,210 |
| Fines and forfeitures | - | - | 6,826 | 6,826 |
| Interest revenue | - | - | 843 | 843 |
| Budgeted fund balance | 43,000 | 78,000 | - | (78,000) |
| Total revenues | <u>1,184,450</u> | <u>1,219,450</u> | <u>1,268,329</u> | <u>48,879</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works | <u>1,184,450</u> | <u>1,219,450</u> | <u>832,510</u> | <u>386,940</u> |
| Total expenditures | <u>1,184,450</u> | <u>1,219,450</u> | <u>832,510</u> | <u>386,940</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 435,819 | <u>\$ 435,819</u> |
| FUND BALANCES, beginning of year | | | <u>528,600</u> | |
| FUND BALANCES, end of year | | | <u>\$ 964,419</u> | |

LANCASTER COUNTY, SOUTH CAROLINA
DEBT SERVICE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|---|---------------------------------|------------------------------|---------------------|---------------------|
| REVENUES | | | | |
| Property taxes | \$ 3,112,700 | \$ 3,112,700 | \$ 3,392,508 | \$ 279,808 |
| Interest revenue | 700 | 700 | 1,702 | 1,002 |
| Total revenues | <u>3,113,400</u> | <u>3,113,400</u> | <u>3,394,210</u> | <u>280,810</u> |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal | 5,100,000 | 5,100,000 | 6,715,000 | (1,615,000) |
| Interest | 1,232,360 | 1,232,360 | 1,246,546 | (14,186) |
| Fees | 5,000 | 5,000 | 29,742 | (24,742) |
| Total expenditures | <u>6,337,360</u> | <u>6,337,360</u> | <u>7,991,288</u> | <u>(1,653,928)</u> |
| Deficiency of revenues under expenditures | <u>(3,223,960)</u> | <u>(3,223,960)</u> | <u>(4,597,078)</u> | <u>(1,373,118)</u> |
| Other financing sources | | | | |
| Transfers in | 3,768,550 | 3,768,550 | 5,593,316 | 1,824,766 |
| Transfers out | - | - | (3,301) | (3,301) |
| Proceeds from the issuance of bonds | - | - | 2,405,000 | 2,405,000 |
| Premium on bonds issued | - | - | 224,068 | 224,068 |
| Total other financing sources | <u>3,768,550</u> | <u>3,768,550</u> | <u>8,219,083</u> | <u>4,450,533</u> |
| Net change in fund balance | <u>\$ 544,590</u> | <u>\$ 544,590</u> | <u>3,622,005</u> | <u>\$ 3,077,415</u> |
| FUND BALANCES, beginning of year | | | <u>839,211</u> | |
| FUND BALANCES, end of year | | | <u>\$ 4,461,216</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, 2019

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|---|---------------------------------|------------------------------|---------------------|-------------------|
| REVENUES | | | | |
| Property taxes | \$ 1,886,832 | \$ 1,886,832 | \$ 2,043,725 | \$ 156,893 |
| Other revenues | - | - | 56,417 | 56,417 |
| Total revenues | <u>1,886,832</u> | <u>1,886,832</u> | <u>2,100,142</u> | <u>213,310</u> |
| EXPENDITURES | | | | |
| Capital outlay: | | | | |
| General government | 271,832 | 271,832 | 238,214 | 33,618 |
| Public safety | 565,000 | 565,000 | 568,704 | (3,704) |
| Public works | 440,000 | 440,000 | 392,633 | 47,367 |
| Public health and welfare | 610,000 | 610,000 | - | 610,000 |
| Total expenditures | <u>1,886,832</u> | <u>1,886,832</u> | <u>1,199,551</u> | <u>687,281</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 900,591 | <u>\$ 900,591</u> |
| FUND BALANCES, beginning of year | | | <u>808,756</u> | |
| FUND BALANCES, end of year | | | <u>\$ 1,709,347</u> | |

LANCASTER COUNTY, SOUTH CAROLINA
CAPITAL PROJECT SALES TAX FUND 2
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|---|---------------------------------|------------------------------|---------------|--------------|
| REVENUES | | | | |
| Sales and other local taxes | \$ 8,500,000 | \$ 8,500,000 | \$ 9,632,957 | \$ 1,132,957 |
| Other revenues | - | - | 451,265 | 451,265 |
| Budgeted fund balance | 10,085,330 | 10,176,735 | - | (10,176,735) |
| Total revenues | 18,585,330 | 18,676,735 | 10,084,222 | (8,592,513) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works | 6,500,000 | 6,500,000 | 1,597,636 | 4,902,364 |
| Culture and recreation | 7,921,285 | 7,921,285 | 399,835 | 7,521,450 |
| Capital outlay: | | | | |
| Public safety | 395,495 | 486,900 | 400,339 | 86,561 |
| Total expenditures | 14,816,780 | 14,908,185 | 2,397,810 | 12,510,375 |
| Excess of revenues over expenditures | 3,768,550 | 3,768,550 | 7,686,412 | 3,917,862 |
| Other financing uses | | | | |
| Transfers out | (3,768,550) | (3,768,550) | (3,768,550) | - |
| Total other financing uses | (3,768,550) | (3,768,550) | (3,768,550) | - |
| Net change in fund balance | \$ - | \$ - | 3,917,862 | \$ 3,917,862 |
| FUND BALANCES, beginning of year | | | 18,946,438 | |
| FUND BALANCES, end of year | | | \$ 22,864,300 | |

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AGENCY FUNDS

LANCASTER COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| | June 30, 2018 | Increases | Decreases | June 30, 2019 |
|----------------------------|----------------------|-----------------------|-------------------------|-----------------------|
| Education Fund | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 18,141,129 | \$ 89,518,235 | \$ (90,358,341) | \$ 17,301,023 |
| Investments | 71,493,362 | 93,196,636 | (66,214,749) | 98,475,249 |
| Taxes receivable | 5,578,807 | 329,315 | - | 5,908,122 |
| Accounts receivable | - | 4,050 | - | 4,050 |
| Due from other governments | 17,160 | 12,703 | (17,160) | 12,703 |
| Total assets | <u>\$ 95,230,458</u> | <u>\$ 183,060,939</u> | <u>\$ (156,590,250)</u> | <u>\$ 121,701,147</u> |
| LIABILITIES | | | | |
| Due to school district | \$ 95,092,811 | \$ 181,087,571 | \$ (154,628,829) | \$ 121,551,553 |
| Due to USC-L | 137,647 | 1,973,368 | (1,961,421) | 149,594 |
| Total liabilities | <u>\$ 95,230,458</u> | <u>\$ 183,060,939</u> | <u>\$ (156,590,250)</u> | <u>\$ 121,701,147</u> |
| Clerk of Court | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 1,164,778 | \$ 403,453 | \$ (831,007) | \$ 737,224 |
| Investments | 20,447 | 25 | - | 20,472 |
| Total assets | <u>\$ 1,185,225</u> | <u>\$ 403,478</u> | <u>\$ (831,007)</u> | <u>\$ 757,696</u> |
| LIABILITIES | | | | |
| Due to others | \$ 1,185,225 | \$ 403,478 | \$ (831,007) | \$ 757,696 |
| Total liabilities | <u>\$ 1,185,225</u> | <u>\$ 403,478</u> | <u>\$ (831,007)</u> | <u>\$ 757,696</u> |
| Family Court | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 137,467 | \$ 3,987,851 | \$ (3,980,002) | \$ 145,316 |
| Total assets | <u>\$ 137,467</u> | <u>\$ 3,987,851</u> | <u>\$ (3,980,002)</u> | <u>\$ 145,316</u> |
| LIABILITIES | | | | |
| Due to others | \$ 137,467 | \$ 3,987,851 | \$ (3,980,002) | \$ 145,316 |
| Total liabilities | <u>\$ 137,467</u> | <u>\$ 3,987,851</u> | <u>\$ (3,980,002)</u> | <u>\$ 145,316</u> |
| Probate Court | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 402 | \$ 143,576 | \$ (143,549) | \$ 429 |
| Total assets | <u>\$ 402</u> | <u>\$ 143,576</u> | <u>\$ (143,549)</u> | <u>\$ 429</u> |
| LIABILITIES | | | | |
| Due to others | \$ 402 | \$ 143,576 | \$ (143,549) | \$ 429 |
| Total liabilities | <u>\$ 402</u> | <u>\$ 143,576</u> | <u>\$ (143,549)</u> | <u>\$ 429</u> |

LANCASTER COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| | June 30, 2018 | Increases | Decreases | June 30, 2019 |
|------------------------------------|---------------------|---------------------|-----------------------|---------------------|
| Tax Collector Property Sold | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 1,415,264 | \$ 7,428,320 | \$ (6,718,460) | \$ 2,125,124 |
| Total assets | <u>\$ 1,415,264</u> | <u>\$ 7,428,320</u> | <u>\$ (6,718,460)</u> | <u>\$ 2,125,124</u> |
| LIABILITIES | | | | |
| Due to others | \$ 1,415,264 | \$ 7,428,320 | \$ (6,718,460) | \$ 2,125,124 |
| Total liabilities | <u>\$ 1,415,264</u> | <u>\$ 7,428,320</u> | <u>\$ (6,718,460)</u> | <u>\$ 2,125,124</u> |
| Tax Collector Trust Account | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 372,974 | \$ 43,126 | \$ (43,972) | \$ 372,128 |
| Total assets | <u>\$ 372,974</u> | <u>\$ 43,126</u> | <u>\$ (43,972)</u> | <u>\$ 372,128</u> |
| LIABILITIES | | | | |
| Due to others | \$ 372,974 | \$ 43,126 | \$ (43,972) | \$ 372,128 |
| Total liabilities | <u>\$ 372,974</u> | <u>\$ 43,126</u> | <u>\$ (43,972)</u> | <u>\$ 372,128</u> |
| Forfeit Land Commission | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 424,111 | \$ 223,661 | \$ (124,719) | \$ 523,053 |
| Total assets | <u>\$ 424,111</u> | <u>\$ 223,661</u> | <u>\$ (124,719)</u> | <u>\$ 523,053</u> |
| LIABILITIES | | | | |
| Due to others | \$ 424,111 | \$ 223,661 | \$ (124,719) | \$ 523,053 |
| Total liabilities | <u>\$ 424,111</u> | <u>\$ 223,661</u> | <u>\$ (124,719)</u> | <u>\$ 523,053</u> |
| Magistrates | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 162,483 | \$ 941,379 | \$ (934,901) | \$ 168,961 |
| Total assets | <u>\$ 162,483</u> | <u>\$ 941,379</u> | <u>\$ (934,901)</u> | <u>\$ 168,961</u> |
| LIABILITIES | | | | |
| Due to others | \$ 162,483 | \$ 941,379 | \$ (934,901) | \$ 168,961 |
| Total liabilities | <u>\$ 162,483</u> | <u>\$ 941,379</u> | <u>\$ (934,901)</u> | <u>\$ 168,961</u> |

LANCASTER COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| | June 30, 2018 | Increases | Decreases | June 30, 2019 |
|--|-------------------|---------------------|-----------------------|-------------------|
| City of Lancaster | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 25,461 | \$ 4,397,048 | \$ (4,391,862) | \$ 30,647 |
| Taxes receivable | 722,537 | 298,407 | (722,537) | 298,407 |
| Total assets | <u>\$ 747,998</u> | <u>\$ 4,695,455</u> | <u>\$ (5,114,399)</u> | <u>\$ 329,054</u> |
| LIABILITIES | | | | |
| Due to other taxing districts and agencies | \$ 747,998 | \$ 4,695,455 | \$ (5,114,399) | \$ 329,054 |
| Total liabilities | <u>\$ 747,998</u> | <u>\$ 4,695,455</u> | <u>\$ (5,114,399)</u> | <u>\$ 329,054</u> |
| Town of Kershaw | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 1,433 | \$ 174,551 | \$ (173,541) | \$ 2,443 |
| Taxes receivable | 24,776 | 27,071 | (24,776) | 27,071 |
| Total assets | <u>\$ 26,209</u> | <u>\$ 201,622</u> | <u>\$ (198,317)</u> | <u>\$ 29,514</u> |
| LIABILITIES | | | | |
| Due to other taxing districts and agencies | \$ 26,209 | \$ 201,622 | \$ (198,317) | \$ 29,514 |
| Total liabilities | <u>\$ 26,209</u> | <u>\$ 201,622</u> | <u>\$ (198,317)</u> | <u>\$ 29,514</u> |
| Edgewater Improvement District | | | | |
| ASSETS | | | | |
| Investments | \$ 931,550 | \$ 2,036,052 | \$ (2,306,525) | \$ 661,077 |
| Total assets | <u>\$ 931,550</u> | <u>\$ 2,036,052</u> | <u>\$ (2,306,525)</u> | <u>\$ 661,077</u> |
| LIABILITIES | | | | |
| Due to others | \$ 931,550 | \$ 2,036,052 | \$ (2,306,525) | \$ 661,077 |
| Total liabilities | <u>\$ 931,550</u> | <u>\$ 2,036,052</u> | <u>\$ (2,306,525)</u> | <u>\$ 661,077</u> |
| Edgewater II Improvement District | | | | |
| ASSETS | | | | |
| Investments | \$ 520,869 | \$ 11,082 | \$ (1,800) | \$ 530,151 |
| Total assets | <u>\$ 520,869</u> | <u>\$ 11,082</u> | <u>\$ (1,800)</u> | <u>\$ 530,151</u> |
| LIABILITIES | | | | |
| Due to others | \$ 520,869 | \$ 11,082 | \$ (1,800) | \$ 530,151 |
| Total liabilities | <u>\$ 520,869</u> | <u>\$ 11,082</u> | <u>\$ (1,800)</u> | <u>\$ 530,151</u> |

LANCASTER COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| | June 30, 2018 | Increases | Decreases | June 30, 2019 |
|---|---------------------|---------------------|-----------------------|---------------------|
| Sun City Improvement District | | | | |
| ASSETS | | | | |
| Investments | \$ 877,956 | \$ 994,812 | \$ (1,003,312) | \$ 869,456 |
| Total assets | <u>\$ 877,956</u> | <u>\$ 994,812</u> | <u>\$ (1,003,312)</u> | <u>\$ 869,456</u> |
| LIABILITIES | | | | |
| Due to others | \$ 877,956 | \$ 994,812 | \$ (1,003,312) | \$ 869,456 |
| Total liabilities | <u>\$ 877,956</u> | <u>\$ 994,812</u> | <u>\$ (1,003,312)</u> | <u>\$ 869,456</u> |
| Edenmoor/Walnut Creek Improvement District | | | | |
| ASSETS | | | | |
| Investments | \$ 1,976,587 | \$ 1,873,454 | \$ (1,810,634) | \$ 2,039,407 |
| Total assets | <u>\$ 1,976,587</u> | <u>\$ 1,873,454</u> | <u>\$ (1,810,634)</u> | <u>\$ 2,039,407</u> |
| LIABILITIES | | | | |
| Due to others | \$ 1,976,587 | \$ 1,873,454 | \$ (1,810,634) | \$ 2,039,407 |
| Total liabilities | <u>\$ 1,976,587</u> | <u>\$ 1,873,454</u> | <u>\$ (1,810,634)</u> | <u>\$ 2,039,407</u> |
| Walnut Creek Improvement District 2 | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 1,815 | \$ 358,122 | \$ (357,910) | \$ 2,027 |
| Total assets | <u>\$ 1,815</u> | <u>\$ 358,122</u> | <u>\$ (357,910)</u> | <u>\$ 2,027</u> |
| LIABILITIES | | | | |
| Due to others | \$ 1,815 | \$ 358,122 | \$ (357,910) | \$ 2,027 |
| Total liabilities | <u>\$ 1,815</u> | <u>\$ 358,122</u> | <u>\$ (357,910)</u> | <u>\$ 2,027</u> |
| Detention Center Inmates | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 11,648 | \$ 312,249 | \$ (297,951) | \$ 25,946 |
| Total assets | <u>\$ 11,648</u> | <u>\$ 312,249</u> | <u>\$ (297,951)</u> | <u>\$ 25,946</u> |
| LIABILITIES | | | | |
| Due to others | \$ 11,648 | \$ 312,249 | \$ (297,951) | \$ 25,946 |
| Total liabilities | <u>\$ 11,648</u> | <u>\$ 312,249</u> | <u>\$ (297,951)</u> | <u>\$ 25,946</u> |
| Employee Funds | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 2,832 | \$ 12,655 | \$ (7,976) | \$ 7,511 |
| Total assets | <u>\$ 2,832</u> | <u>\$ 12,655</u> | <u>\$ (7,976)</u> | <u>\$ 7,511</u> |
| LIABILITIES | | | | |
| Due to others | \$ 2,832 | \$ 12,655 | \$ (7,976) | \$ 7,511 |
| Total liabilities | <u>\$ 2,832</u> | <u>\$ 12,655</u> | <u>\$ (7,976)</u> | <u>\$ 7,511</u> |

LANCASTER COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| | June 30, 2018 | Increases | Decreases | June 30, 2019 |
|--|-----------------------|-----------------------|-------------------------|-----------------------|
| Chester County | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 427 | \$ 72,888 | \$ (73,315) | \$ - |
| Total assets | <u>\$ 427</u> | <u>\$ 72,888</u> | <u>\$ (73,315)</u> | <u>\$ -</u> |
| LIABILITIES | | | | |
| Due to other taxing districts and agencies | \$ 427 | \$ 72,888 | \$ (73,315) | \$ - |
| Total liabilities | <u>\$ 427</u> | <u>\$ 72,888</u> | <u>\$ (73,315)</u> | <u>\$ -</u> |
| Chesterfield | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 63 | \$ 16,308 | \$ (16,233) | \$ 138 |
| Taxes receivable | 145 | 2,202 | (145) | 2,202 |
| Total assets | <u>\$ 208</u> | <u>\$ 18,510</u> | <u>\$ (16,378)</u> | <u>\$ 2,340</u> |
| LIABILITIES | | | | |
| Due to other taxing districts and agencies | \$ 208 | \$ 18,510 | \$ (16,378) | \$ 2,340 |
| Total liabilities | <u>\$ 208</u> | <u>\$ 18,510</u> | <u>\$ (16,378)</u> | <u>\$ 2,340</u> |
| Totals | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 21,862,287 | \$ 108,033,422 | \$ (108,453,739) | \$ 21,441,970 |
| Investments | 75,820,771 | 98,112,061 | (71,337,020) | 102,595,812 |
| Taxes receivable | 6,326,265 | 656,995 | (747,458) | 6,235,802 |
| Accounts receivable | - | 4,050 | - | 4,050 |
| Due from other governments | 17,160 | 12,703 | (17,160) | 12,703 |
| Total assets | <u>\$ 104,026,483</u> | <u>\$ 206,819,231</u> | <u>\$ (180,555,377)</u> | <u>\$ 130,290,337</u> |
| LIABILITIES | | | | |
| Due to other taxing districts and agencies | \$ 96,005,300 | \$ 188,049,414 | \$ (161,992,659) | \$ 122,062,055 |
| Due to others | 8,021,183 | 18,769,817 | (18,562,718) | 8,228,282 |
| Total liabilities | <u>\$ 104,026,483</u> | <u>\$ 206,819,231</u> | <u>\$ (180,555,377)</u> | <u>\$ 130,290,337</u> |

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**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, 2019

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 | \$ 226,590 | \$ 821,994 | N/A | \$ 1,048,584 |
| Court fines and assessments remitted to State Treasurer | 157,676 | 419,433 | N/A | \$ 577,109 |
| Total Court Fines and Assessments retained | \$ 68,914 | \$ 402,561 | N/A | \$ 471,475 |
| Surcharges and Assessments retained for victim services: | | | | |
| Surcharges collected and retained | \$ 14,703 | \$ 14,896 | N/A | 29,599 |
| Assessments retained | 3,767 | 24,732 | N/A | 28,499 |
| Total Surcharges and Assessments retained for victim services | \$ 18,470 | \$ 39,628 | N/A | 58,098 |

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 | \$ 3,370 | \$ 3,370 |
| <u>Victim Service Revenue:</u> | | | |
| Victim Service Fines Retained by City/County Treasurer | N/A | - | - |
| Victim Service Assessments Retained by City/County Treasurer | N/A | 28,499 | 28,499 |
| Victim Service Surcharges Retained by City/County Treasurer | N/A | 29,599 | 29,599 |
| 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 | N/A | - | - |
| (2) Town of | N/A | - | - |
| (3) City of | N/A | - | - |
| Total Funds Allocated to Victim Service Fund + Beginning Balance (A) | N/A | \$ 61,468 | \$ 61,468 |

LANCASTER COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2019

| <u>Expenditures for Victim Service Program:</u> | <u>Municipal</u> | <u>County</u> | <u>Total</u> |
|---|-------------------------|----------------------|---------------------|
| Salaries and Benefits | N/A | 68,547 | \$ 68,547 |
| Operating Expenditures | N/A | 2,458 | 2,458 |
| Victim Service Contract(s): | | | |
| (1) Entity's Name: Palmetto Citizens Against Sexual Assault | N/A | 18,750 | 18,750 |
| (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 | 89,755 | 89,755 |
| Total Victim Service Deficit Retained by Municipal/County Treasurer (A-B) | N/A | (28,287) | (28,287) |
| Less: Prior Year Fund Deficit Repayment | N/A | - | - |
| Carryforward Funds – End of Year | N/A | \$ (28,287) | \$ (28,287) |

STATISTICAL SECTION

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

Contents

Page

Financial Trends 107 - 115

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

Revenue Capacity 116 - 120

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

Debt Capacity 121 - 124

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information 125 and 126

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

Operating Information 127 - 129

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

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

Note: During fiscal year 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)

| | 2010 ² | 2011 | 2012 | 2013 | 2014 ³ | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-------------------|---------------|---------------|---------------|-------------------|---------------|---------------|---------------|---------------|---------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 30,319,260 | \$ 37,890,060 | \$ 33,996,194 | \$ 36,831,933 | \$ 40,435,476 | \$ 28,252,587 | \$ 41,708,030 | \$ 49,292,814 | \$ 54,081,125 | \$ 57,524,123 |
| Restricted | 10,234,674 | 13,025,845 | 19,584,980 | 24,325,103 | 20,858,227 | 42,783,910 | 10,692,095 | 19,325,999 | 16,283,439 | 46,407,439 |
| Unrestricted | 17,985,707 | 15,336,956 | 13,884,941 | 16,314,803 | 22,458,160 | (14,302,454) | 6,095,091 | (1,842,111) | 372,744 | (14,229,478) |
| Total governmental activities net position | \$ 58,539,641 | \$ 66,252,861 | \$ 67,466,115 | \$ 77,471,839 | \$ 83,751,863 | \$ 56,734,043 | \$ 58,495,216 | \$ 66,776,702 | \$ 70,737,308 | \$ 89,702,084 |
| 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 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Unrestricted | - | - | - | - | (124,719) | (165,515) | (147,558) | (181,902) | (191,628) | (208,237) |
| Total business-type activities net position | \$ - | \$ - | \$ - | \$ - | \$ 3,666,163 | \$ 5,294,904 | \$ 5,750,793 | \$ 5,580,968 | \$ 6,859,942 | \$ 6,779,734 |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 37,890,060 | \$ 33,996,194 | \$ 36,831,933 | \$ 40,435,476 | \$ 44,226,358 | \$ 33,713,006 | \$ 47,606,381 | \$ 55,055,684 | \$ 61,132,695 | \$ 64,512,094 |
| Restricted | 13,025,845 | 19,584,980 | 24,325,103 | 20,858,227 | 20,858,227 | 42,783,910 | 10,692,095 | 19,325,999 | 16,283,439 | 46,407,439 |
| Unrestricted | 15,336,956 | 13,884,941 | 16,314,803 | 22,458,160 | 22,333,441 | (14,467,969) | 5,947,533 | (2,024,013) | 181,116 | (14,437,715) |
| Total primary government net position | \$ 66,252,861 | \$ 67,466,115 | \$ 77,471,839 | \$ 83,751,863 | \$ 87,418,026 | \$ 62,028,947 | \$ 64,246,009 | \$ 72,357,670 | \$ 77,597,250 | \$ 96,481,818 |

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

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

LANCASTER COUNTY, SOUTH CAROLINA

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

| | Fiscal Year | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|-------------------|---------------|---------------|---------------|---------------|---------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 ² | 2015 | 2016 | 2017 | 2018 | 2019 |
| Expenses | | | | | | | | | | |
| Primary government: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 10,832,346 | \$ 10,983,933 | \$ 13,494,007 | \$ 14,274,314 | \$ 11,299,133 | \$ 13,556,703 | \$ 15,201,832 | \$ 16,903,372 | \$ 17,494,736 | \$ 17,460,461 |
| Public safety | 11,374,643 | 11,351,803 | 13,113,668 | 13,079,241 | 18,204,203 | 18,601,569 | 18,876,586 | 21,395,171 | 24,935,032 | 26,338,671 |
| Public works | 6,065,063 | 5,880,894 | 6,741,646 | 6,514,659 | 7,088,564 | 7,212,342 | 21,072,721 | 11,779,317 | 11,076,062 | 10,105,887 |
| Other activities | 18,466,148 | 17,543,807 | 17,490,004 | 15,897,654 | 19,076,859 | 22,736,802 | 17,617,220 | 15,798,155 | 18,305,309 | 16,869,293 |
| Total governmental activities expenses | 46,738,200 | 45,760,437 | 50,839,325 | 49,765,868 | 55,668,759 | 62,107,416 | 72,768,359 | 65,876,015 | 71,811,139 | 70,774,312 |
| Business-type activities: | | | | | | | | | | |
| Airport | - | - | - | - | 437,607 | 404,801 | 433,400 | 406,115 | 570,727 | 576,261 |
| Total business-type activities expenses | - | - | - | - | 437,607 | 404,801 | 433,400 | 406,115 | 570,727 | 576,261 |
| Total primary government expenses | 46,738,200 | 45,760,437 | 50,839,325 | 49,765,868 | 56,106,366 | 62,512,217 | 73,201,759 | 66,282,130 | 72,381,866 | 71,350,573 |
| Program revenues | | | | | | | | | | |
| Primary government: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | 2,649,811 | 2,715,439 | 2,758,959 | 4,003,901 | 5,937,188 | 6,066,247 | 6,833,003 | 6,664,079 | 7,463,310 | 8,305,241 |
| Administration of justice | 1,161,469 | 1,100,988 | 1,069,362 | 1,067,263 | 1,027,217 | 1,017,176 | 972,856 | 1,004,613 | 1,138,355 | 1,002,973 |
| Public health and welfare | 2,523,597 | 2,513,973 | 3,066,640 | 2,883,399 | 2,748,514 | 2,589,560 | 1,675,770 | 3,135,621 | 2,216,563 | 2,907,450 |
| Other activities | 1,835,658 | 1,866,566 | 2,273,170 | 2,171,849 | 2,310,502 | 2,487,280 | 2,650,051 | 2,614,012 | 4,088,330 | 4,402,003 |
| Operating grants and contributions | 6,378,143 | 4,556,750 | 4,163,480 | 4,346,939 | 9,593,044 | 3,844,636 | 7,981,217 | 5,324,829 | 5,248,920 | 4,848,593 |
| Capital grants and contributions | 946,405 | 2,123,502 | 352,064 | 3,273,685 | 807,784 | 1,943,650 | 3,834,853 | 3,027,181 | 2,584,615 | 4,258,929 |
| Total governmental activities program revenues | 15,495,083 | 14,877,218 | 13,683,675 | 17,747,036 | 22,424,259 | 17,948,549 | 23,947,750 | 21,770,335 | 22,740,093 | 25,725,189 |
| Business-type activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Airport | - | - | - | - | 173,727 | 179,970 | 150,127 | 113,511 | 164,079 | 159,551 |
| Capital grants and contributions | - | - | - | - | 50,393 | 1,873,922 | 674,876 | 57,493 | 1,618,622 | 184,601 |
| Total business-type activities program revenues | - | - | - | - | 224,120 | 2,053,892 | 825,003 | 171,004 | 1,782,701 | 344,152 |
| Total primary government program revenues | 15,495,083 | 14,877,218 | 13,683,675 | 17,747,036 | 22,648,379 | 20,002,441 | 24,772,753 | 21,941,339 | 24,522,794 | 26,069,341 |

(Continued)

LANCASTER COUNTY, SOUTH CAROLINA

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

| | Fiscal Year | | | | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 ² | 2015 | 2016 | 2017 | 2018 | 2019 |
| Net (expense) revenue | | | | | | | | | | |
| Governmental activities | \$ (31,243,117) | \$ (30,883,219) | \$ (37,155,650) | \$ (32,018,832) | \$ (33,244,500) | \$ (44,158,867) | \$ (48,820,609) | \$ (44,105,680) | \$ (49,071,046) | \$ (45,049,123) |
| Business-type activities | - | - | - | - | (213,487) | 1,649,091 | 391,603 | (235,111) | 1,211,974 | (232,109) |
| Total primary government | (31,243,117) | (30,883,219) | (37,155,650) | (32,018,832) | (33,457,987) | (42,509,776) | (48,429,006) | (44,340,791) | (47,859,072) | (45,281,232) |
| General revenues and other changes in net position | | | | | | | | | | |
| Primary government: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes | 24,531,262 | 26,039,328 | 26,759,326 | 27,805,777 | 30,138,854 | 32,542,322 | 34,917,971 | 36,433,675 | 38,920,804 | 45,315,985 |
| Other taxes | 6,728,510 | 7,798,566 | 8,579,956 | 9,220,550 | 10,759,834 | 11,837,073 | 12,582,362 | 12,628,895 | 13,315,667 | 14,622,673 |
| Unrestricted grants and contributions | 3,985,341 | 3,720,738 | 3,511,437 | 4,029,881 | 3,060,980 | 3,080,863 | 2,981,903 | 3,117,955 | 3,081,986 | 2,954,940 |
| Unrestricted investment earnings | 101,224 | 106,003 | 54,753 | 31,753 | 57,446 | 62,046 | 163,832 | 271,927 | 553,374 | 1,272,202 |
| Other | 1,652,252 | 931,804 | (813) | 936,595 | - | - | - | - | - | - |
| Prior period adjustment | - | - | (535,755) | - | - | - | - | - | (2,773,179) | - |
| Transfers | - | - | - | - | (40,000) | (50,000) | (64,286) | (65,286) | (67,000) | (151,901) |
| Total governmental activities general revenues and other changes in net position | 36,998,589 | 38,596,439 | 38,368,904 | 42,024,556 | 43,977,114 | 47,472,304 | 50,581,782 | 52,387,166 | 53,031,652 | 64,013,899 |
| Business-type activities: | | | | | | | | | | |
| Unrestricted investment earnings | - | - | - | - | - | - | - | - | - | - |
| Transfers | - | - | - | - | 40,000 | 50,000 | 64,286 | 65,286 | 67,000 | 151,901 |
| Total business type activities general revenues and other changes in net position | - | - | - | - | 40,000 | 50,000 | 64,286 | 65,286 | 67,000 | 151,901 |
| Total primary government general revenues and other changes in net position | \$ 36,998,589 | \$ 38,596,439 | \$ 38,368,904 | \$ 42,024,556 | \$ 44,017,114 | \$ 47,522,304 | \$ 50,646,068 | \$ 52,452,452 | \$ 53,098,652 | \$ 64,165,800 |
| Change in net position | | | | | | | | | | |
| Governmental activities | 5,755,472 | 7,713,220 | 1,213,254 | 10,005,724 | 10,732,614 | 3,313,437 | 1,761,173 | 8,281,486 | 3,960,606 | 18,964,776 |
| Business-type activities | - | - | - | - | (173,487) | 1,699,091 | 455,889 | (169,825) | 1,278,974 | (80,208) |
| Total primary government change in net position | \$ 5,755,472 | \$ 7,713,220 | \$ 1,213,254 | \$ 10,005,724 | \$ 10,559,127 | \$ 5,012,528 | \$ 2,217,062 | \$ 8,111,661 | \$ 5,239,580 | \$ 18,884,568 |

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

(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 |
|------|--------------------------|--------------|---|--|--------------------------------|-------------|---------------|
| 2010 | \$ 19,150,376 | \$ 1,831,426 | \$ 3,549,460 | \$ 5,281,993 | \$ 976,296 | \$ 470,221 | \$ 31,259,772 |
| 2011 | 19,991,538 | 1,810,435 | 4,237,355 | 6,385,293 | 996,417 | 416,856 | 33,837,894 |
| 2012 | 20,202,783 | 2,032,440 | 4,524,103 | 6,924,788 | 1,176,367 | 478,801 | 35,339,282 |
| 2013 | 20,732,179 | 2,223,687 | 4,849,911 | 7,225,680 | 1,522,254 | 472,616 | 37,026,327 |
| 2014 | 22,249,229 | 2,586,810 | 5,302,815 | 7,871,762 | 1,940,220 | 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 |

(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 | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 ¹ | 2015 | 2016 | 2017 | 2018 | 2019 |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 1,525,507 | \$ 446,265 | \$ 419,097 | \$ 465,876 | \$ 470,608 | \$ 1,036,548 | \$ 1,260,002 | \$ 1,044,264 | \$ 1,065,028 | \$ 1,053,048 |
| Restricted | 814,990 | 1,425,506 | 1,925,029 | 1,949,398 | 1,757,465 | 1,664,659 | 1,994,639 | 1,936,721 | 1,443,333 | 2,403,626 |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Assigned | 111,903 | 88,054 | 131,705 | 216,329 | 1,238,174 | 1,662,673 | 4,922,022 | 4,335,491 | 2,925,044 | 6,868,557 |
| Unassigned | 13,940,414 | 15,727,979 | 13,905,577 | 14,812,691 | 16,940,776 | 17,842,835 | 19,251,333 | 23,275,511 | 27,087,195 | 29,249,962 |
| Total General Fund | \$ 16,392,814 | \$ 17,687,804 | \$ 16,381,406 | \$ 17,444,294 | \$ 20,407,023 | \$ 22,206,715 | \$ 27,427,986 | \$ 30,591,987 | \$ 32,520,600 | \$ 39,575,193 |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | \$ - | \$ 55,293 | \$ 52,900 | \$ 623,943 | \$ 561,127 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted | 37,556,390 | 24,983,673 | 21,344,104 | 18,472,163 | 19,338,480 | 41,372,751 | 8,697,456 | 17,389,278 | 15,325,706 | 44,927,922 |
| Assigned | 430,788 | 1,950 | 28,492 | 31,427 | 165,520 | 48,260 | 17,440,567 | 8,309,791 | 12,972,107 | 10,695,689 |
| Unassigned, reported in: | | | | | | | | | | |
| Special revenue funds | (3,408,975) | (648,198) | (224,815) | (150,303) | - | (187,507) | (130,854) | (436,343) | (179,847) | (109,409) |
| Capital projects funds | (1,235,234) | (875,000) | (812,889) | (774,799) | (723,233) | (668,806) | (617,768) | - | (59,899) | - |
| Total all other governmental funds | \$ 33,342,969 | \$ 23,517,718 | \$ 20,387,792 | \$ 18,202,431 | \$ 19,341,894 | \$ 40,564,698 | \$ 25,389,401 | \$ 25,262,726 | \$ 28,058,067 | \$ 55,514,202 |
| Total all governmental funds | \$ 49,735,783 | \$ 41,205,522 | \$ 36,769,200 | \$ 35,646,725 | \$ 39,748,917 | \$ 62,771,413 | \$ 52,817,397 | \$ 55,854,713 | \$ 60,578,667 | \$ 95,089,395 |

(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 | | | | | | | | | |
|---|-----------------|----------------|----------------|----------------|---------------|---------------|----------------|---------------|---------------|---------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Revenues: | | | | | | | | | | |
| Taxes | \$ 30,975,180 | \$ 33,496,235 | \$ 35,888,567 | \$ 36,910,888 | \$ 40,100,667 | \$ 43,591,415 | \$ 46,703,440 | \$ 48,219,079 | \$ 51,370,390 | \$ 59,160,122 |
| Licenses and permits | 2,864,552 | 2,872,281 | 2,873,627 | 4,160,774 | 5,191,197 | 5,412,448 | 6,248,935 | 10,346,792 | 6,802,235 | 6,912,416 |
| Intergovernmental | 6,593,742 | 10,056,718 | 6,795,508 | 7,283,619 | 13,378,905 | 7,679,451 | 12,871,513 | 6,009,615 | 10,413,632 | 9,217,432 |
| Charges for services | 4,007,195 | 4,227,841 | 4,796,444 | 4,644,951 | 5,189,021 | 5,189,021 | 5,017,909 | 5,723,388 | 6,800,198 | 7,177,398 |
| Fines, fees, and forfeitures | 1,202,761 | 978,975 | 1,063,923 | 1,056,203 | 1,028,680 | 1,020,330 | 1,024,620 | 1,137,351 | 1,138,183 | 1,045,268 |
| Interest income | 99,235 | 103,219 | 52,522 | 29,211 | 57,446 | 62,046 | 163,832 | 1,177,037 | 553,374 | 1,272,202 |
| Contributions and donations | 218,121 | 364,502 | 361,223 | 525,936 | 351,666 | 344,344 | 2,831,040 | 271,928 | 450,436 | 526,931 |
| Contributions from property owners | - | - | - | - | - | - | - | - | - | - |
| Other | 138,702 | 279,484 | 163,279 | 486,396 | 230,863 | 247,254 | 247,577 | 202,836 | 205,132 | 264,277 |
| Total revenues | 46,099,488 | 52,379,255 | 51,975,093 | 55,097,878 | 65,222,117 | 63,546,309 | 75,108,866 | 73,088,026 | 77,734,580 | 85,576,046 |
| Expenditures: | | | | | | | | | | |
| General government | 11,087,906 | 9,846,699 | 12,670,895 | 11,619,717 | 10,004,834 | 11,646,926 | 11,900,170 | 13,170,074 | 15,760,730 | 14,922,267 |
| Administration of justice | 15,155,605 | 18,559,715 | 2,765,385 | 1,709,906 | 1,823,021 | 1,982,285 | 2,123,474 | 2,067,748 | 2,112,988 | 2,168,732 |
| Public safety and law enforcement | 11,273,954 | 12,691,671 | 12,202,000 | 16,364,710 | 16,500,414 | 17,169,386 | 16,921,863 | 18,942,971 | 20,049,477 | 22,431,673 |
| Public works | 5,478,433 | 5,315,801 | 6,235,699 | 5,549,083 | 6,279,272 | 6,656,489 | 20,100,712 | 11,738,926 | 10,306,899 | 9,276,883 |
| Public health and welfare | 5,882,288 | 5,627,899 | 6,865,474 | 6,292,003 | 6,587,179 | 6,353,634 | 6,940,375 | 7,373,665 | 7,292,478 | 7,630,114 |
| Culture and recreation | - | - | - | - | 3,226,890 | 3,696,364 | 3,605,227 | 1,074,098 | 3,845,233 | 4,236,825 |
| Economic development | 5,497,672 | 3,186,407 | 3,422,632 | 1,954,572 | 5,517,505 | 659,185 | 2,244,723 | 3,844,142 | 2,816,911 | 1,195,172 |
| Other | 3,025,348 | 2,952,393 | 3,129,091 | 3,196,847 | - | - | - | - | - | - |
| Capital outlay | 3,059,750 | 1,858,927 | 819,921 | 133,297 | 3,101,804 | 9,575,828 | 8,919,489 | 7,452,924 | 3,565,409 | 2,086,336 |
| Debt service | - | - | - | - | - | - | - | - | - | - |
| Principal retirement | 2,135,256 | 6,623,744 | 6,840,461 | 7,203,729 | 7,515,489 | 16,482,104 | 9,097,775 | 3,548,365 | 5,755,391 | 7,419,030 |
| Interest | 2,538,338 | 2,534,252 | 2,517,241 | 2,274,282 | 2,002,080 | 1,895,703 | 1,789,488 | 1,647,576 | 1,589,485 | 1,364,646 |
| Fees | - | 48,081 | - | - | 7,500 | 274,560 | 92,071 | 7,500 | 3,500 | 227,662 |
| Total expenditures | 65,134,550 | 69,245,589 | 57,468,799 | 56,298,146 | 62,565,988 | 76,392,444 | 83,735,367 | 70,867,999 | 73,098,501 | 72,959,340 |
| Excess (deficiency) of revenues over (under) expenditures | (19,035,062) | (16,866,334) | (5,493,706) | (1,200,268) | 2,656,129 | (12,846,135) | (8,626,501) | 2,220,027 | 4,636,079 | 12,616,706 |
| Other financing sources (uses): | | | | | | | | | | |
| Transfer in | 2,757,365 | 8,115,647 | 8,144,995 | 8,042,257 | 6,129,115 | 9,295,417 | 26,469,059 | 2,326,475 | 3,651,522 | 5,628,487 |
| Transfer out | (2,757,365) | (8,115,647) | (8,144,995) | (8,042,257) | (6,169,115) | (9,346,417) | (26,533,345) | (2,391,761) | (3,718,522) | (5,780,389) |
| Issuance of debt - capital leases | 605,000 | - | 1,020,000 | - | 226,000 | 445,000 | - | 650,000 | - | - |
| Issuance of debt | 2,502,721 | 10,660,000 | - | - | 950,000 | 35,384,119 | 6,750,000 | - | - | 19,905,000 |
| Premium on bond | - | 50,387 | - | - | - | - | 686,146 | - | - | 2,116,323 |
| Payment to refunded debt escrow agent | - | (3,658,895) | - | - | - | - | (9,199,375) | - | - | - |
| Sale of capital assets | 12,751 | 33,029 | 37,384 | 77,792 | 210,915 | 89,512 | 500,000 | 232,575 | 154,875 | 24,600 |
| Special item - insurance recoveries | 227,936 | 1,251,553 | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | 3,348,408 | 8,336,074 | 1,057,384 | 77,792 | 1,346,915 | 35,868,631 | (1,327,515) | 817,289 | 87,875 | 21,894,022 |
| Net change in fund balances | \$ (15,686,654) | \$ (8,530,260) | \$ (4,436,322) | \$ (1,122,476) | \$ 4,003,044 | \$ 23,022,496 | \$ (9,954,016) | \$ 3,037,316 | \$ 4,723,954 | \$ 34,510,728 |
| Debt Service as a Percentage of Noncapital Expenditures | 10.64% | 19.25% | 18.23% | 18.85% | 16.72% | 25.93% | 14.63% | 8.58% | 10.90% | 13.61% |

LANCASTER COUNTY, SOUTH CAROLINA
TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

| Year | Real Property Tax (1) | Local Option | | Local Option | | Road Improvement Fee Tax | Other Taxes | | Total |
|------|--------------------------|--------------|------------------------|--------------|---------------------|--------------------------------|----------------|----|---------------|
| | | Vehicle Tax | Property Tax Relief | Sales Tax | Capital Projects | | | | |
| 2010 | \$ 18,865,784 | \$ 1,831,426 | \$ 3,549,460 | \$ 5,281,993 | | \$ 976,296 | \$ 470,221 | \$ | \$ 30,975,180 |
| 2011 | 19,649,879 | 1,810,435 | 4,237,355 | 6,385,293 | | 996,417 | 416,856 | | 33,496,235 |
| 2012 | 20,732,068 | 2,032,440 | 4,524,103 | 6,924,788 | | 1,176,367 | 478,801 | | 35,868,567 |
| 2013 | 20,616,739 | 2,223,687 | 4,849,911 | 7,225,680 | | 1,522,254 | 472,617 | | 36,910,888 |
| 2014 | 21,990,985 | 2,586,810 | 5,302,815 | 7,871,762 | | 1,940,220 | 408,075 | | 40,100,667 |
| 2015 | 23,648,295 | 2,951,321 | 5,773,290 | 8,655,243 | | 2,183,931 | 379,335 | | 43,591,415 |
| 2016 | 25,289,628 | 3,356,927 | 6,165,506 | 9,264,782 | | 2,286,114 | 340,483 | | 46,703,440 |
| 2017 | 26,173,979 | 3,520,652 | 6,635,723 | 8,591,056 | | 2,382,448 | 915,221 | | 48,219,079 |
| 2018 | 28,755,053 | 3,446,079 | 6,634,110 | 8,596,418 | | 2,411,954 | 1,526,776 | | 51,370,390 |
| 2019 | 33,689,494 | 3,920,027 | 7,447,605 | 9,632,957 | | 2,487,225 | 1,982,814 | | 59,160,122 |

(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 |
|------|----------------|--------------------|----------------------|----------------------|------------------------------|--------------|----------------|-------------------------|--|
| 2010 | \$ 19,418,982 | \$ 3,290,461 | \$ 2,864,552 | \$ 2,663,366 | \$ 1,137,564 | \$ 1,215,244 | \$ 30,590,169 | \$ 642,751 | \$ 31,232,920 |
| 2011 | 20,838,835 | 3,046,929 | 2,872,281 | 2,746,015 | 908,198 | 1,242,945 | 31,655,203 | 564,670 | 32,219,873 |
| 2012 | 22,224,415 | 2,843,967 | 2,873,627 | 3,008,911 | 906,290 | 1,470,680 | 33,327,890 | 1,079,031 | 34,406,921 |
| 2013 | 24,410,433 | 3,303,561 | 4,160,774 | 2,816,174 | 893,708 | 831,362 | 36,416,012 | 102,792 | 36,518,804 |
| 2014 | 24,653,264 | 4,226,086 | 5,191,197 | 3,999,763 | 937,975 | 2,359,029 | 41,367,314 | 235,915 | 41,603,229 |
| 2015 | 26,871,707 | 4,383,847 | 5,412,448 | 4,243,269 | 930,840 | 2,609,881 | 44,451,992 | 1,115,639 | 45,567,631 |
| 2016 | 32,394,019 | 4,541,474 | 6,248,935 | 3,977,933 | 935,942 | 1,442,395 | 49,540,698 | 7,190,762 | 56,731,460 |
| 2017 | 30,394,683 | 4,670,820 | 6,009,615 | 4,619,066 | 1,051,759 | 2,928,604 | 49,674,547 | 262,590 | 49,937,137 |
| 2018 | 32,519,908 | 4,913,937 | 6,802,235 | 4,263,883 | 1,045,120 | 3,059,927 | 52,605,010 | 233,590 | 52,838,600 |
| 2019 | 37,751,878 | 5,003,978 | 6,912,416 | 4,438,960 | 974,883 | 3,884,591 | 58,966,706 | 56,470 | 59,023,176 |

(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 (2) | Total Expenditures | Other Financing Uses | Grand Total Expenditures Including Other Financing Uses |
|------|--------------------|---------------------------|---------------------------------|--------------|-------------------------|------------|------------------|--------------------|----------------------|---|
| 2010 | \$ 10,186,854 | \$ 1,496,411 | \$ 8,302,504 | \$ 4,155,822 | \$ 5,747,912 | \$ 569,246 | \$ 401,261 | 30,860,010 | \$ 1,891,908 | \$ 32,751,918 |
| 2011 | 8,987,853 | 1,524,894 | 8,448,119 | 3,676,752 | 5,281,791 | 547,684 | 583,152 | 29,050,245 | 1,874,638 | 30,924,883 |
| 2012 | 11,380,053 | 1,527,651 | 9,465,049 | 4,231,933 | 6,418,803 | 245,509 | 429,059 | 33,698,057 | 2,015,259 | 35,713,316 |
| 2013 | 9,817,196 | 1,693,101 | 10,676,053 | 4,137,879 | 5,901,039 | 828,894 | 488,409 | 33,542,571 | 1,913,347 | 35,455,918 |
| 2014 | 9,943,242 | 1,823,021 | 12,229,972 | 4,328,763 | 6,168,796 | 3,734,954 | 492,823 | 38,721,571 | 40,000 | 38,761,571 |
| 2015 | 11,543,862 | 1,982,265 | 14,155,303 | 5,277,991 | 6,326,950 | 3,857,890 | 207,429 | 43,351,690 | 416,249 | 43,767,939 |
| 2016 | 11,827,178 | 2,108,384 | 14,145,424 | 4,805,405 | 6,919,809 | 3,787,090 | 450,489 | 44,043,779 | 7,466,400 | 51,510,179 |
| 2017 | 12,529,121 | 2,063,616 | 15,206,095 | 5,612,657 | 6,803,861 | 4,062,665 | 429,845 | 46,707,860 | 65,286 | 46,773,146 |
| 2018 | 14,745,595 | 2,112,988 | 16,510,580 | 5,528,950 | 7,280,243 | 4,127,179 | 222,087 | 50,527,622 | 382,365 | 50,909,987 |
| 2019 | 14,298,332 | 2,157,241 | 17,947,213 | 5,479,025 | 7,618,327 | 4,089,295 | 227,249 | 51,816,682 | 151,901 | 51,968,583 |

(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 | | |
| 2010 | 2009 | \$ 211,761,152 | \$ 4,235,223,040 | \$ | 69,692,917 | \$ 810,346,262 | \$ | 281,454,069 | \$ 5,045,569,302 | 5.58 % | 80.90 % |
| 2011 | 2010 | 215,604,040 | 4,312,080,800 | | 66,175,793 | 770,986,505 | | 281,779,833 | 5,083,067,305 | 5.54 | 83.60 |
| 2012 | 2011 (2) | 221,005,620 | 4,420,112,400 | | 70,046,034 | 822,060,950 | | 291,051,654 | 5,242,173,350 | 5.55 | 83.00 |
| 2013 | 2012 | 223,980,320 | 4,479,606,400 | | 74,846,481 | 883,965,916 | | 298,826,801 | 5,363,572,316 | 5.57 | 85.10 |
| 2014 | 2013 | 231,213,120 | 4,624,262,400 | | 79,072,239 | 946,454,939 | | 310,285,359 | 5,570,717,339 | 5.57 | 90.41 |
| 2015 | 2014 | 241,517,630 | 4,830,352,600 | | 82,400,776 | 995,933,689 | | 323,918,406 | 5,826,286,289 | 5.56 | 92.80 |
| 2016 | 2015 | 255,663,400 | 5,113,268,000 | | 87,570,084 | 1,066,887,072 | | 343,233,484 | 6,180,155,072 | 5.55 | 94.30 |
| 2017 | 2016 (2) | 272,287,050 | 5,445,741,000 | | 96,647,049 | 1,166,052,922 | | 368,934,099 | 6,611,793,922 | 5.58 | 91.20 |
| 2018 | 2017 | 288,360,810 | 5,767,216,200 | | 101,725,024 | 1,211,912,052 | | 390,085,834 | 6,979,128,252 | 5.59 | 95.60 |
| 2019 | 2018 | 302,285,440 | 6,045,708,800 | | 109,715,204 | 1,301,444,272 | | 412,000,644 | 7,347,153,072 | 5.61 | 101.20 |

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

(2) Real property was reassessed.

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

LANCASTER COUNTY, SOUTH CAROLINA
PROPERTY TAX MILLAGE RATES OF DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

| Levy Year Ended December 31 | Fiscal Year Ended June 30 | Lancaster County | | | | Overlapping Rates (1) | | | | | Total Direct and Overlapping Rates | | |
|--------------------------------------|---------------------------------|--|----------------|--------|-----------------|----------------------------------|----------------|--------------------------|------------------------------------|-----------------------------|---|--------------------|----------------------|
| | | County Capital Improvement and Court Security | | | Total County | Lancaster County School District | | | | | | | |
| | | County Operating | County Debt | County | | School Operating | School Debt | Total School District | University of S.C. Lancaster | Town of Heath Springs | | Town of Kershaw | City of Lancaster |
| 2009 | 2010 | 66.70 | 6.70 | 7.50 | 80.90 | 133.50 | 38.50 | 172.00 | 3.30 | - | 69.30 | 143.50 | 469.00 |
| 2010 | 2011 | 68.40 | 7.60 | 7.60 | 83.60 | 136.75 | 38.50 | 175.25 | 3.40 | - | 70.90 | 143.50 | 476.65 |
| 2011 | 2012 ² | 68.40 | 7.20 | 7.40 | 83.00 | 140.00 | 43.50 | 183.50 | 3.60 | - | 69.90 | 143.50 | 483.50 |
| 2012 | 2013 | 71.40 | 6.10 | 7.60 | 85.10 | 140.00 | 47.00 | 187.00 | 3.80 | - | 72.10 | 149.70 | 497.70 |
| 2013 | 2014 | 75.65 | 7.16 | 7.60 | 90.41 | 145.00 | 43.00 | 188.00 | 3.95 | - | 75.00 | 154.70 | 512.06 |
| 2014 | 2015 | 78.00 | 7.00 | 7.80 | 92.80 | 149.50 | 43.00 | 192.50 | 4.10 | - | 75.00 | 156.90 | 521.30 |
| 2015 | 2016 | 80.80 | 5.30 | 8.20 | 94.30 | 149.50 | 53.00 | 202.50 | 4.30 | - | 75.00 | 164.40 | 540.50 |
| 2016 | 2017 ² | 76.00 | 7.00 | 8.20 | 91.20 | 149.50 | 68.00 | 217.50 | 4.30 | - | 77.00 | 176.40 | 566.40 |
| 2017 | 2018 | 80.10 | 7.10 | 8.40 | 95.60 | 149.50 | 68.00 | 217.50 | 4.50 | - | 82.00 | 178.50 | 578.10 |
| 2018 | 2019 | 84.20 | 8.30 | 8.70 | 101.20 | 154.50 | 65.00 | 219.50 | 4.70 | - | 85.00 | 172.90 | 583.30 |

Source: Lancaster County Auditor

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

(2) Real property was reassessed.

LANCASTER COUNTY, SOUTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

| | 2019 | | | | | 2010 | | | | |
|--|---------------------------|------|--|----------------|--|--|------|----------------|----------------|--|
| | Taxpayer | | Percentage of Total County Taxable | | | Percentage of Total County Taxable | | | | |
| | Taxable Assessed Value | Rank | Assessed Value | Taxes Paid (1) | | Taxable Assessed Value | Rank | Assessed Value | Taxes Paid (1) | |
| Red Ventures | \$ 11,467,406 | 1 | 2.78% | \$ 3,731,494 | | \$ 7,192,290 | 1 | 2.56% | 1,903,636 | |
| Duke Energy | 10,904,560 | 2 | 2.65% | 3,591,144 | | | | | | |
| Haile Gold Mine Inc. | 4,657,908 | 3 | 1.13% | 1,513,700 | | | | | | |
| Duracell Manufactures Inc. | 4,418,422 | 4 | 1.07% | 2,005,532 | | 4,316,050 | 2 | 1.53% | 1,652,545 | |
| Lancaster Hospital Corp. | 4,156,070 | 5 | 1.01% | 1,780,321 | | 4,399,190 | 3 | 1.56% | 1,576,819 | |
| Lennar Carolina LLC | 1,686,050 | 6 | 0.41% | 519,104 | | | | | | |
| TKC Bailes Ridge Pkway LLC | 1,564,837 | 7 | 0.38% | 509,198 | | | | | | |
| IFM13 LLC | 1,354,690 | 8 | 0.33% | 427,901 | | 2,168,080 | 5 | 0.77% | 771,437 | |
| Springland Associates | 1,203,080 | 9 | 0.29% | 508,822 | | 1,235,680 | 9 | 0.44% | 373,732 | |
| Lancaster Telephone Co. | 1,025,802 | 10 | 0.25% | 413,625 | | 4,164,199 | 4 | 1.48% | 1,056,987 | |
| Springs Global | | | | | | 3,251,920 | 6 | 1.16% | 747,611 | |
| Pulte Home Corp. | | | | | | 2,182,190 | 7 | 0.78% | 538,089 | |
| Craft Development | | | | | | 1,816,510 | 8 | 0.65% | 447,891 | |
| Lawson Bend LLC | | | | | | 1,392,845 | 10 | 0.49% | 356,847 | |
| Wells Real Estate | | | | | | | | | | |
| Total assessed value of ten largest taxpayers | \$ 42,438,825 | | 10.30% | \$ 15,000,841 | | \$ 32,118,954 | | 11.42% | \$ 9,425,594 | |
| Total assessed value of all taxpayers | \$ 412,000,644 | | 100% | | | \$ 281,454,069 | | 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 |
| 2009 | \$ 16,692,282 | \$ 253,039 | \$ 16,945,321 | \$ 15,998,456 | 94.41% | \$ 789,673 | \$ 16,788,129 | 99.07% |
| 2010 | 18,177,916 | (37,732) | 18,140,184 | 16,954,909 | 93.47% | 1,004,004 | 17,958,913 | 99.00% |
| 2011 | 17,717,289 | 472,737 | 18,190,026 | 17,372,203 | 95.50% | 697,862 | 18,070,065 | 99.34% |
| 2012 | 18,086,112 | (26,456) | 18,059,656 | 17,297,322 | 95.78% | 625,007 | 17,922,329 | 99.24% |
| 2013 | 19,312,592 | 575,656 | 19,888,248 | 18,975,609 | 95.41% | 754,768 | 19,730,377 | 99.21% |
| 2014 | 20,736,283 | 487,738 | 21,224,021 | 20,418,390 | 96.20% | 632,432 | 21,050,822 | 99.18% |
| 2015 | 22,506,743 | 352,110 | 22,858,853 | 22,135,439 | 96.84% | 537,684 | 22,673,123 | 99.19% |
| 2016 | 23,702,386 | 101,476 | 23,803,862 | 23,149,210 | 97.25% | 446,028 | 23,595,238 | 99.12% |
| 2017 | 24,415,252 | 1,054,133 | 25,469,385 | 24,808,606 | 97.41% | 444,278 | 25,252,884 | 99.15% |
| 2018 | 29,214,057 | 1,989,694 | 31,203,751 | 30,259,717 | 96.97% | - | 30,259,717 | 96.97% |

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 | | Collections in Subsequent Years | Total Collections to Date | |
|-----------|---------------|-------------|---------------------|-------------------------|--------------------|---------------------------------|---------------------------|--------------------|
| | | | | Fiscal Year of the Levy | Percentage of Levy | | Amount | Percentage of Levy |
| 2009 | \$ 1,763,319 | \$ 233,339 | \$ 1,996,658 | \$ 1,916,851 | 96.00% | \$ 76,988 | \$ 1,993,839 | 99.86% |
| 2010 | 1,609,746 | 91,335 | 1,701,081 | 1,630,457 | 95.85% | 68,146 | 1,698,603 | 99.85% |
| 2011 | 1,718,915 | 256,720 | 1,975,635 | 1,903,400 | 96.34% | 67,181 | 1,970,581 | 99.74% |
| 2012 | 1,982,449 | 116,347 | 2,098,796 | 2,018,240 | 96.16% | 77,681 | 2,095,921 | 99.86% |
| 2013 | 2,212,716 | 175,945 | 2,388,661 | 2,275,933 | 95.28% | 109,265 | 2,385,198 | 99.86% |
| 2014 | 2,559,126 | 256,902 | 2,816,028 | 2,709,070 | 96.20% | 101,885 | 2,810,955 | 99.82% |
| 2015 | 2,846,803 | 420,420 | 3,267,223 | 3,030,026 | 92.74% | 136,795 | 3,166,821 | 96.93% |
| 2016 | 3,144,338 | 513,860 | 3,658,198 | 3,381,874 | 92.45% | 156,646 | 3,538,520 | 96.73% |
| 2017 | 3,061,408 | 434,731 | 3,496,139 | 3,221,298 | 92.14% | 134,401 | 3,355,699 | 95.98% |
| 2018 | 3,274,821 | 437,243 | 3,712,064 | 3,425,273 | 92.27% | - | 3,425,273 | 92.27% |

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

LANCASTER COUNTY, SOUTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

| Fiscal Year | Governmental Activities | | | | | | | | Percentage of Personal Income | Per Capita |
|-------------|--------------------------|------------------------------------|--------------|----------------|------------------------------|-------------------|--------------------------------------|------------------------|-------------------------------|------------|
| | General Obligation Bonds | SCAGO Public Facilities | | Capital Leases | Special Source Revenue Bonds | Mortgages Payable | Unamortized discount/premium on debt | Total Outstanding Debt | | |
| | | Installment Purchase Revenue Bonds | | | | | | | | |
| 2010 | \$ 15,778,340 | \$ 38,410,000 | \$ 3,397,813 | \$ 2,733,658 | \$ - | - | \$ 818,311 | \$ 61,138,122 | 3.35% | 805 |
| 2011 | 21,278,707 | 34,225,000 | 2,793,399 | 2,524,245 | - | - | 135,590 | 60,956,941 | 4.20% | 784 |
| 2012 | 19,840,000 | 29,560,000 | 3,341,646 | 2,795,000 | - | - | 475,205 | 56,011,851 | 3.72% | 731 |
| 2013 | 18,325,000 | 24,710,000 | 2,797,416 | 2,510,000 | - | - | 341,199 | 48,683,615 | 3.06% | 625 |
| 2014 | 17,506,450 | 19,675,000 | 2,611,477 | 2,210,000 | - | - | 374,768 | 42,377,695 | 2.52% | 536 |
| 2015 | 31,300,178 | 14,445,000 | 2,875,644 | 9,394,000 | - | - | 3,530,280 | 61,545,102 | 3.52% | 765 |
| 2016 | 36,736,205 | - | 2,451,843 | 7,504,000 | - | - | 3,627,628 | 50,319,676 | 2.67% | 605 |
| 2017 | 34,589,492 | - | 2,038,778 | 7,154,382 | - | - | 2,929,225 | 46,711,877 | 2.31% | 544 |
| 2018 | 29,372,360 | - | 1,826,483 | 6,782,076 | - | - | 2,158,137 | 40,139,056 | 1.77% | 448 |
| 2019 | 42,398,607 | - | 1,602,396 | 6,433,649 | - | - | 3,654,075 | 54,088,727 | 1.82% | 567 |

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) |
|-------------|--------------------------------|--|--|----------------------------------|--|------------------------|
| 2010 | \$ 15,778,340 | \$ 818,311 | \$ 435,498 | \$ 16,161,153 | 0.32% | 208 |
| 2011 | 21,278,707 | 135,590 | 488,649 | 20,925,648 | 0.41% | 273 |
| 2012 | 19,840,000 | 475,205 | 696,917 | 19,618,288 | 0.37% | 252 |
| 2013 | 18,325,000 | 341,199 | 571,773 | 18,094,426 | 0.34% | 229 |
| 2014 | 17,506,450 | 374,768 | 572,689 | 17,308,529 | 0.31% | 215 |
| 2015 | 31,300,178 | 3,530,280 | 2,857,126 | 31,973,332 | 0.55% | 384 |
| 2016 | 36,736,205 | 3,627,629 | 3,264,525 | 37,099,309 | 0.60% | 432 |
| 2017 | 34,589,492 | 2,929,225 | 1,631,995 | 35,886,722 | 0.54% | 401 |
| 2018 | 29,372,360 | 2,158,137 | 839,211 | 30,691,286 | 0.44% | 332 |
| 2019 | 42,398,607 | 3,654,075 | 4,461,216 | 41,591,466 | 0.57% | 436 |

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, 2019

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Percentage Applicable to County</u> | <u>Amount Applicable to County</u> |
|-----------------------------------|-----------------------------|--|--|
| Direct debt: | | | |
| Lancaster County | \$ 54,088,727 | 100% | \$ 54,088,727 |
| Overlapping debt: | | | |
| City of Lancaster | 262,309 | 100% | 262,309 |
| Lancaster School District | 267,909,585 | 100% | 267,909,585 |
| Total overlapping debt | <u>268,171,894</u> | | <u>268,171,894</u> |
| Total direct and overlapping debt | <u>\$ 322,260,621</u> | | <u>\$ 322,260,621</u> |

SOURCES:

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

NOTE:

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

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LANCASTER COUNTY, SOUTH CAROLINA

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

| | Fiscal Year | | | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Debt Limit | \$ 21,535,417 | \$ 21,508,152 | \$ 23,409,098 | \$ 22,713,718 | \$ 23,580,100 | \$ 24,665,722 | \$ 26,153,377 | \$ 27,880,673 | \$ 29,389,302 | \$ 30,639,401 |
| Total Net G.O. Debt Applicable to Limit | 12,842,843 | 18,380,058 | 16,828,083 | 15,538,227 | 14,818,761 | 12,147,161 | 16,740,199 | 14,737,497 | 12,795,789 | 13,993,784 |
| Legal debt margin | \$ 8,692,574 | \$ 3,128,094 | \$ 6,581,015 | \$ 7,175,491 | \$ 8,761,339 | \$ 12,518,561 | \$ 9,413,178 | \$ 13,143,176 | \$ 16,593,513 | \$ 16,645,617 |
| Total Net G.O. Debt Applicable to the Limit as a Percentage of Debt Limit | 59.64% | 85.46% | 71.89% | 68.41% | 62.84% | 49.25% | 64.01% | 52.86% | 43.54% | 45.67% |

Legal Debt Margin Calculation for Fiscal Year 2019

| | |
|---|----------------|
| Assessed value (1) | \$ 382,088,719 |
| Add back: exempt Merchant Inventory (2) | 903,794 |
| Total assessed value | 382,992,513 |
| Debt limit (8% of assessed value) (3) | 30,639,401 |
| Debt applicable to limit | |
| Total general obligation bonds | 42,398,607 |
| Less amount set aside for repayment of GO debt (4) | (4,461,216) |
| Less G.O. bonds not applicable to 8% debt limit (5) | (23,943,607) |
| Net G.O. bonds applicable to limit | 13,993,784 |
| Legal debt margin without a referendum (6) | \$ 16,645,617 |

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) GO bonds for the Pleasant Valley Fire District and Brookchase District are not subject to the 8% debt limit. Special fees are assessed to pay these bonds as approved by the voters. Also, a \$16,500,000 referendum bond was issued in FY2015 and a \$11,500,000 referendum bond was issued in 2019 and these are not subject to the 8% debt limit.
- (6) The legal debt margin is the government's available borrowing under SC Code of Laws and is calculated by subtracting the debt applicable to the legal debt limit from the legal debt limit.

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

| <u>Fiscal Year</u> | <u>County Population (1)</u> | <u>Total Personal Income (in thousands) (1)</u> | <u>Per Capita Personal Income *</u> | <u>School Enrollment (2)</u> | <u>County Unemployment Rate (3)</u> |
|--------------------|------------------------------|---|-------------------------------------|------------------------------|-------------------------------------|
| 2010 | 77,767 | \$ 1,822,945 | \$ 23,441 | 11,508 | 16.4% |
| 2011 | 76,652 | 1,450,946 | 18,929 | 11,401 | 15.3% |
| 2012 | 77,908 | 1,504,248 | 19,308 | 11,378 | 13.0% |
| 2013 | 79,089 | 1,588,503 | 20,085 | 11,554 | 10.8% |
| 2014 | 80,458 | 1,681,492 | 20,899 | 11,581 | 6.6% |
| 2015 | 83,160 | 1,746,609 | 21,003 | 11,760 | 6.6% |
| 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% |

Sources:

(1) Bureau of Census/SC Budget & Control Board Office of Research & Statistics/Bureau of Economic Analysis. All are estimates except fiscal year 2011 which is based on the 2010 census. All are estimates except fiscal year 2011, which is based on the 2010 census.

(2) Lancaster County School District.

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

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

LANCASTER COUNTY, SOUTH CAROLINA

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

| Employer | 2019 | | | 2010 | | |
|----------------------------------|-----------|------|---------------------------------------|-----------|------|---------------------------------------|
| | Employees | Rank | Percentage of Total County Employment | Employees | Rank | Percentage of Total County Employment |
| Red Ventures | 1,925 | 1 | 4.66% | 575 | 5 | 1.89% |
| Lancaster County Schools | 1,800 | 2 | 4.35% | 1532 | 1 | 5.02% |
| Continental Tire | 814 | 3 | 1.97% | 400 | 7 | 1.31% |
| Movement Mortgage | 725 | 4 | 1.75% | | | |
| MUSC (Springs Memorial Hospital) | 642 | 5 | 1.55% | 710 | 3 | 2.33% |
| Lancaster County (1) | 535 | 6 | 1.29% | 734 | 2 | 2.41% |
| Nutramax Laboratories | 483 | 7 | 1.17% | | | |
| Cardinal Health | 471 | 8 | 1.14% | 700 | 4 | 2.30% |
| KEER America | 401 | 9 | 0.97% | | | |
| Oceana Gold | 396 | 10 | 0.96% | | | |
| Founders Federal Credit Union | | | | 320 | 9 | 1.05% |
| Inspirations Ministries | | | | 335 | 8 | 1.10% |
| Duracell (Gillette) | | | | 400 | 6 | 1.31% |
| Wal-Mart | | | | 303 | 10 | 0.99% |
| Total | 8,192 | | 19.82% | 6,009 | | 19.71% |
| Total Labor Force | 41,333 | | | 30,497 | | |

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

(1) 2019 survey does not include part-time

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

| Function | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| General Government Administration | 88.50 | 91.00 | 89.00 | 90.00 | 90.00 | 96.00 | 102.00 | 103.00 | 105.00 | 103.00 |
| Administration of Justice | 29.00 | 29.00 | 29.00 | 31.00 | 34.00 | 36.00 | 38.00 | 37.00 | 38.00 | 37.00 |
| Culture & Recreation | 57.50 | 55.00 | 55.00 | 56.00 | 58.00 | 62.00 | 71.00 | 69.00 | 69.00 | 69.00 |
| Public Safety & Law Enforcement | 165.50 | 166.00 | 172.00 | 187.00 | 210.00 | 226.00 | 240.00 | 243.00 | 250.00 | 263.00 |
| Public Works | 39.00 | 41.00 | 41.00 | 41.00 | 43.00 | 45.00 | 49.00 | 47.00 | 51.00 | 63.00 |
| Public Health & Welfare | 83.50 | 73.00 | 75.00 | 80.00 | 81.00 | 79.00 | 85.00 | 84.00 | 87.00 | 92.00 |
| | 463.00 | 455.00 | 461.00 | 485.00 | 516.00 | 544.00 | 585.00 | 583.00 | 600.00 | 627.00 |

Source: Lancaster County Human Resources Department

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

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|--------|--------|--------|--------|--------|--------|---------|------------|---------|---------|
| Administration of Justice | | | | | | | | | | |
| Clerk of Court general sessions cases disposed | 2,224 | 1,654 | 1,541 | 1,910 | 1,929 | 1,977 | 2,869 | 2,059 | 2,624 | 2,693 |
| Clerk of Court common pleas cases disposed | 1,910 | 1,811 | 1,870 | 2,210 | 2,172 | 2,533 | 1,715 | 1,654 | 1,565 | 1,914 |
| Family Court cases disposed | 997 | 765 | 907 | 820 | 735 | 1,034 | 818 | 994 | 988 | 853 |
| Magistrate Court | | | | | | | | | | |
| Criminal Docket total cases filed | 2,623 | 2,379 | 2,570 | 2,562 | 2,493 | 2,300 | 2,551 | 2,671 | 3,224 | 3,921 |
| Traffic Docket total cases filed | 9,025 | 8,402 | 9,562 | 9,933 | 11,209 | 8,604 | 10,645 | 11,537 | 9,342 | 12,555 |
| Civil Docket total cases filed | 2,314 | 2,181 | 2,335 | 2,149 | 2,348 | 2,418 | 2,437 | 2,536 | 3,076 | 3,106 |
| Culture and Recreation | | | | | | | | | | |
| Library - Circulation | n/a | n/a | n/a | n/a | n/a | n/a | 276,906 | 278,736 | 282,774 | 279,304 |
| Recreation - total number of participants | n/a | n/a | n/a | n/a | n/a | n/a | 217,415 | 223,476 | 224,157 | 11,257 |
| General Government | | | | | | | | | | |
| Assessor - number of parcels revised | n/a | n/a | n/a | n/a | n/a | n/a | 14,102 | 46,875 (1) | 17,626 | 15,369 |
| Building - number of permits issued | n/a | n/a | n/a | n/a | n/a | n/a | 2,738 | 2,847 | 2,847 | 3,386 |
| Delinquent Tax - number of properties redeemed | n/a | n/a | n/a | n/a | n/a | n/a | 224 | 270 | 273 | 269 |
| Human Resources - number of applications taken | n/a | n/a | n/a | n/a | n/a | n/a | 1,034 | 663 | 518 | 254 |
| Planning - number of rezoning cases | n/a | n/a | n/a | n/a | n/a | n/a | 19 | 27 | 38 | 32 |
| Risk Management - number of inspections performed | n/a | n/a | n/a | n/a | n/a | n/a | 68 | 60 | 60 | 60 |
| Fleet Operations - number of work orders | n/a | n/a | n/a | n/a | n/a | n/a | 2,919 | 2,228 | 2,846 | 3,250 |
| Public Safety & Law Enforcement | | | | | | | | | | |
| Coroner - total number of deaths | n/a | n/a | n/a | n/a | n/a | n/a | 463 | 500 | 560 | 571 |
| Communication E911 - total number of calls | n/a | n/a | n/a | n/a | n/a | n/a | 122,164 | 152,695 | 104,218 | 181,987 |
| Detention Center - Total number incarcerated | 3,519 | 3,427 | 2,938 | 3,477 | 3,366 | 3,261 | 2,997 | 3,351 | 3,486 | 3,355 |
| Fire Service - Total number of calls | 3,306 | 3,600 | 3,612 | 3,644 | 3,533 | 4,543 | 5,948 | 6,368 | 6,496 | 7,215 |
| Sheriff Department | | | | | | | | | | |
| Calls for services | n/a | n/a | n/a | n/a | n/a | n/a | 61,707 | 67,515 | 65,906 | 68,758 |
| Total arrests | n/a | n/a | n/a | n/a | n/a | n/a | 3,275 | 3,677 | 3,549 | 3,838 |
| Litter complaints | n/a | n/a | n/a | n/a | n/a | n/a | 95 | 117 | 160 | 395 |
| Public Works | | | | | | | | | | |
| Road maintenance - total work orders | n/a | n/a | n/a | n/a | n/a | n/a | 3,946 | 3,645 | 2,089 | 2,996 |
| Solid Waste | | | | | | | | | | |
| Tons of refuse collected | n/a | n/a | n/a | n/a | n/a | n/a | 6,156 | 6,811 | 6,090 | 7,760 |
| Tons of comingled recyclables collected | n/a | n/a | n/a | n/a | n/a | n/a | 771 | 709 | 536 | 624 |
| Public Health & Welfare | | | | | | | | | | |
| Animal Control | | | | | | | | | | |
| Number of animals through shelter | 4,611 | 4,462 | 4,896 | 4,338 | 3,611 | 3,992 | 3,433 | 3,387 | 3,069 | 2,659 |
| EMS - Total number of calls (1) | 12,289 | 13,334 | 12,313 | 12,497 | 12,530 | 14,891 | 14,880 | 15,144 | 17,380 | 17,108 |

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 | | | | | | | | | |
|--|-------------|------|------|------|--------|--------|--------|--------|--------|--------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Public safety and law enforcement | | | | | | | | | | |
| Number of police stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 |
| Number of police sub-stations | 2 | 3 | 4 | 4 | 3 | 3 | 3 | 3 | 2 | 2 |
| Number of police vehicles | 112 | 116 | 111 | 116 | 123 | 135 | 143 | 135 | 148 | 155 |
| Number of fire stations | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| Number of fire sub-stations | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 2 |
| Public works | | | | | | | | | | |
| Miles of unpaved roads maintained | n/a | n/a | n/a | n/a | 214.84 | 215.84 | 215.84 | 215.84 | 215.84 | 215.84 |
| Miles of paved roads maintained | n/a | n/a | n/a | n/a | 164.81 | 168.76 | 168.76 | 200.81 | 223.76 | 234.41 |
| Public health and welfare | | | | | | | | | | |
| Number of EMS stations | 7 | 7 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Number of emergency vehicles* | 22 | 23 | 23 | 25 | 25 | 33 | 37 | 31 | 31 | 31 |
| Culture and recreation | | | | | | | | | | |
| Number of parks | 13 | 13 | 13 | 15 | 15 | 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.

*Beginning in FY2015, QRV vehicles are included.

COMPLIANCE SECTION



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **Lancaster County, South Carolina** (County), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Lancaster County, South Carolina's basic financial statements and have issued our report thereon dated November 15, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Columbia, South Carolina
November 15, 2019



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

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

Report on Compliance for Each Major Federal Program

We have audited **Lancaster County, South Carolina's** (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended June 30, 2019. The County's major federal program is identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

LANCASTER COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| Federal Grantor/Pass-through Grantor/Program Title | Federal CFDA Number | Grant Identification Number | Total Expenditures | Passed Through to Subrecipients |
|--|---------------------------|-----------------------------------|-----------------------|---------------------------------------|
| <u>U.S. Department of Justice</u> | | | | |
| (Passed through the SC Department of Public Safety) | | | | |
| SCDPS Domestic Violence | 16.738 | 1G16027 | \$ 16,106 | \$ - |
| SCDPS Domestic Violence | 16.738 | 1G18003 | 46,422 | - |
| SCDPS Domestic Violence | 16.738 | 1G18028 | 80,149 | - |
| Edward Byrne Memorial Assistance Grant Program | 16.738 | 2017-DJ-BX-0901 | 11,586 | - |
| Edward Byrne Memorial Assistance Grant Program | 16.738 | 2018-DJ-BX-0270 | 10,383 | - |
| | | | 164,646 | - |
| Bulletproof Vest Partnership Program | 16.607 | N/A | 3,611 | - |
| | | | 3,611 | - |
| Violence Against Women | 16.590 | 2016-WE-AX-0024 | 135,280 | 53,235 |
| | | | 135,280 | 53,235 |
| Victims Advocate | 16.575 | 1V17024 | 24,745 | - |
| Victims Advocate | 16.575 | 1V18065 | 71,307 | - |
| | | | 96,052 | - |
| Drug Court Discretion Grant Program | 16.585 | 2018-DC-BX-0048 | 11,491 | 11,491 |
| | | | 11,491 | 11,491 |
| Comprehensive Opioid Abuse Site-Based Program | 16.838 | 2019-AR-BX-K053 | 6,435 | - |
| | | | 6,435 | - |
| Total U.S. Department of Justice | | | 417,515 | 64,726 |
| <u>U.S. Department of Homeland Security</u> | | | | |
| (Passed through the SC Emergency Management Division) | | | | |
| Pre-Disaster Mitigation | 97.017 | PDMC-PL-04-SC-2015-007 | 1,401 | - |
| | | | 1,401 | - |
| Emergency Management Performance Grants | 97.042 | 17EMPG01-Supplemental | 11,018 | - |
| Emergency Management Performance Grants | 97.042 | 18EMPG01 | 61,695 | - |
| | | | 72,713 | - |
| Staffing for Adequate Fire and Emergency Response | 97.083 | EMW-2014-FF-00085 | 257,035 | - |
| | | | 257,035 | - |
| Disaster Grants - Public Assistance | 97.036 | N/A | 98,093 | - |
| | | | 98,093 | - |
| Total U.S. Department of Homeland Security | | | 429,242 | - |
| <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 | 216,735 | - |
| | | | 216,735 | - |
| TANF Cluster | | | | |
| Temporary Assistance for Needy Families - TANF Block Grant | 93.558 | N/A | 12,221 | - |
| | | | 12,221 | - |
| 477 Cluster | | | | |
| Child Care Development Fund | 93.575/93.596 | N/A | 135 | - |
| | | | 135 | - |
| Medicaid Cluster | | | | |
| Medicaid Assistance Program | 93.778 | N/A | 4,780 | - |
| | | | 4,780 | - |
| Social Services Block Grant Administration | 93.667 | N/A | 2,348 | - |
| Family Preservation (CWS Part II) | 93.556 | N/A | 84 | - |
| Foster Care | 93.658 | N/A | 3,774 | - |
| | | | 6,206 | - |
| Total U.S. Department of Health and Human Services | | | 240,077 | - |
| <u>Centers for Disease Control and Prevention</u> | | | | |
| The Affordable Care Act | 93.521 | EQ-8-163 | 1,296 | - |
| | | | 1,296 | - |
| Total Centers for Disease Control and Prevention | | | 1,296 | - |

LANCASTER COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| Federal Grantor/Pass-through Grantor/Program Title | Federal CFDA Number | Grant Identification Number | Total Expenditures | Passed Through to Subrecipients |
|--|---------------------------|-----------------------------------|-----------------------|---------------------------------------|
| <u>U.S. Department of Agriculture</u> | | | | |
| (Passed through the SC Department of Social Services) | | | | |
| SNAP Cluster | | | | |
| State Administrative Matching Grants for Supplemental Nutrition Assistance | 10.561 | N/A | \$ 5,321 | \$ - |
| | | | 5,321 | - |
| Total U.S. Department of Agriculture | | | <u>5,321</u> | <u>-</u> |
| <u>U.S. Department of Transportation</u> | | | | |
| Airport Improvement Program | 20.106 | 3-45-0034-019-2017 | 69,974 | - |
| Airport Improvement Program | 20.106 | 3-45-0034-020-2018 | 95,773 | - |
| | | | 165,747 | - |
| (Passed through the SC Department of Public Safety) | | | | |
| Highway Safety Cluster | | | | |
| State and Community Highway Safety Program | 20.600 | PT-2018-HS-33-18 | 41,288 | - |
| State and Community Highway Safety Program | 20.616 | M4HVE-2018-HS-49-18 | 73,173 | - |
| National Priority Safety Programs | 20.616 | M4HVE-2018-HS-49-19 | 59,740 | - |
| | | | 174,201 | - |
| Total Highway Safety Cluster | | | <u>174,201</u> | <u>-</u> |
| Total U.S. Department of Transportation | | | <u>339,948</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-CI-16-011 | 495,964 | 122,589 |
| Community Development Block Grant | 14.228 | 4-RP-17-003 | 52,500 | - |
| | | | 548,464 | 122,589 |
| Total U.S. Department of Housing and Urban Development | | | <u>548,464</u> | <u>122,589</u> |
| <u>U.S. Institute of Museum and Library Services</u> | | | | |
| Library Services and Technology Program | 45.310 | IIIA-18-114 | 1,560 | - |
| Library Services and Technology Program | 45.310 | IIIA-18-112 | 864 | - |
| Library Services and Technology Program | 45.310 | IIIA-18-102 | 1,864 | - |
| Library Services and Technology Program | 45.310 | IIIA-18-06 | 1,000 | - |
| Library Services and Technology Program | 45.310 | IIIA-17-07 | 772 | - |
| Library Services and Technology Program | 45.310 | IID-17-204 | 1,289 | - |
| Library Services and Technology Program | 45.310 | IID-17-129 | 464 | - |
| Library Services and Technology Program | 45.310 | IID-18-108 | 1,000 | - |
| | | | 8,813 | - |
| Total U.S. Institute of Museum and Library Services | | | <u>8,813</u> | <u>-</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 1,990,676</u> | <u>\$ 187,315</u> |

LANCASTER COUNTY, SOUTH CAROLINA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE I. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Lancaster County, South Carolina (the "County"), and is presented on the modified accrual basis of accounting for governmental fund types and the accrual basis of accounting for the proprietary fund types. The County reporting entity is defined in Note 1 to the County's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* 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, 2019.

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, 2019

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weaknesses identified? ___ Yes X No

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

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? ___ Yes X No

Identification of major programs:

CFDA Number
14.228

Name of Federal Program or Cluster
U.S. Department of Housing and Urban Development –
Community Development Block Grant Program

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

Auditee qualified as low-risk auditee? X Yes ___ No

LANCASTER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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.

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Memo

To: Hal Hiott, *Director*
Lancaster County Parks & Recreation Department

From: Katie Thayer, PLA, ASLA
Project Manager

Date: January 28, 2020

Subject: Walnut Creek Park - Synthetic Turf Conversion Cost for 2022

Dear Mr. Hiott,

Attached is a budget worksheet projection for Walnut Creek Park to convert the existing two (2) natural grass fields (sized at 340' x 240' and 210' x 165') into synthetic turf fields. This park is located at 10521 Walnut Creek Parkway, Lancaster, SC 29720, and it is our understanding this project is being considered as a potential future County Capital Sales Tax project. We have incorporated contingency within the budget to account for escalation for 2022 costs.

Please advise if you have any questions, we would be glad to further assist with our sports expertise and knowledge.

Kind Regards,
Katie Thayer

Attachment

Woolpert North Carolina, PLLC
11301 Carmel Commons Boulevard, Suite 300
Charlotte, NC 28226
704.525.6284

Walnut Creek Park - Synthetic Turf Conversion

Lancaster Co., SC

Budget worksheet projection for potential future County Capital Sales Tax project
1/28/2020



A - Soccer Field Renovation (2 fields, 340' x 240' and 210' x 165')

| NO. | ITEM DESCRIPTION | QUANTITY | UNIT | UNIT COST | TOTAL COST |
|--------------|--|----------|------|--------------|--------------|
| 1 | General clearing/site prep and excavate for subgrade | 1.0 | LS | \$40,000.00 | \$40,000.00 |
| 2 | Aggregate base & laser grade | 1.0 | LS | \$150,000.00 | \$150,000.00 |
| 3 | Install underdrain collector pipes and outfall | 1.0 | LS | \$40,000.00 | \$40,000.00 |
| 4 | Concrete curb/edge w/nailer (±2000lf) | 1.0 | LS | \$40,000.00 | \$40,000.00 |
| 5 | Synthetic turf install & grooming equipment | 1.0 | LS | \$725,000.00 | \$725,000.00 |
| A TOTAL COST | | | | | \$995,000.00 |

CONSTRUCTION SUMMARY

| | | |
|--|--------|----------------|
| CONSTRUCTION SUB TOTAL | | \$995,000.00 |
| ESTIMATE CONTINGENCY (Escalation costs for 2022-2023) | 10.00% | \$99,500.00 |
| MOBILIZATION + BOND & GENERAL CONDITIONS | 6.00% | \$59,700.00 |
| CONSTRUCTION TOTAL COST | | \$1,154,200.00 |
| Project Cost For Administration, Permits, and Professional Design Fees | | \$200,000.00 |
| TOTAL PROJECT COST | | \$1,354,200.00 |

Hal Hiott

From: Carrie Ireland <carrie.ireland@musco.com>
Sent: Tuesday, February 18, 2020 12:43 PM
To: Hal Hiott
Cc: Brian Hartman
Subject: [EXTERNAL] Preliminary Budget Estimates for Lancaster Softball Fields

THIS IS AN EXTERNAL E-MAIL — Use caution when clicking on links as they could open malicious websites.
—IT Helpdesk, support.lancastercountysc.net

Hal,

Good Afternoon! Brian wanted me to email over some preliminary budget estimates for your 3 softball fields, you had discussed with him earlier. Following estimates were based on your conversation and field sizes provided:

(2) 120' Fields: \$250,000
(1) 280' Field: \$250,000

Let us know if you should have any questions. Thank you, Hal. We appreciate this opportunity and look forward to working with you. Have a great week.

Thank you,

Carrie Ireland
Project Planning Specialist
Musco Sports Lighting, LLC
carrie.ireland@musco.com
800.825.6030

LakePoint Sporting Community- Emerson, GA
The world's largest sports vacation destinations, LakePoint Sporting Community installs Musco's innovative LED solution. Click [here](#) to read more.

St. Pius Football Retrofit X Reduces Glare Impact on Surrounding Neighborhood. Read about the project [here](#).

Agenda Item Summary

Ordinance # / Resolution #: N/A

Contact Person / Sponsor: Paul Moses/Airport Director and Ken Holt/Holt Consulting

Department: Administration

Date Requested to be on Agenda: 3/4/2020

Issue for Consideration:

Please see attached application, proposed itemized budget, copy of annual audit, and proof of third party project consultant's involvement in the project scope and cost estimation.

Points to Consider:

Please see attached application, proposed itemized budget, copy of annual audit, and proof of third party project consultant's involvement in the project scope and cost estimation.

Recommendation:

N/A

ATTACHMENTS:

| Description | Upload Date | Type |
|---|-------------|-----------------|
| Application for the Lancaster County Airport Project | 2/25/2020 | Presentation |
| Proposed Itemized Budget for the Lancaster County Airport Project | 2/25/2020 | Backup Material |
| Annual Audit for Lancaster County | 2/25/2020 | Backup Material |
| Proof of 3rd Party Consultant for the Lancaster County Airport Project | 2/25/2020 | Backup Material |
| Lancaster County-McWhirter Field Total Annual Economic Impact on South Carolina's Economy | 2/25/2020 | Backup Material |

Lancaster County Capital Project Sales Tax III Application

To be considered by the Capital Project Sales Tax Commission, applications must be received by 8:30am on March 23, 2020

Complete all required fields and attach all documentation as outlined in this application. You will not be able to submit your proposal until you have done so. If you answer yes to either drop-downs on page 3, be sure to answer the additional questions below them. Please review the guidelines posted on the website to assist you in filling in the application.

Questions:

If you have questions please visit our website where you can find application guidelines as well as other helpful information.

www.mylanastersc.org/CPST

OR

Contact Sherrie Simpson

ssimpson@lanastersc.net

803-416-9307

Amount Requested: \$2,400,000

Total Cost of Project: \$3,500,000

Location of Project: Lancaster County Airport - McWhirter Field

Expected timeframe to complete the project: 2023 (Terminal) / 2026 (Hangar)

SECTION I: REQUESTING ORGANIZATION INFORMATION

| | |
|--------------------------|--|
| Name of Organization | Lancaster County Airport - McWhirter Field |
| Contact Person and Title | Paul T. Moses, Airport Manager |
| Mailing Address | 286 Aviation Boulevard, Lancaster, SC 29720 |
| Phone Number | 803-285-1513 |
| Email Address | pmoses@lanastersc.net |
| Website | www.mylanastersc.org |

ORGANIZATION TYPE (check one)

☐ 501(c)

☒ Governmental

☐ Other

SECTION II: PROJECT DESCRIPTION *(Please refer to the guidelines on our website to ensure your responses qualify).*

1. Describe your proposal.

To realize the highest rate of return from an existing Lancaster County asset through an investment in the Airport terminal area. This proposal is to request supplemental funding for the implementation of the final portion of a two-pronged strategy, to position the airport to capture pent up corporate aviation demand in the region.

The first portion of the strategy was a focus on the airfield that began approximately 10 years ago and included the rehabilitation of airfield pavement and the installation of security/wildlife fencing. The total investment for this portion approximated \$9.5 million with \$8.5 million in FAA Airport Improvement Program funding and \$.5 million in SC Aeronautics Commission funding. In summary, Lancaster County's 5-cent investment on a dollar yielded a 95-cent investment by others.

The second portion of the strategy is a focus on the terminal area, specifically the terminal building and a large hangar. These types of improvements are not eligible for the level of FAA and SCAC funding as was the airfield improvements. A description of these improvements is provided in #2 below.

2. Describe the capital need being addressed by your proposal.

The existing terminal building is approximately 3,000 square feet and was constructed over 30 years ago. Therefore, the building has well exceeded its usefulness in terms of current and future spatial demands, state-of-the-art technology, and the pro-business image of Lancaster County. The new modernized terminal building will be 4,000+ square feet and will possess attractive features that will assist in maintaining existing and attracting new industry to Lancaster County.

Also, the large hangar will initially accommodate transient corporate aircraft overnight and during long-term stays to add enhanced security and protection during inclement weather. Ultimately, the facility will become home for jet aircraft desiring to be based in Lancaster County or for a professional aircraft maintenance operation, numerous inquiries for both have been and continue to be made to the Airport Manager.

3. Please describe the benefit of your project to the larger community.

Job creation associated with industrial expansions and new industry locating in Lancaster County. In addition, new corporate aircraft based in Lancaster County will significantly increase hangar lease revenue, profit on aviation fuel sales, and annual aircraft property taxes.

Also, the SC Aeronautics Commission completed an economic impact study in 2018, for each airport in South Carolina. It determined the impact of Lancaster County Airport to the local community at large to be 34 jobs, an annual payroll of \$1.2 million, \$3.3 million in annual spending, and annual economic activity totaling \$4.5 million (please refer to the attached report for more details. It is anticipated that by Lancaster County supplementing the funding needed to implement the facilities described in this proposal, these impacts will significantly increase.

SECTION III: ADDITIONAL FUNDING CONSIDERATIONS *(Please refer to the guidelines on our website to ensure your responses qualify).*

- 1. Will there be any additional, ongoing costs associated with your project? (i.e. personnel to run a new facility, maintenance, etc.)**

Yes

- a. If yes, please estimate and describe the nature of those costs in an itemized manner (i.e. personnel to run a new facility, maintenance, etc.).**

Personnel will include Airport Manager, Assistant Airport Manager, janitorial, and ground crew.

- b. If yes, please indicate if there is an already identified and committed source of funding for those costs and provide information concerning the identified and committed funding source.**

Positions identified above are currently filled except for the Assistant Airport Manager. There is a request for this position in the Lancaster County 2019/2020 budget.

- 2. Will there be any other government funding assistance associated with this project (i.e. Federal, State, Municipal, etc.)?**

Yes

- a. If yes, please indicate the amount of planned funding and the sources in an itemized manner.**

\$500,000 SC Aeronautics Commission State Aviation Fund (Terminal)
\$600,000 FAA Airport Improvement Program Entitlement Fund (Hangar)

The following attachments MUST be submitted with your application. If not, your application will not be considered.

- a. An itemized budget for your proposal.
- b. Copy of an annual audit for your organization performed by a certified public accountant (CPA)
- c. Proof of an engineer, architect, or other third party project consultant's involvement in project scope and cost estimation.

All applicants will be invited to present their proposals to the Commission. You will be contacted by staff following your submission to schedule a time during an upcoming meeting. Please also attach any additional handouts you would like them to have during this review session. **ANY HANDOUTS MUST BE ATTACHED WITH YOUR APPLICATION.**

I hereby certify that I am an authorized signatory for the applicant organization and that this organization does not discriminate on the basis of race, color, age, sex, religion, sexual orientation, physical disability, veteran status, or national origin, and that all funds that may be received by applicant organization from the County of Lancaster will be solely used for the purposes set forth in this application and will comply with all laws and statutes.

signed via SeamllessDocs.com
Paul T. Moses
Key: 5ee5b6980fc4ef942e950237d4f6bf

02/24/2020

Signature

Date

Lancaster County Airport - McWhirter Field

Itemized Budget

| Terminal Building | | Large Hangar | |
|------------------------------|--------------------|------------------------------|--------------------|
| Design & Bidding | \$150,000 | Design & Bidding | \$100,000 |
| Site Preparation | \$250,000 | Site Preparation | \$300,000 |
| Construction | \$1,100,000 | Construction | \$800,000 |
| Construction Serviecs | \$300,000 | Construction Serviecs | \$100,000 |
| Furniture/Fixtures/Equipment | \$200,000 | Furniture/Fixtures/Equipment | \$200,000 |
| Total | \$2,000,000 | Total | \$1,500,000 |

**See Comprehensive Annual Financial Report for Lancaster County,
South Carolina attached to the Parks and Recreation Walnut Creek
Soccer Project.**

**AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN
LANCASTER COUNTY, SOUTH CAROLINA
AND
HOLT CONSULTING COMPANY, LLC**

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| Exhibit C - General Provisions for Engineering Services..... | C-1 to C-8 |
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AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN
LANCASTER COUNTY, SOUTH CAROLINA
AND
HOLT CONSULTING COMPANY, LLC

THIS AGREEMENT is made and entered into this 26th day of September, 2019 by and between **LANCASTER COUNTY, SOUTH CAROLINA**, located at 286 Aviation Boulevard, Lancaster, South Carolina 29720, hereinafter referred to as the **OWNER**, and **HOLT CONSULTING COMPANY, LLC**, located at ~~1332 Main Street, Suite 55, Columbia, South Carolina 29201~~, herein after referred to as the **CONSULTANT**. 2801 Devine Street, Suite 201, Columbia, South Carolina 29205

WITNESSETH

WHEREAS, the **OWNER** intends to initiate various planning, design, engineering, architectural and environmental projects and construct certain airfield, landside, and terminal improvements over the next five (5) years, at the Lancaster County Airport – McWhirter Field, referred to as the PROJECT, each of which will be described in future Work Authorizations; and,

WHEREAS, the **OWNER** desires to retain the services of the **CONSULTANT** for a period of five (5) years from the effective date of the AGREEMENT; and,

WHEREAS, the **OWNER** may require other general consulting services in the conduct of its business over the period of this AGREEMENT, which will be described in future Work Authorizations; and,

WHEREAS, the **CONSULTANT** has represented to the **OWNER** that it is qualified to perform the various described tasks and work of the projects, and, based upon **CONSULTANT**'s representations, the **OWNER** desires to retain the services of the **CONSULTANT** to perform the work described herein.

NOW THEREFORE, for and in consideration of their mutual benefit, the parties hereto agree as follows:

The **CONSULTANT** shall, upon receipt of each duly executed Work Authorization, perform the work described in the Work Authorization in accordance with the attached Exhibits "A", "B", "C", "D", and "E" as may be required in said Work Authorizations.

The **OWNER**, in consideration of the performance of the **CONSULTANT**'s undertakings under this AGREEMENT, pursuant to Work Authorizations fully executed by the **OWNER** and **CONSULTANT**, shall pay the **CONSULTANT** the consideration determined in each Work Authorization; which consideration shall constitute complete payment for all services furnished in connection with the work required to be performed under the Work Authorization.

The following Exhibits are attached to and made part of this AGREEMENT:

- A. "General Provisions for Program Management and General Consulting Services"
- B. "General Provisions for Planning and Environmental Services"
- C. "General Provisions for Engineering Services"
- D. "General Provisions for Architectural Design Services"
- E. "Duties, Responsibilities, and Limitations of Authority of Resident Project Representative"
- F. "Payments and Miscellaneous Provisions"
- G. "Mandatory Federal Provisions"
- H. "Sample Work Authorization Form"

This AGREEMENT shall apply to all approved projects initiated within five (5) years, more or less, after the effective date of the first Work Authorization.

This AGREEMENT, together with the Exhibits identified above and subsequent Work Authorizations constitutes the entire agreement between the **OWNER** and the **CONSULTANT** and supersedes all prior written or oral understandings. This AGREEMENT and said Exhibits may only be amended, supplemented, modified, or canceled by a duly executed written instrument. This AGREEMENT and said Exhibits hereafter shall be referred to as the MASTER AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have made and executed this AGREEMENT as of the date first above written.

WITNESS: Cathy McDaniel LANCASTER COUNTY, SOUTH CAROLINA
BY: Steve Willis

TITLE: County Administrator

WITNESS: Jeff Gilbert HOLT CONSULTING COMPANY, LLC
BY: Russell A. Holt

TITLE: Principal

EXHIBIT A

GENERAL PROVISIONS FOR PROGRAM MANAGEMENT AND GENERAL CONSULTING SERVICES

This is an exhibit attached to and made a part of the AGREEMENT between the **OWNER** and the **CONSULTANT** for Professional Services. For elements of the PROJECT described in the referenced AGREEMENT, the **CONSULTANT** shall perform Professional Services in accordance with acceptable architectural, engineering and surveying practices. These services shall be the limits of the **CONSULTANT**'s responsibility under this AGREEMENT.

These General Provisions set forth the general requirements for the performance of the various services for program management and general consulting required under this AGREEMENT. The **CONSULTANT** under each duly executed Work Authorization shall perform the scope of work required by such Authorization, and unless requirements to the contrary are specifically prescribed therein, shall perform the required services in accordance with the following requirements.

SECTION I - PROGRAM MANAGEMENT AND GENERAL CONSULTING SERVICES

- A. The services for program management respond to the complexities resulting from multiple project, multi-discipline, and long-range programs. Typical program management services can include:
 - 1. Project formulation/programming;
 - 2. Project coordination;
 - 3. Master program scheduling;
 - 4. Consultant/subconsultant coordination;
 - 5. Funding and financial coordination assistance;
 - 6. Meeting preparation and documentation; and,
 - 7. Technical assistance.

- B. The general consulting services to be provided under this section are undefined, general in nature, and only required periodically by the **OWNER**. Typical services anticipated might include:
 - 1. Presentation preparation;
 - 2. Coordination of meetings with local, state, and federal officials;
 - 3. Site visits;
 - 4. Facility inspection;
 - 5. Obstruction surveys;
 - 6. Property surveys
 - 7. Other services requested by the **OWNER** that are not otherwise directly associated with a current project.

- C. Specific program management services will be reviewed in advance with the **OWNER** and set forth in each Work Authorization. FAA approval of scope will be obtained for FAA funded items and tasks.
- D. The amount of compensation and method of payment will be established when each Work Authorization is developed and presented for approval prior to services being performed.

SECTION II - MISCELLANEOUS PROVISIONS

1. **Exhibit "F", Payments and Miscellaneous Provisions**, specifies requirements for payments to **CONSULTANT**, **OWNER's** responsibilities, and other miscellaneous provisions, and **Exhibit "G"** specifies Federal mandatory provisions.

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EXHIBIT B

GENERAL PROVISIONS FOR PLANNING AND ENVIRONMENTAL SERVICES

This is an exhibit attached to and made a part of the AGREEMENT between the **OWNER** and the **CONSULTANT** for professional consulting services. For elements of the PROJECT described in the referenced AGREEMENT, the **CONSULTANT** shall perform professional services as hereinafter described, which shall include customary planning, environmental, and auxiliary services incidental thereto. These services, when performed in accordance with acceptable practices, shall be the limits of the **CONSULTANT's** responsibility under this AGREEMENT.

These General Provisions set forth the general requirements for the performance of the various services for planning and environmental projects required under this AGREEMENT. The **CONSULTANT** under each duly executed Work Authorization shall perform the scope of work required by such Authorization, and unless requirements to the contrary are specifically prescribed therein, shall perform the required services in accordance with the following requirements.

SECTION I - SERVICES

- A. Basic and Special Services for planning projects will be reviewed in advance with the **OWNER** and set forth in each Work Authorization. FAA approval of scope will be obtained for FAA funded items and tasks.
- B. The amount of compensation and method of payment will be established when each planning Work Authorization is developed and presented for approval.
- C. At the written request of the **OWNER**, the **CONSULTANT** shall accomplish such special services as required by the **OWNER** to complete the PROJECT. At the option of the **OWNER**, special services may be provided by the **OWNER** through contracts with other professionals or may be provided by the **CONSULTANT**. When the **CONSULTANT** is requested to provide special services, such services may be provided by the **CONSULTANT's** own forces or through subcontracts with other professionals. However, contracts with other professionals for special services must have the approval of the **OWNER** before the work is initiated. (**OWNER's** approval of **CONSULTANT's** Work Authorization listing subconsultants and subconsultant fees will be considered approval of subconsultant's contract.) Special services which may be requested include, but are not necessarily limited to the following:
 - 1. Soils and materials investigations including test borings, laboratory testing of soils and materials, and related analyses and recommendations;
 - 2. Reproduction of additional copies of reports and other documents above the specified number described in each work authorization;

3. The accomplishment of special surveys and investigations, such as aerial photography and mapping, traffic volume data collection, and the preparation of special reports and drawings as may be requested or authorized in writing by the **OWNER** in connection with the **PROJECT**;
4. Land surveys as necessary to establish property boundaries required for property acquisition purposes or preparation of property maps; and,
5. Special environmental studies including biotic studies, historical and archeological studies, noise studies and other related work.

SECTION II- MISCELLANEOUS PROVISIONS

1. **Exhibit "F", Payments and Miscellaneous Provisions**, specifies requirements for payments to **CONSULTANT**, **OWNER's** responsibilities, and other miscellaneous provisions, and **Exhibit "G"** specifies Federal mandatory provisions applicable to Planning Projects.

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EXHIBIT C

GENERAL PROVISIONS FOR ENGINEERING SERVICES

This is an exhibit attached to and made a part of the AGREEMENT between the **OWNER** and the **CONSULTANT** for professional consulting services. For elements of the PROJECT described in the referenced AGREEMENT which are primarily engineering projects, the **CONSULTANT** shall perform professional services as hereinafter described, which shall include customary civil, structural, mechanical, and electrical engineering services. These services, when performed in accordance with acceptable engineering practices, shall be the limits of the **CONSULTANT**'s responsibility under this AGREEMENT.

These General Provisions set forth the general requirements for the performance of the various services for development projects required under this AGREEMENT. The **CONSULTANT** under each duly executed Work Authorization shall perform work required to accomplish the intent of such work authorization, and unless otherwise specifically prescribed therein, shall perform the required services in accordance with the following requirements.

SECTION I - BASIC SERVICES

A. Basic Engineering Services will generally be completed in four (4) phases:

1. Preliminary design phase;
2. Final design phase;
3. Bidding phase; and,
4. Construction phase.

The general types of services to be performed in each phase are described herein. However, typical services may be changed or deleted as required for each project. Additional services may be added as mutually agreed upon between **OWNER** and **CONSULTANT**. Such additions, changes, or deletions will be outlined in each Work Authorization.

B. Preliminary Design Phase

This phase involves those activities required for defining the scope of a project and establishing preliminary requirements. Items of work for this phase of a project include:

1. Conferring with the **OWNER** on project requirements, finances, schedules, early phases of the PROJECT, and other pertinent matters; and meeting with concerned agencies and parties on matters affecting the PROJECT;
2. Advising **OWNER** as to the necessity of providing or obtaining from others data or services of the types described in Section II such as, but not limited to field surveys, soil borings, aerial mapping and laboratory testing. At **OWNER**'s option, services may be provided by the **OWNER** through direct contracts with other professionals or may be

provided by the **CONSULTANT** in accordance with **Exhibit "F", Payments and Miscellaneous Provisions**, Section I.2; and,

3. Developing design schematics, sketches, project recommendations and preliminary layouts, and cost estimates.

C. Final Design Phase

After authorization to proceed with the Final Design Phase, **CONSULTANT** shall, on the basis of the accepted Preliminary Design documents and the construction budget authorized by **OWNER**:

1. Prepare necessary engineering reports and recommendations;
2. Prepare detailed plans, specifications, and cost estimates;
3. Print and provide necessary copies for in-house production of engineering drawings and contract specifications;
4. Advise **OWNER** of any adjustments to the preliminary estimate of probable construction costs caused by changes in general scope, extent or character or design requirements of the PROJECT, or market conditions. Furnish to **OWNER** a revised opinion of probable construction costs based on the Final Drawings and Specifications;
5. Prepare for review and approval by **OWNER**, its legal counsel and other advisors, necessary bidding information, bidding forms, the conditions of the contract, and the form of AGREEMENT between the **OWNER** and Contractor; and,
6. Distribute documents for approvals to FAA, **OWNER**, State, and other regulatory agencies.

D. Bidding Phase

After authorization to proceed with the Bidding Phase, **CONSULTANT** shall:

1. Assist the **OWNER** in advertising for and obtaining bids for each separate prime contract for construction, materials, equipment and services; and, where applicable, maintain a record of prospective bidders to whom bidding documents have been issued, and receive and process deposits for bidding documents;
2. Assist the **OWNER** in conducting a pre-bid conference for each separate prime contract to share pertinent bidding and technical information and requirements with prospective bidders.

3. Issue addenda as appropriate to interpret, clarify or expand the bidding documents.
4. Distribute sets of bidding documents to prospective bidders and plan offices (Dodge and AGC) during the Bidding Phase.
5. Attend the bid opening, prepare bid tabulation sheets and assist **OWNER** in evaluating bids or proposals and in assembling and awarding contracts for construction, materials, equipment and services.

E. Construction Phase

1. The **CONSULTANT**'s responsibility to provide Basic Services for the Construction Phase under this AGREEMENT commences with the award of each contract for construction and terminates at the earlier of the issuance by the **OWNER** of the final Certificate for Payment or 30 days after the date of Substantial Completion of the Work, but if so stated by Work Authorization, may be extended under the terms of **Section II "Special Services;"**
2. **CONSULTANT** shall attend and administer the preconstruction conference;
3. Visits to site and observation of construction: In connection with observations of the work of contractor(s) while it is in progress:
 - a. **CONSULTANT** shall make visits to the site at intervals appropriate to the various stages of construction as **CONSULTANT** deems necessary in order to observe as an experienced and qualified design professional the progress of the various aspects of contractor(s)' work. Based on information obtained during such visits and on such observations, **CONSULTANT** shall endeavor to determine in general if such work is proceeding in accordance with the contract documents and **CONSULTANT** shall keep **OWNER** informed of the progress of the work;
 - b. If **OWNER** requests more extensive site representation than is described in 3.a above, **CONSULTANT** will provide a Resident Project Representative(s) as a Special Service;
 - c. **CONSULTANT** shall not during such visits or as a result of such observations of contractor(s)' work in progress, supervise, direct or have control over contractor(s)' work nor shall **CONSULTANT** have authority over or responsibility for the means, methods, techniques, sequences or procedures of construction selected by contractor(s), for safety precautions and programs incident to the work of contractor(s) or for any failure of contractor(s) to comply with laws, rules, regulations, ordinances, codes or orders applicable to contractor(s) furnishing and performing their work. Accordingly, **CONSULTANT** can neither guarantee the performance of the construction

contracts by contractor(s) nor assume responsibility for contractor(s)' failure to furnish and perform their work in accordance with the contract documents;

4. Defective work: During such visits and on the basis of such observations, **CONSULTANT** may disapprove of or reject contractor(s)' work while it is in progress if **CONSULTANT** believes that such work will not produce a completed PROJECT that conforms generally to the contract documents or that it will prejudice the integrity of the design concept of the PROJECT as reflected in the contract documents.
5. Interpretations and clarifications: **CONSULTANT** shall issue necessary interpretations and clarifications of the contract documents and in connection therewith prepare work directive changes and change orders as required;
6. Shop drawings: **CONSULTANT** shall and approve (or take other appropriate action in respect of) shop drawings (as that term is defined in the aforesaid Standard General Conditions), samples and other data which contractor(s) are required to submit, but only for conformance with the design concept of the PROJECT. Such reviews and approvals or other action shall not extend to means, methods, techniques, sequences or procedures of construction or to safety precautions and programs incident thereto;
7. Substitutes: **CONSULTANT** shall evaluate and determine the acceptability of substitute materials and equipment proposed by contractor(s), but subject to the provision of Section II, paragraph 13;
8. Inspections and tests: **CONSULTANT** shall have authority, as **OWNER's** representative, to require special inspection or testing of the work, and shall receive and review all certificates of inspections, testing's and approvals required by laws, rules, regulations, ordinances, codes, orders or the contract documents (but only to determine generally that their content complies with the requirements of, and the results certified indicate compliance with, the contract documents);
9. Disputes between **OWNER** and contractor: **CONSULTANT** shall act as initial interpreter of the requirements of the contract documents and judge of the acceptability of the work thereunder and make decisions on all claims of **OWNER** and contractor(s) relating to the acceptability of the work or the interpretation of the requirements of the contract documents pertaining to the execution and progress of the work. **CONSULTANT** shall not be liable for the results of any such interpretations or decisions rendered in good faith;
10. Applications for payment: Based on **CONSULTANT's** on-site observations as an experienced and qualified design professional, on information provided by the Resident

Project Representative and on review of applications for payment and the accompanying data and schedules:

- a. **CONSULTANT** shall determine the amounts owing to contractor(s) and recommend in writing payments to contractor(s) in such amounts. Such recommendations of payment will constitute a representation to **OWNER**, based on such observations and review, that the work has progressed to the point indicated, and that, to the best of **CONSULTANT**'s knowledge, information and belief, the quality of such work is generally in accordance with the contract documents (subject to an evaluation of such work as a functioning whole prior to or upon Substantial Completion, to the results of any subsequent tests called for in the contract documents and to any other qualifications stated in the recommendation). In the case of unit price work, **CONSULTANT**'s recommendations of payment will include determinations of quantities and classifications of such work (subject to any subsequent adjustments allowed by the contract documents);
 - b. By recommending any payment, **CONSULTANT** will not thereby be deemed to have represented that exhaustive, continuous or detailed reviews or examinations have been made by **CONSULTANT** to check the quality or quantity of contractor(s)'s work as it is furnished and performed beyond the responsibilities specifically assigned to **CONSULTANT** in this AGREEMENT and the Contract documents. **CONSULTANT**'s review of contractor(s)' work for the purposes of recommending payments will not impose on **CONSULTANT** responsibility to supervise, direct or control such work or for the means, methods, techniques, sequences, or procedures of construction or safety precautions or programs incident thereto or contractor(s) compliance with laws, rules, regulations, ordinances, codes or orders applicable to their furnishing and performing the work. It will also not impose responsibility on **CONSULTANT** to make any examination to ascertain how or for what purposes any Contractor has used the moneys paid on account of the contract price, or to determine that title to any of the work, materials or equipment has passed to **OWNER** free and clear of any lien, claims, security interests or encumbrances, or that there may not be other matters at issue between **OWNER** and contractor that might affect the amount that should be paid.
11. Contractor(s)' completion documents: **CONSULTANT** shall receive and review maintenance and operating instructions, schedules, guarantees, bonds and certificates of inspection, tests and approvals which are to be assembled by contractor(s) in accordance with the contract documents (but such review will only be to determine that their content complies with the requirements of, and in the case of certificates of inspection, tests and approvals the results certified indicate compliance with, the contract documents); and shall transmit them to **OWNER** with written comments;

12. Inspections: **CONSULTANT** shall conduct an inspection to determine if the work is substantially complete and a final inspection to determine if the completed work is acceptable to **OWNER**, FAA and other governing agencies so that **CONSULTANT** may recommend, in writing, final payment to contractor(s) and may give written notice to **OWNER** and the contractor(s) that the work is acceptable (subject to any conditions therein expressed), but any such recommendation and notice will be subject to the limitations expressed in paragraph E.10.b; and,
13. Limitation of Responsibilities: **CONSULTANT** shall not be responsible for the act or omissions of any contractor, or of any subcontractor or supplier, or any of the contractor(s)' or subcontractor's or supplier's agents or employees or any other persons (except **CONSULTANT**'s own employees and agents) at the site or otherwise furnishing or performing any of the Contractor(s)' work; however, nothing contained in paragraphs E.1 through E.12 inclusive, shall be construed to release **CONSULTANT** from liability for failure to properly perform duties and responsibilities assumed by **CONSULTANT** in the contract documents.

SECTION II- SPECIAL SERVICES

A. Services Requiring Authorization in Advance

If authorized in writing by **OWNER**, **CONSULTANT** shall accomplish such special services of the following types which are not considered normal or customary Basic Services except where specifically provided for otherwise in the Work Authorizations. At **OWNER**'s option, services may be provided by the **OWNER** through direct contracts with other professionals or may be provided by the **CONSULTANT**. When the **CONSULTANT** is requested to provide special services, such services may be provided by the **CONSULTANT**'s own forces or through subcontracts with other professionals; however, contracts with other professionals for special services must have the approval of the **OWNER** before the work is initiated (**OWNER** approval of **CONSULTANT**'s Work Authorization listing subconsultant's and subconsultant fees will be considered approval of subconsultant's contract.) Special services will be paid for by **OWNER** as indicated in each Work Authorization in addition to the compensation for Basic Services described herein.

1. Preparation of applications and supporting documents for governmental grants, loans or advances in connection with the PROJECT; preparation or review of environmental assessments and impact statements; review and evaluation of the effect on the design requirements of the PROJECT of any such statements and documents prepared by others; and assistance in obtaining approvals of authorities having jurisdiction over the anticipated environmental impact of the PROJECT.
2. Services to make measured drawings of or to investigate existing conditions or facilities, or to verify the accuracy of drawings or other information furnished by **OWNER**; commonly referred to as A/E survey.

3. Services resulting from significant changes in the general scope, extent or character of the PROJECT or its design including, but not limited to, changes in size, complexity, **OWNER's** schedule, character of construction or method of financing; and revising previously accepted studies, reports, design documents or contract documents when such revisions are required by changes in laws, rules, regulations, ordinances, codes or orders enacted subsequent to the preparation of such studies, reports or documents, or are due to causes beyond **CONSULTANT's** control.
4. Providing renderings or models for **OWNER's** use.
5. Preparing to serve or serving as a **CONSULTANT** or witness for **OWNER** in any litigation, public hearing or other legal or administrative proceeding involving the PROJECT (except as agreed to under Basic Services).
6. Soils and material investigations including test borings, laboratory testing of soils and materials, related analyses and recommendations.
7. Quality assurance testing during construction.
8. Furnishing services of a Resident Project Representative to assist **CONSULTANT** in observing performance of the work of contractor(s).
9. Preparation of Disadvantaged Business Enterprise Program.
10. Cost accounting services, grant administration, and grant closeout.
11. Reproduction and postage of reports, contract documents and specifications to FAA, **OWNER**, contractor, regulatory agencies, prospective bidders, and plan rooms.
12. Services in connection with work directive changes and change orders to reflect changes requested by **OWNER** if the resulting change in compensation for Basic Services is not commensurate with the additional services rendered.
13. Services in making revisions to drawings and specifications occasioned by the acceptance or substitutions proposed by contractor(s); and services after the award of each contract in evaluating and determining the acceptability of an unreasonable or excessive number of substitutions proposed by contractor.
14. Services resulting from delays beyond the control of **CONSULTANT**.
15. Additional or extended services during construction made necessary by (1) work damaged by fire or other cause during construction, (2) a significant amount of defective or negligent work of any contractor, (3) acceleration of the progress schedule involving services beyond normal working hours, (4) default by any contractor, or (5) other causes beyond **CONSULTANT's** control.

16. Evaluating an unreasonable or extensive number of claims submitted by contractor(s) or others in connection with the work.
17. Services after issuance to the **OWNER** of the final certificate for payment or in the absence of such certificate, more than 30 days after the date of Substantial Completion of the Work.
18. Provide assistance in the closing of any financial or related transaction for the PROJECT.
19. Provide assistance in connection with the refining and adjusting of any equipment or system.
20. Preparation of a set of reproducible record prints of drawings showing those changes made during the construction process, based on the marked-up prints, drawings and other data furnished by contractor(s) to **CONSULTANT** and which **CONSULTANT** considers significant.
21. Operational Phase Services:
 - a. Provide assistance in connection with the refining and adjusting of any equipment or system.
 - b. Assist **OWNER** in training **OWNER's** staff to operate and maintain the PROJECT.
 - c. Assist **OWNER** in developing systems and procedures for control of the operation and maintenance of and record keeping for the PROJECT.

SECTION III- MISCELLANEOUS PROVISIONS

1. **Exhibit "F", Payments and Miscellaneous Provisions**, specifies requirements for payments to **CONSULTANT**, **OWNER's** responsibilities, and other miscellaneous provisions, and **Exhibit "G"** specifies Federal mandatory provisions.

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EXHIBIT D

GENERAL PROVISIONS FOR ARCHITECTURAL DESIGN SERVICES

This is an exhibit attached to and made a part of the AGREEMENT between the **OWNER** and the **CONSULTANT** for professional consulting services. For elements of the PROJECT which are primarily building improvements, described in the referenced AGREEMENT, the **CONSULTANT** shall perform professional services as hereinafter described, which shall include customary architectural, structural, mechanical, and electrical engineering services. These services, when performed in accordance with acceptable engineering and architectural practices, shall be the limits of the **CONSULTANT**'s responsibility under this AGREEMENT.

These General Provisions set forth the general requirements for the performance of the various architectural services for projects required under this AGREEMENT. The **CONSULTANT** under each duly executed Work Authorization shall perform the scope of work required by such Authorization, and, unless requirements to the contrary are specifically prescribed therein, shall perform the required services in accordance with the following requirements.

SECTION I - BASIC SERVICES

A. Basic Architectural Services will generally be completed in five (5) phases:

1. Schematic design phase;
2. Design development phase;
3. Contract document phase;
4. Bidding phase; and
5. Construction phase.

The general types of services to be performed in each phase are described herein. However, typical services may be changed or deleted as required for each project. Additional services may be added as mutually agreed upon between **OWNER** and **CONSULTANT**. Such additions, changes, or deletions will be outlined in each Work Authorization.

B. Schematic Design Phase

1. The **CONSULTANT** shall review the program furnished by the **OWNER** to ascertain the requirements of the PROJECT and shall arrive at a mutual understanding of such requirements with the **OWNER**.
2. The **CONSULTANT** shall provide a preliminary evaluation of the **OWNER**'s program, schedule and construction budget requirements, each in terms of the other, subject to the limitations set forth in Exhibit F, paragraph II.A.
3. The **CONSULTANT** shall review with the **OWNER** alternative approaches to design and construction of the PROJECT.

4. Based on the mutually agreed upon program, schedule and construction budget requirements, the **CONSULTANT** shall prepare, for approval by the **OWNER**, schematic design documents consisting of drawings and other documents illustrating the scale and relationship of PROJECT components.
5. The **CONSULTANT** shall submit to the **OWNER** a preliminary estimate of construction cost based on current area, volume or other unit costs.

C. Design Development Phase

1. Based on the approved schematic design documents and any adjustments authorized by the in the program, schedule or construction budget, the **CONSULTANT** shall prepare, for approval by the **OWNER**, design development documents consisting of drawings and other documents to fix and describe the size and character of the PROJECT as to architectural, structural, mechanical and electrical systems, materials and such other elements as may be appropriate.
2. The **CONSULTANT** shall advise the **OWNER** of any adjustments to the preliminary estimate of construction cost.

D. Construction Documents Phase

1. Based on the approved design development documents and any further adjustments in the scope or quality of the PROJECT or in the construction budget authorized by the **OWNER**, the **CONSULTANT** shall prepare, for approval by the **OWNER**, construction documents consisting of drawings and specifications setting forth in detail the requirements for the construction of the PROJECT.
2. The **CONSULTANT** shall assist the **OWNER** in the preparation of the necessary bidding information, bidding forms, the conditions of the contract, and the form of AGREEMENT between the **OWNER** and the contractor.
3. The **CONSULTANT** shall advise the **OWNER** of any adjustments to previous preliminary estimates of construction cost indicated by changes in requirements or general market conditions.
4. The **CONSULTANT** shall assist the **OWNER** in connection with the **OWNER's** responsibility for filing documents required for the approval of governmental authorities having jurisdiction over the PROJECT.

E. Bidding Phase

After authorization to proceed with the Bidding Phase, **CONSULTANT** shall:

1. Assist the **OWNER** in advertising for and obtaining bids for each separate prime contract for construction, materials, equipment and services; and, where applicable, maintain a record of prospective bidders to whom bidding documents have been issued, attend pre-bid conferences and receive and process deposits for bidding documents.
2. Issue addenda as appropriate to interpret, clarify or expand the bidding documents.
3. Consult with and advise **OWNER** as to the acceptability of subcontractors, suppliers and other persons and organizations proposed by the prime contractor(s) (herein called "contractor(s)") for those portions of the work as to which such acceptability is required by the bidding documents.
4. Consult with **OWNER** concerning and determine the acceptability of substitute materials and equipment proposed by contractor(s) when substitution prior to the award of contracts is allowed by the bidding documents.
5. Attend the bid opening, prepare bid tabulation sheets and assist **OWNER** in evaluating bids or proposals and in assembling and awarding contracts for construction, materials, equipment and services.
6. Furnish sets of bidding documents to contractor bidding and plan offices (Dodge, AGC, etc.) during the Bidding Phase. The number of documents and their distribution will be specified in the Work Authorization(s).

F. Construction Phase

1. The **CONSULTANT**'s responsibility to provide Basic Services for the Construction Phase under this AGREEMENT commences with the award of the contract for construction and terminates at the earlier of the issuance to the **OWNER** of the final Certificate for Payment or the original date established for Substantial Completion of the Work, but may be extended under the terms of Section II "Special Services".
2. The **CONSULTANT** shall provide administration of the contract for construction as set forth below, unless otherwise provided in this AGREEMENT.
3. **CONSULTANT** shall attend preconstruction conference.

4. Visits to site and observation of construction: In connection with observations of the work of contractor(s) while it is in progress:
 - a. **CONSULTANT** shall make visits to the site at intervals appropriate to the various stages of construction as **CONSULTANT** deems necessary in order to observe as an experienced and qualified design professional the progress and quality of the various aspects of contractor(s)' work. Based on information obtained during such visits and on such observations, **CONSULTANT** shall endeavor to determine in general if such work is proceeding in accordance with the contract documents and **CONSULTANT** shall keep **OWNER** informed of the progress of the work.
 - b. If **OWNER** requests more extensive site representation than is described in F.4 (a) above, **CONSULTANT** will provide a Resident Project Representative(s) as a Special Service.
 - c. **CONSULTANT** shall not, during such visits or as a result of such observations of contractor(s)' work in progress, supervise, direct or have control over contractor(s)' work nor shall **CONSULTANT** have authority over or responsibility for the means, methods, techniques, sequences or procedures of construction selected by contractor(s), for safety precautions and programs incident to the work of contractor(s) or for any failure of contractor(s) to comply with laws, rules, regulations, ordinances, codes or orders applicable to contractor(s) furnishing and performing their work. Accordingly, **CONSULTANT** can neither guarantee the performance of the construction contracts by contractor(s) nor assume responsibility for contractor(s)' failure to furnish and perform their work in accordance with the contract documents.
5. Defective work: During such visits and on the basis of such observations, **CONSULTANT** may disapprove of or reject contractor(s)' work while it is in progress if **CONSULTANT** believes that such work will not produce a completed PROJECT that conforms generally to the contract documents or that it will prejudice the integrity of the design concept of the PROJECT as reflected in the contract documents.
6. Interpretations and clarifications: **CONSULTANT** shall issue necessary interpretations and clarifications of the contract documents and in connection therewith prepare work directive changes and change orders as required.
7. Shop drawings: **CONSULTANT** shall review and approve (or take other appropriate action in respect of) shop drawings (as that term is defined in the aforesaid Standard General Conditions), samples and other data which contractor(s) are required to submit, but only for conformance with the design concept of the PROJECT and compliance with the information given in the contract documents. Such reviews and approvals or other action shall not extend to means, methods, techniques, sequences or procedures of construction or to safety precautions and programs incident thereto.
8. Substitutes: **CONSULTANT** shall evaluate and determine the acceptability of substitute materials and equipment proposed by contractor(s), but subject to the provision of

Section II, paragraph A.37.

9. Inspections and tests: **CONSULTANT** shall have authority, as **OWNER's** representative, to require special inspection or testing of the work, and shall receive and review all certificates of inspections, testing's and approvals required by laws, rules, regulations, ordinances, codes, orders or the contract documents (but only to determine generally that their content complies with the requirements of, and the results certified indicate compliance with, the contract documents).
10. Disputes: **CONSULTANT** shall act as initial interpreter of the requirements of the contract documents and judge of the acceptability of the work thereunder and make decisions on all claims relating to the acceptability of the work or the interpretation of the requirements of the contract documents pertaining to the execution and progress of the work.
11. Applications for payment: Based on **CONSULTANT's** on-site observations as an experienced and qualified design professional, on information provided by the Resident Project Representative and on review of applications for payment and the accompanying data and schedules:
 - a. **CONSULTANT** shall determine the amounts owing to contractor(s) and recommend in writing payments to contractor(s) in such amounts. Such recommendations of payment will constitute a representation to **OWNER**, based on such observations and review, that the work has progressed to the point indicated, and that, to the best of **CONSULTANT's** knowledge, information and belief, the quality of such work is generally in accordance with the contract documents (subject to an evaluation of such work as a functioning whole prior to or upon Substantial Completion, to the results of any subsequent tests called for in the contract documents and to any other qualifications stated in the recommendation). In the case of unit price work, **CONSULTANT's** recommendations of payment will include final determinations of quantities and classifications of such work (subject to any subsequent adjustments allowed by the contract documents).
 - b. By recommending any payment, **CONSULTANT** will not thereby be deemed to have represented that exhaustive, continuous, or detailed reviews or examinations have been made by **OWNER** to check the quality or quantity of contractor(s)'s work as it is furnished and performed beyond the responsibilities specifically assigned to **CONSULTANT** in this AGREEMENT and the contract documents. **CONSULTANT's** review of contractor(s)' work for the purposes of recommending payments will not impose on **CONSULTANT** responsibility to supervise, direct or control such work or for the means, methods, techniques, sequences, or procedures of construction or safety precautions or programs incident thereto or contractor(s) compliance with laws, rules, regulations, ordinances, codes or orders applicable to their furnishing and performing the work. It will also not impose responsibility on **CONSULTANT** to make any examination to ascertain how or for what purposes any Contractor has used the moneys paid on account of

the contract price, or to determine that title to any of the work, materials or equipment has passed to **OWNER** free and clear of any lien, claims, security interests or encumbrances, or that there may not be other matters at issue between **OWNER** and contractor that might affect the amount that should be paid.

12. Contractor(s)' completion documents: **CONSULTANT** shall receive and review maintenance and operating instructions, schedules, guarantees, bonds and certificates of inspection, tests and approvals which are to be assembled by contractor(s) in accordance with the contract documents (but such review will only be to determine that their content complies with the requirements of, and in the case of certificates of inspection, tests and approvals the results certified indicate compliance with, the contract documents); and shall transmit them to **OWNER** with written comments.
13. Inspections: **CONSULTANT** shall conduct an inspection to determine if the work is substantially complete and a final inspection to determine if the completed work is acceptable so that **CONSULTANT** may recommend, in writing, final payment to contractor(s) and may give written notice to **OWNER** and the contractor(s) that the work is acceptable (subject to any conditions therein expressed), but any such recommendation and notice will be subject to the limitations expressed in paragraph F.11.b.
14. Limitation of Responsibilities: **CONSULTANT** shall not be responsible for the act or omissions of any contractor, or of any subcontractor or supplier, or any of the contractor(s)' or subcontractor's or supplier's agents or employees or any other persons (except **CONSULTANT**'s own employees and agents) at the site or otherwise furnishing or performing any of the contractor(s)' work; however, nothing contained in paragraphs F.1 through F.13 inclusive, shall be construed to release **CONSULTANT** from liability for failure to properly perform duties and responsibilities assumed by **CONSULTANT** in the contract documents.

SECTION II- SPECIAL SERVICES

A. Services Requiring Authorization in Advance

If authorized in writing by **OWNER**, **CONSULTANT** shall accomplish such special services of the following types which are not considered normal or customary Basic Services except where specifically provided for otherwise in the Work Authorizations. At **OWNER**'s option, services may be provided by the **OWNER** through direct contracts with other professionals or may be provided by the **CONSULTANT**. When the **CONSULTANT** is requested to provide special services, such services may be provided by the **CONSULTANT**'s own forces or through subcontracts with other professionals. However, contracts with other professionals for special services must have the approval of the **OWNER** before the work is initiated, however **CONSULTANT** shall remain responsible for work of subconsultant's. Special services will be paid for by **OWNER** in addition to the compensation for Basic Services described herein.

1. Preparation of pre-applications and/or applications and supporting documents for governmental grants, loans or advances in connection with the PROJECT; preparation or review of environmental assessments and impact statements; review and evaluation of the effect on the design requirements of the project of any such statements and documents prepared by others; and assistance in obtaining approvals of authorities having jurisdiction over the anticipated environmental impact of the PROJECT.
2. Services to make measured drawings of or to investigate existing conditions or facilities, or to verify the accuracy of drawings or other information furnished by **OWNER**; commonly referred to as A/E survey.
3. Services resulting from significant changes in the general scope, extent or character of the PROJECT or its design including, but not limited to, changes in size, complexity, **OWNER'S** schedule, character of construction or method of financing; and revising previously accepted studies, reports, design documents or contract documents when such revisions are required by changes in laws, rules, regulations, ordinances, codes or orders enacted subsequent to the preparation of such studies, reports or documents, or are due to causes beyond **CONSULTANT'S** control.
4. Providing renderings or models for **OWNER'S** use.
5. Preparing documents for alternate, separate or sequential bids requested by **OWNER** after receipt of original bids and for contractor(s)' work which is not executed or documents for out-of-sequence work.
6. Investigations involving detailed consideration of operations, maintenance and overhead expenses; providing value engineering during the course of design; the preparation of feasibility studies, cash flow and economic evaluations, rate schedules and appraisals; assistance in obtaining financing for the PROJECT; evaluating processes available for licensing and assisting **OWNER** in obtaining process licensing; detailed quantity surveys of material, equipment and labor, and audits for inventories required in connection with construction performed for **OWNER**.
7. Services resulting from the award of more separate prime contracts for construction, materials, equipment or services for the PROJECT than are contemplated by an approved Work Authorization, and services resulting from the arranging for performance by persons other than the principal prime contractors of services for the **OWNER** and administering **OWNER'S** contracts for such services.
8. Providing any type of property surveys or related engineering services needed for the transfer of interests in real property and field surveys for design purposes and engineering surveys and staking to enable contractor(s) to proceed with their work, and providing land surveys and other special field surveys.

9. Assistance in connection with bid protests, re-bidding or renegotiating contracts for construction, materials, equipment or services.
10. Services during out-of-town travel required of **CONSULTANT** other than visits to the site as required by Section I.
11. Preparing to serve to serving as a **CONSULTANT** or witness for **OWNER** in any litigation, public hearing or other legal or administrative proceeding involving the PROJECT (except as agreed to under Basic Services).
12. Soils and Material Investigations including test borings, laboratory testing of soils and materials, related analyses and recommendations.
13. Quality assurance testing during construction.
14. Furnishing services of a Resident Project Representative to assist **CONSULTANT** in observing performance of the work of contractor(s).
15. Preparation of Disadvantaged Business Programs.
16. Cost accounting services, grant administration, and grant closeout.
17. Reproduction of additional copies of reports, contract documents and specifications above the specified number furnished in Basic Services described in each Work Authorization.
18. Providing analyses of the **OWNER's** needs and programming the requirements of the PROJECT.
19. Providing financial feasibility or other special studies.
20. Providing planning surveys, site evaluations or comparative studies of prospective sites.
21. Providing special surveys, environmental studies and submissions required for approvals of governmental authorities or others having jurisdiction over the PROJECT.
22. Providing services relative to future facilities, systems and equipment.
23. Providing services to verify the accuracy of drawings or other information furnished by the **OWNER**.
24. Providing coordination of construction performed by separate contractors or by the **OWNER's** own forces and coordination of services required in connection with construction performed and equipment supplied by the **OWNER**.
25. Providing services in connection with the work of a construction manager or separate consultants retained by the **OWNER**.

26. Providing detailed estimates of construction cost.
27. Providing detailed quantity surveys or inventories of material, equipment, and labor.
28. Providing analyses of owning and operating costs.
29. Providing interior design and other similar services required for or in connection with the selection, procurement or installation of furniture, furnishings and related equipment.
30. Providing services for planning tenant or rental spaces.
31. Making investigations, inventories of materials or equipment, or valuations and detailed appraisals of existing facilities.
32. Preparing a set of reproducible record drawings showing significant changes in the work made during construction based on marked-up prints, drawings and other data furnished by the contractor to the **CONSULTANT**.
33. Providing assistance in the utilization of equipment or systems such as testing, adjusting and balancing, preparation of operation and maintenance manuals, training personnel for operation and maintenance, and consultation during operation.
34. Providing services of consultants for other than architectural, structural, mechanical and electrical engineering portions of the PROJECT provided as a part of Basic Services.
35. Providing any other services not otherwise included in this AGREEMENT or not customarily furnished in accordance with generally accepted architectural practice.
36. Services in connection with work directive changes and change orders to reflect changes requested by **OWNER** if the resulting change in compensation for Basic Services is not commensurate with the additional services rendered.
37. Services in making revisions to drawings and specifications occasioned by the acceptance or substitutions proposed by contractor(s); and services after the award of each contract in evaluating and determining the acceptability of an unreasonable or excessive number of substitutions proposed by contractor.
38. Services resulting from significant delays, changes or price increases occurring as a direct or indirect result of material, equipment or energy shortages.
39. Additional or extended services during construction made necessary by (1) work damaged by fire or other cause during construction, (2) a significant amount of defective or negligent work of any contractor, (3) acceleration of the progress schedule involving services beyond normal working hours, and (4) default by any contractor.

40. Services in connection with any partial utilization of any part of the PROJECT by **OWNER** prior to Substantial Completion.
41. Evaluating an unreasonable or extensive number of claims submitted by contractor(s) or others in connection with the work.
42. Services after issuance to the **OWNER** of the final certificate for payment or in the absence of such certificate, more than 60 days after the date of Substantial Completion of the Work.

SECTION III - MISCELLANEOUS PROVISIONS

1. **Exhibit "F", Payments and Miscellaneous Provisions**, specifies requirements for payments to **CONSULTANT**, **OWNER's** responsibilities, and other miscellaneous provisions, and **Exhibit "G"** specifies Federal mandatory provisions.

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EXHIBIT E

DUTIES, RESPONSIBILITIES, AND LIMITATIONS OF AUTHORITY OF RESIDENT PROJECT REPRESENTATIVE

This is an exhibit attached to and made a part of the AGREEMENT between the **OWNER** and the **CONSULTANT** for Professional Consulting Services. For elements of the PROJECT described in the referenced AGREEMENT, the **CONSULTANT** shall perform Resident Project Representative Services in accordance with the following:

- A. General: Resident Project Representative (**RPR**) will be the **CONSULTANT**'s agent at the site, will act as directed by and under the supervision of **CONSULTANT**, and will confer with **CONSULTANT** regarding **RPR** actions. **RPR**'s dealings in matters pertaining to the onsite work shall in general be only with the **CONSULTANT** and contractor, and dealings with subcontractors shall only be through or with the full knowledge of Contractor. Written communication with **OWNER** will be only through or as directed by **CONSULTANT**.
- B. Duties and Responsibilities of RPR:
 - 1. Schedules: Review the progress schedule, schedule of shop drawing submissions, and schedule of values prepared by contractor and consult with the **CONSULTANT** concerning acceptability.
 - 2. Conferences and Meetings: Attend meetings with contractor such as preconstruction conferences, progress meetings and other conferences as required in consultation with **CONSULTANT** and notify those expected to attend in advance. Prepare and circulate copies of minutes thereof.
 - 3. Liaison:
 - a. Serve as the **CONSULTANT**'s liaison with contractor, working principally through contractor's superintendent and assist him in understanding the intent of the contract documents. Assist the **CONSULTANT** in serving as the **OWNER**'s liaison with the contractor when the contractor's operations affect the **OWNER**'s onsite operations.
 - b. As requested by the **CONSULTANT**, assist in obtaining from the **OWNER** additional details or information, when required at the job site for proper execution of the work.

4. Shop drawings and samples:
 - a. Record date of receipt of shop drawings and samples, receive samples which are furnished at the site by contractor, and notify the **CONSULTANT** of their availability for examination.
 - b. Advise the **CONSULTANT** and contractor or its superintendent immediately of the commencement of any work requiring a shop drawing or sample submission if the submission has not been approved by the **CONSULTANT**.
5. Review of work, rejection of defective work, inspection and tests:
 - a. Conduct onsite observations of the work in progress to assist **CONSULTANT** in determining if the work is proceeding in accordance with the contract documents and that completed work will conform to the contract documents.
 - b. Report to the **CONSULTANT** whenever **RPR** believes that any work is unsatisfactory, faulty, or defective or does not conform to the contract documents or does not meet the requirements of any inspections, tests, or approval required to be made or has been damaged prior to final payment, and advise the **CONSULTANT** when he believes work should be corrected or rejected or should be uncovered for observation or requires special testing, inspection, or approval.
 - c. Verify that tests, equipment, and systems startups and operating and maintenance training are conducted as required by the contract documents and in presence of the appropriate personnel, and that contractor maintains adequate records thereof; observe, record, and report to the **CONSULTANT** appropriate details relative to test procedures and startups.
 - d. Accompany visiting inspectors representing public or other agencies having jurisdiction over the PROJECT, record the results of these inspections, and report to **CONSULTANT**.
6. Interpretation of contract documents: Transmit to contractor, **CONSULTANT**'s clarifications and interpretations of the contract documents.
7. Modifications: Consider and evaluate contractor's suggestions for modifications in drawings or specifications and report them with **RPR**'s recommendations to **CONSULTANT**. Transmit to contractor decisions as issued by **CONSULTANT**.

8. Records:

- a. Maintain at the job site orderly files for correspondence, reports of job conferences, shop drawings and samples submissions, reproductions of original contract documents including all addenda, change orders, field orders, additional drawings issued subsequent to the execution of the contract, **CONSULTANT's** clarifications and interpretations of the contract documents, progress reports and other project related documents.
- b. Keep a diary or log book, recording hours on the job site, weather conditions, data relative to contractor's questions or extras or deductions, quantities of materials installed on the PROJECT, list of visiting officials and representatives of manufacturers, fabricators, suppliers, and distributors, daily activities, decisions, observations in general and specific observations in more detail as in the case of the observing test procedures. Send copies to the **CONSULTANT**.
- c. Record names, addresses, and telephone numbers of all contractors, subcontractors, and major suppliers of materials and equipment.

9. Reports:

- a. Furnish to **CONSULTANT**, **OWNER**, and the Federal Aviation Administration periodic reports as required of the progress of the work and contractor's compliance with the approved progress schedule and schedule of shop drawing submissions.
- b. Consult with the **CONSULTANT** in advance of scheduled major tests, inspections, or start of important phases of the work.
- c. Report immediately to the **CONSULTANT** upon the occurrence of any accident.
- d. Review and certify contractor's payroll submittals for compliance with federal law pertaining to classification and wage rates.

10. Payment Requests: Review applications for payment with contractor for compliance with the established procedure for their submission and forward them with recommendations to the **CONSULTANT**, noting particularly their relation to the schedule of values, work completed, and material and equipment delivered at the site but not incorporated in the work.

11. Certificates, maintenance and operation manuals: During the course of the work, verify that certificates, maintenance and operation manuals and other data required to be assembled and furnished by contractor are applicable to the items actually installed; and

deliver this material to the **CONSULTANT** for his review and forwarding to **OWNER** prior to final acceptance of the work.

12. Completion:

- a. Before the **CONSULTANT** issues a Certificate of Substantial Completion, submit to contractor a list of observed items requiring completion or correction.
- b. Conduct final inspection in the company of **CONSULTANT**, **OWNER**, and contractor and prepare a final list of items to be completed or corrected.
- c. Verify that all items on final list have been completed or corrected and make recommendations to the **CONSULTANT** concerning acceptance.

C. Limitations of Resident Project Representative's authority:

Except upon written instructions of the **CONSULTANT**, **RPR**:

1. Shall not authorize any deviation from the contract documents or approve any substitute materials or equipment.
2. Shall not exceed limitations of the **CONSULTANT**'s authority as set forth in the contract documents.
3. Shall not undertake any of the responsibilities of contractor, subcontractors, or contractor's superintendent, or expedite the work.
4. Shall not advise on or issue directions relative to any aspect of the means, methods, techniques, sequences, or procedures of construction unless such is specifically called for in the contract documents.
5. Shall not issue directions as to safety programs in connection with the work.
6. Shall not accept shop drawing or sample submittals from anyone other than contractor.
7. Shall not authorize the **OWNER** to occupy or utilize the **PROJECT** in whole or in part, without the approval of **CONSULTANT**.
8. Shall not participate in specialized field or laboratory tests, or inspections conducted by others except as specifically authorized by **CONSULTANT**.

EXHIBIT F

PAYMENTS AND MISCELLANEOUS PROVISIONS

This is an exhibit attached to and made a part of the AGREEMENT between the **OWNER** and the **CONSULTANT** for professional consulting services.

SECTION I - PAYMENTS TO THE CONSULTANT

The **OWNER** agrees to compensate the **CONSULTANT** for services performed in accordance with one of the following methods as hereinafter set forth. It is further agreed that such compensation includes both direct and indirect costs chargeable to the PROJECT under generally accepted accounting principles.

The method of payment and the amount of payment for specified services shall be detailed in each Work Authorization. The receipt of an approved Work Authorization will constitute the **CONSULTANT's** Notice-to-Proceed.

Unless otherwise approved in writing, the **CONSULTANT** is not to undertake any work prior to the receipt of an approved Work Authorization executed by the **OWNER**.

1. Cost Plus Fixed Fee

Under this method of payment, the **CONSULTANT's** compensation will be equal to direct hourly cost times a factor to cover overhead plus direct non-salary expense and a fixed fee to cover profit. The cost may be more or less than estimated, but the fixed fee will neither increase nor decrease, unless there is a change in the scope, complexity, or duration of the work. In that event, the fixed fee would be subject to re-negotiation. Should the total cost be more than the estimated budget in an approved Work Authorization, a supplemental Work Authorization covering the additional costs of the particular task in question will be prepared by the **CONSULTANT** and submitted to the **OWNER** for review and approval.

2. Hourly Fee Schedule and Subconsultants

Under this method of payment, the **CONSULTANT's** compensation will be based on actual hours worked, by discipline, times the then current fee schedule, plus direct non-salary expenses, including the direct costs of subconsultants plus a lump sum administrative fee. **The hourly fee schedule will only be utilized for specific minor items of work performed as special services.**

a. Lump Sum

For work that can be defined and delineated in advance, payment to the **CONSULTANT** will be made on the basis of a lump sum. The agreed lump sum shall represent full payment for all

payroll, overhead, profit, and other direct non-salary expenses as hereinafter described. The lump sum will not increase nor decrease unless there is a change in the scope, complexity, or duration of the work. In that event, the lump sum would be subject to re-negotiation, and **CONSULTANT** will prepare and submit a supplemental Work Authorization for **OWNER** approval.

4. General

Payments to the **CONSULTANT** on account of the above fees are payable upon receipt and are past due thirty (30) days after the date of invoices. Amounts not paid within 30 days of invoice date are delinquent and **OWNER** agrees to pay a late payment fee in the amount of 1% per month or the maximum late payment fee permitted by applicable law (whichever is less) on any unpaid amount for each month, or fraction thereof, that such payment is delinquent. Invoices shall be submitted periodically for the amount of work carried out in that period. The **OWNER** shall not retain any amounts due from the **CONSULTANT**'s invoices, nor withhold said invoices pending FAA and/or other agency approval.

5. The following definitions will apply to the payments for services.

- a. Salary Cost- For purposes of this AGREEMENT, direct salary cost is defined as the current actual cost of salaries of personnel for the time directly chargeable to the PROJECT.
- b. Overhead- For the purpose of this AGREEMENT, overhead shall be calculated in accordance with Federal Acquisition Regulations. For billing under the cost plus fixed fee method of payment, overhead as defined herein shall be direct salary cost times the current overhead rate of the **CONSULTANT** when the Work Authorization is signed.
- c. Direct Non-salary Expenses - These expenses generally include items of expense directly chargeable to the PROJECT and substantiated by appropriate documentation. Typical items may include the cost of subconsultants, living and traveling expenses of employees, communications expense, postage, reproduction, computer time, identifiable supplies and other items that can be identified with the PROJECT.

SECTION II - MISCELLANEOUS PROVISIONS

A. Estimates:

1. Since the **CONSULTANT** has no control over the cost of labor and materials or over competitive bidding and market conditions, the estimates of construction cost provided for herein are to be made on the basis of his experience and qualifications, but the **CONSULTANT** does not guarantee the accuracy of such estimates as compared to the contractor's bids or the PROJECT construction cost.

B. Extra Work:

- a. It is mutually understood and agreed that the **OWNER** will compensate the **CONSULTANT** for services resulting from significant changes in general scope of the PROJECT or its design, but not necessarily limited to, changes in size, complexity, project schedules, character of construction, revisions to previously accepted studies, reports, design documents for contract documents and for preparation of documents for separate bids, when such revisions are due to causes beyond the **CONSULTANT**'s control and when requested and authorized by the **OWNER**. Compensation for such extra work when authorized by the **OWNER** shall be established in each Work Authorization. **CONSULTANT** shall promptly notify **OWNER** in writing of all extra work or cost variations on the PROJECT prior to undertaking said work.

C. Reuse of Documents:

- a. All documents including drawings and specifications prepared by the **CONSULTANT** pursuant to this AGREEMENT are instruments of service with respect to the PROJECT. They are not intended or represented to be suitable for reuse by **OWNER** or others on extensions of the PROJECT or on any other PROJECT. Any reuse without written verification will be at **OWNER**'s sole risk and with no liability or legal exposure to **CONSULTANT**. Any such verification or adaptation will entitle **CONSULTANT** to further compensation at rates to be agreed upon by **OWNER** and **CONSULTANT**. Notwithstanding these provisions the **OWNER** shall be provided upon request a reproducible copy of any drawing produced under this AGREEMENT at the cost of reproduction, and will be permitted full use of such documents subject to the limitations set forth herein.

D. Responsibility of the **CONSULTANT**:

- a. The **CONSULTANT** shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all designs, drawings, specifications, reports, and other services furnished by the **CONSULTANT** under this AGREEMENT.
- b. Approval by the **OWNER** and other agencies of drawings, designs, specifications, reports, and incidental engineering work or materials furnished hereunder shall not in any way relieve the **CONSULTANT** of his responsibility for the technical adequacy of his work except as to matters involving peculiar conditions or uses of the property known to the **OWNER** or other agencies but not to the **CONSULTANT**.
- c. The **CONSULTANT** shall not be responsible for any time delays in the PROJECT caused by the loss or destruction of any portion of the PROJECT including, but not limited to, fire, theft, smoke, storm, vandalism, sudden or accidental damage from irregularities in electrical current, or any other circumstance beyond the **CONSULTANT**'s control.

E. Responsibility of **OWNER**:

As a part to this AGREEMENT, the **OWNER** shall:

- a. Make available for the **CONSULTANT**'s use all record drawings, maps, information as to unusual conditions or practices affecting the **CONSULTANT**'s services, soil data, etc., that are readily available to the **OWNER**.
- b. Designate a person to act with authority on the **OWNER**'s behalf and respond in a timely manner to submissions by the **CONSULTANT** providing approvals and authorizations as appropriate so that work may continue at a normal pace.
- c. Pay all costs associated with special services authorized by the **OWNER** and all costs associated with obtaining bids from contractors, including but not limited to cost of printing, postage and public notice of advertisement.
- d. Furnish such accounting, insurance and legal counseling services as **OWNER** may require for this PROJECT. Obtain advice of an attorney, insurance counselor or other **CONSULTANTS** as **OWNER** deems appropriate for examination of the contract documents prepared by **CONSULTANT**.
- e. Pay all costs incidental to compliance with requirements of these paragraphs 1 through 4.

F. Termination:

- a. This AGREEMENT may be terminated in whole or in part in writing by either party in the event of substantial failure by the other party to fulfill its obligations under this AGREEMENT through no fault of the terminating party provided that no such termination may be effected unless the other party is given:
 - i. Not less than 10 calendar days written notice of intent to terminate; and,
 - ii. An opportunity for consultation with the terminating party prior to termination.
- b. This AGREEMENT may be terminated in whole or in part in writing by either party without cause on sixty (60) days written notice.
- c. Upon receipt of a termination notice, the **CONSULTANT** shall promptly discontinue all services affected (unless the notice directs otherwise) and deliver or otherwise make available to the **OWNER** all data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by the **CONSULTANT** in performing this AGREEMENT, whether completed or in process.

- d. If this AGREEMENT is terminated by either party, the **CONSULTANT** shall be paid for services rendered pursuant to this AGREEMENT. If termination of the AGREEMENT occurs at the conclusion of one phase and prior to authorization of the **OWNER** to begin the next phase, payment by the **OWNER** of the completed phase shall be considered full compensation due the **CONSULTANT**.

G. Audit: Access to Records

- a. The **CONSULTANT** shall maintain books, records, documents, and other evidence directly pertinent to the work under this AGREEMENT in accordance with generally accepted accounting principles and practices. The **OWNER**, the Federal Aviation Administration, the Comptroller General of the United States or any of their duly appointed representatives shall have access to any books, documents, papers, records, and other evidence for the purpose of examination, audit, excerpts, and transcriptions.
- b. Records described above shall be maintained and made available during the performance under this AGREEMENT and for a period of three years after the **OWNER** makes final payment and all other pending matters are closed.

H. Headings

- a. The headings of the exhibits, sections, schedules, and attachments as contained in this AGREEMENT are for the purpose of convenience only and shall not be deemed to expand, limit or change the provisions in such exhibits, sections, schedules, and attachments.

I. Assignment

- a. **CONSULTANT** acknowledges that its services are unique and personal and its rights under this AGREEMENT may not be assigned or its duties or obligations delegated without the express written consent of **OWNER**.

J. Construction Means and Methods

- a. **CONSULTANT** shall not be responsible for construction means, methods, techniques, sequences or procedures of construction contractors, or the safety precautions and programs incident thereto, and shall not be responsible for such contractors' failure to perform work in accordance with the contract documents.

EXHIBIT G

MANDATORY FEDERAL PROVISIONS

A. CIVIL RIGHTS ACT OF 1964, TITLE VI – CONTRACTOR CONTRACTUAL REQUIREMENTS

During the performance of this contract, the contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1.1 Compliance with Regulations. The contractor shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter, "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.

1.2 Nondiscrimination. The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.

1.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment. In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.

1.4 Information and Reports. The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the **OWNER** or the Federal funding agency to be pertinent to ascertain compliance with such Regulations, orders, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the **OWNER** or the Federal funding agency, as appropriate, and shall set forth what efforts it has made to obtain the information.

1.5 Sanctions for Noncompliance. In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the **OWNER** shall impose such contract sanctions as it or the Federal funding agency may determine to be appropriate, including, but not limited to:

- a. Withholding of payments to the contractor under the contract until the contractor complies, and/or
- b. Cancellation, termination, or suspension of the contract, in whole or in part.

1.6 Incorporation of Provisions. The contractor shall include the provisions of paragraphs 1 through 5 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the **OWNER** or the Federal funding agency may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the **OWNER** to enter into such litigation to protect the interests of the **OWNER** and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

B. DISADVANTAGED BUSINESS ENTERPRISES

1. **Contract Assurance (§26.13)** - The **CONSULTANT** or **SUBCONSULTANT** shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The **CONSULTANT** shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT assisted contracts. Failure by the **CONSULTANT** to carry out these requirements is a material breach of this contract, which may result in the termination of this **CONSUSLTANT** or such other remedy, as the recipient deems appropriate.
2. **Prompt Payment (§26.29)** - The **PRIME CONSULTANT** agrees to pay each **SUBCONSULTANT** under this prime contract for satisfactory performance of its contract no later than ten (10) days from the receipt of each payment the **PRIME CONSULTANT** receives from **OWNER**. The **PRIME CONSULTANT** agrees further to return retainage payments to each **SUBCONSULTANT** within ten (10) days after the **SUBCONSULTANT**'s work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the **OWNER**. This clause applies to both DBE and non-DBE subcontractors.

C. LOBBYING AND INFLUENCING FEDERAL EMPLOYEES

1. No Federal appropriated funds shall be paid, by or on behalf of the contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any Federal grant and the amendment or modification of any Federal grant.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any Federal grant, the contractor shall complete and submit Standard Form-LLL, "Disclosure of Lobby Activities," in accordance with its instructions.

D. BREACH OF CONTRACT TERMS

Any violation or breach of terms of this contract on the part of the contractor or their subcontractors may result in the suspension or termination of this contract or such other action that may be necessary to enforce the rights of the parties of this agreement. The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law.

E. RIGHTS TO INVENTIONS

All rights to inventions and materials generated under this contract are subject to regulations issued by the Federal funding agency and the **OWNER** of the Federal grant under which this contract is executed.

F. TRADE RESTRICTION CLAUSE

The contractor or subcontractor, by submission of an offer and/or execution of a contract, certifies that it:

- a. is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms published by the Office of the United States Trade Representative (USTR);
- b. has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country on said list, or is owned or controlled directly or indirectly by one or more citizens or nationals of a foreign country on said list;
- c. has not procured any product nor subcontracted for the supply of any product for use on the project that is produced in a foreign country on said list.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to a contractor or subcontractor who is unable to certify to the above. If the contractor knowingly procures or subcontracts for the supply of any product or service of a foreign country on said list for use on the project, the Federal funding agency may direct through the **OWNER** cancellation of the contract at no cost to the Government.

Further, the contractor agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in each contract and in all lower tier subcontracts. The contractor may rely on the certification of a prospective subcontractor unless it has knowledge that the certification is erroneous.

The contractor shall provide immediate written notice to the **OWNER** if the contractor learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The subcontractor agrees to provide written notice to the contractor if at any time it learns that its certification was erroneous by reason of changed circumstances.

This certification is a material representation of fact upon which reliance was placed when making the award. If it is later determined that the contractor or subcontractor knowingly rendered an erroneous certification, the Federal funding agency may direct through the **OWNER** cancellation of the contract or subcontract for default at no cost to the Government. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

G. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

The bidder/offeror certifies, by submission of this proposal or acceptance of this contract, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. It further agrees by submitting this proposal that it will include this clause without modification in all lower tier transactions, solicitations, proposals, contracts, and subcontracts. Where the bidder/offeror/contractor or any lower tier participant is unable to certify to this statement, it shall attach an explanation to this solicitation/proposal.

H. ACCESS TO RECORDS AND REPORTS

The Contractor shall maintain an acceptable cost accounting system. The Contractor agrees to provide the Sponsor, the Federal Aviation Administration and the Comptroller General of the United States, or any of their duly authorized representatives, access to any books, documents, papers, and records of the contractor which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts and transcriptions. The Contractor agrees to maintain all books, records and reports required under this contract for a period of not less than three years after final payment is made and all pending matters are closed.

I. TERMINATION OF CONTRACT

1. The Sponsor may, by written notice, terminate this contract in whole or in part at any time, either for the Sponsor's convenience or because of failure to fulfill the contract obligations. Upon receipt of such notice services shall be immediately discontinued (unless the notice directs otherwise) and all materials as may have been accumulated in performing this contract, whether completed or in progress, delivered to the Sponsor.
2. If the termination is for the convenience of the Sponsor, an equitable adjustment in the contract price shall be made, but no amount shall be allowed for anticipated profit on unperformed services.
3. If the termination is due to failure to fulfill the contractor's obligations, the Sponsor may take over the work and prosecute the same to completion by contract or otherwise. In such case, the contractor shall be liable to the Sponsor for any additional cost occasioned to the Sponsor thereby.
4. If, after notice of termination for failure to fulfill contract obligations, it is determined that the contractor had not so failed, the termination shall be deemed to have been effected for the convenience of the Sponsor. In such event, adjustment in the contract price shall be made as provided in paragraph 2 of this clause.
5. The rights and remedies of the sponsor provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

J. AIRPORT AND AIRWAY IMPROVEMENT ACT OF 1982, SECTION 520 - GENERAL CIVIL RIGHTS PROVISIONS

The contractor assures that it will comply with pertinent statutes, Executive orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision obligates the tenant/concessionaire/lessee or its transferee for the period during which Federal assistance is extended to the airport a program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases the provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the airport sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits or (b) the period during which the airport sponsor or any transferee retains ownership or possession of the property. In the case of contractors, this provision binds the contractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

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EXHIBIT H

**Work Authorization for Professional Services
Between
LANCASTER COUNTY, SOUTH CAROLINA
And
HOLT CONSULTING COMPANY, LLC**

Project Location: _____ Project Number: _____

Project Name: _____

It is agreed to undertake the following work in accordance with the provisions of the Master Subconsultant Agreement for Professional Services dated _____, 2019 between **LANCASTER COUNTY, SOUTH CAROLINA**, and **HOLT CONSULTING COMPANY, LLC**.

Scope of Services: (Attachment A)

Method of Payment: (Attachment B)

(Example: Lump sum amount \$XX, XXX **or** not to exceed \$XX, XXX)

Agreed as to scope of services, time schedule, and budget:

For: **HOLT CONSULTING COMPANY, LLC**

For: **LANCASTER COUNTY, SOUTH CAROLINA**

Date: _____

Date: _____

Attachments: A – Scope of Services
 B – Budget

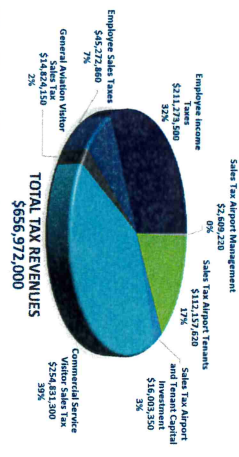
Estimated Statewide Tax Revenues Supported by South Carolina Airports

Airport-related employment and spending are responsible for a variety of annual tax revenues. A conservative approach was taken to estimate airport-related tax revenues; this study considered only direct employment, payroll, and spending when estimating the statewide tax revenues. Tax revenues associated with indirect/induced impacts were not estimated in the SCAC study. Tax revenues estimated in the state study considered the following taxable events:

- Sales tax paid by visitors on hotels, meals, rental cars, entertainment, and retail spending.
- Sales tax paid on goods and materials purchased to support capital projects.
- Sales tax paid on applicable supplies needed to operate airports or tenant businesses.
- Sales and income taxes paid by employees whose direct jobs are airport-supported.

It is important to note that South Carolina recently removed a 5% tax on rental cars, and that parts and supplies purchased to repair aircraft in the state are tax exempt.

SCAC's economic impact study indicates that annually airports and airport-supported activities contribute an estimated \$657 million in state and local tax revenues.



Significant Economic Benefits from South Carolina's Airports

General aviation and commercial service airports in South Carolina are responsible for supporting an estimated \$16.3 billion in annual economic activity. This estimate includes total statewide direct and indirect/induced impacts in the payroll and spending categories. SCAC measured this statewide annual economic impact by considering benefits associated with airport management, airport tenants, capital investment, and commercial service and general aviation visitor spending. Statewide annual economic impacts for each of the categories measured in the SCAC study are shown in the following table.



Total Annual Statewide Economic Impacts

| | EMPLOYMENT | PAYROLL | SPENDING | ECONOMIC ACTIVITY |
|---------------------------|----------------|----------------|-----------------|-------------------|
| AIRPORT MANAGEMENT | 1,374 | \$64.7 M | \$60.1 M | \$153.8 M |
| AIRPORT TENANTS | 10,887 | \$495.2 M | \$1.1 B | \$1.6 B |
| BOEING | 21,773 | \$15.2 B | \$2.7 B | \$4.2 B |
| CAPITAL INVESTMENT | 1,567 | \$72.4 M | \$219.8 M | \$292.2 M |
| GENERAL AVIATION VISITORS | 4,590 | \$157.8 M | \$390.1 M | \$527.9 M |
| COMMERCIAL VISITORS | 82,468 | \$2.5 B | \$7.1 B | \$9.6 B |
| TOTAL | 122,759 | \$4.8 B | \$11.5 B | \$16.3 B |

*EXCLUDES BOTH TENANT & GIP IMPACTS FOR BOEING ACTIVITIES IN CHARLESTON
TOTAL AVIATION NOT SHOWN DUE TO ROUNDING

Annual Costs versus Annual Benefits from South Carolina Airports

SCAC's Statewide Aviation System Plan and Economic Impact Study produced the following findings:

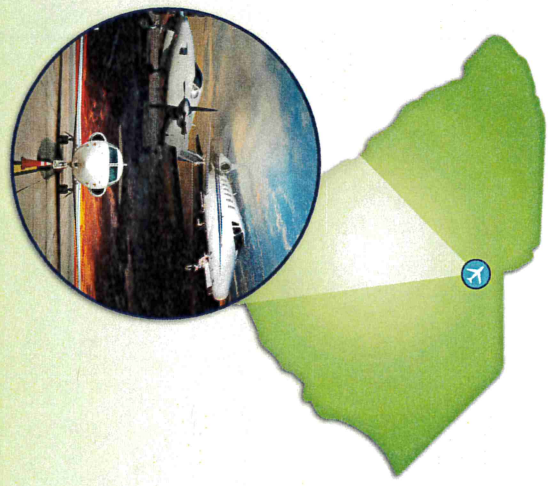
- Airports and airport-supported activities are supporting an estimated \$657 million in state and local tax revenues.
- Airports and the activities they support are responsible for an estimated \$16.3 billion in total annual economic impact. Of this total annual impact, about \$4.2 billion is associated with Boeing in Charleston.
- The average annual maintenance and development needs for all airports over the next five years are estimated at \$156 million.
- Based on the most recent year for state and FAA funding, about 50% of the annual financial needs of the airports could be met. However, if state and FAA funding is more in line with 5-year averages, only 25% percent of the estimated investment needs will be met. A large funding gap is anticipated.

The SCAC reports show that individual public airports in South Carolina, such as Lancaster County-McWhorter Field, make important economic and tax contributions to the state. The economic impacts, both statewide and specifically for Lancaster County-McWhorter Field summarized in this report, reflect a "snapshot" of conditions and activity that characterized South Carolina airports at the time data collection to support this study was completed. The economic impacts presented in this summary are annual in nature. As long as Lancaster County-McWhorter Field continues to be maintained and improved as warranted and activity at the airport stays healthy, the economic impacts associated with Lancaster County-McWhorter Field will continue to be realized year-after-year.

For More Information:
South Carolina Aeronautics Commission
2553 Airport Blvd. West Columbia, SC 29170
PH: 803.896.6260
WWW.SCAERONAUTICS.COM

Prepared by: **AVIATION AERONAUTICS**

—SUMMARY OF STUDY FINDINGS FOR— LANCASTER COUNTY-MCWHORTER FIELD Lancaster, South Carolina



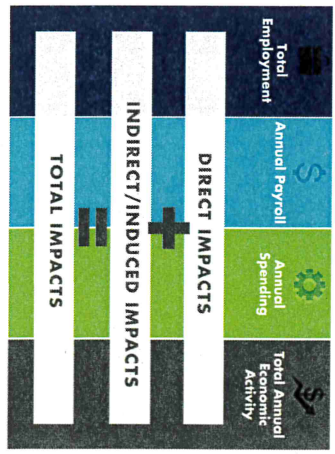
Airports are essential to South Carolina's transportation infrastructure and economy. To guide the South Carolina airport system and measure how airports contribute to the economy, the South Carolina Aeronautics Commission (SCAC) completed updates to its Statewide Aviation System Plan and Statewide Economic Impact Study. Details on both reports are available at: www.scaeronautics.com. This report provides a summary of important findings and also highlights the contribution that Lancaster County-McWhorter Field makes to the estimated statewide economic impact. The role the airport plays in the state airport system is documented and a summary of the investment required for the airport to fulfill its needs and objectives is provided.

STATEWIDE IMPACTS Economic Impacts from South Carolina Airports

As part of SCAC's research, steps were undertaken to estimate the annual economic impact for Lancaster County-McWhorter Field and 56 other study airports. Economic impacts summarized in this report reflect conditions that characterized all airports in 2017. This report provides both statewide and airport specific information on annual economic impacts. Each airport was investigated to identify potential economic impacts related to the five categories shown below:

- Airport Management
- Airport Tenants
- Investment in Capital Projects
- Spending from Visitors Arriving on General Aviation Aircraft
- Spending from Visitors Arriving on Commercial Airlines

The SCAC study used four primary measures to express both statewide and airport specific annual economic impacts: employment, payroll, spending, and economic activity. Economic impacts reflect not only direct impacts, but also indirect/induced impacts associated with multiplier effects. Direct and indirect/induced impacts equal total statewide and airport specific annual economic impacts. Using South Carolina specific inputs, the IMPLAN model was used to estimate indirect/induced impacts.



In this study, total annual economic activity is the sum of annual payroll and spending.

| | |
|---------------------------------|----------------|
| Employment | 122,759 |
| Annual Payroll | \$4.8 Billion |
| Annual Spending | \$11.5 Billion |
| Annual Economic Activity | \$16.3 Billion |

South Carolina
STATEWIDE AVIATION SYSTEM PLAN
& ECONOMIC IMPACT STUDY REPORT
— 2018 —

LANCASTER COUNTY-MCWHLITER FIELD

Total Annual Economic Impact on South Carolina's Economy

Estimating the Annual Economic Impact for Lancaster County-McWhirter Field

Interviews and surveys were used to document direct impacts for airport management and aviation-related tenants. Some employees in the management category are not located at the airport; some employees split their time between the airport and other government functions. For both management and tenants, not all jobs are full-time. Less-than-full-time positions were converted to full-time equivalent (FTE) jobs using hours worked or salary paid.

Airports use FAA, state, local, and/or private investments to complete capital projects. When capital funds are being expended, such spending helps support employment and associated payroll. Average annual capital investment for the airport, from all sources, for a multi-year period was considered to estimate economic impacts in the capital investment category.

ANNUALLY, 4,588 VISITORS ARRIVE IN SOUTH CAROLINA VIA THE AIRPORT.

Each year, 4,588 visitors arrive at the airport on general aviation planes. Visitors to South Carolina often have expenditures for lodging, food, ground transportation, entertainment, and/or retail purchases. Visitor spending helps support jobs and payroll, primarily in the hospitality industry.

The table on the next panel shows direct, indirect, induced, and total economic impacts for the airport, as these impacts were identified for: airport management and tenants, capital investment, and visitor spending.

THE AIRPORT AND AIRPORT ACTIVITIES SUPPORT ANNUAL TAX REVENUES ESTIMATED AT \$200,990.

Airport benefits also come in the form of annual tax revenues. Activities at the airport and off-airport activities (the airport helps to support (primarily visitor spending) are linked to many transactions that are subject to sales tax. South Carolina residents whose jobs are directly supported by airports also pay state income tax. Airport-supported tax revenues benefit state and sales tax.

The report findings estimated that, when only direct economic impacts are considered, the airport contributes approximately \$200,990 in annual state and local tax revenues.

Total Annual Economic Impact for Lancaster County-McWhirter Field

The following table reports direct, indirect/induced, and total economic impacts for the airport as estimated in SCAC's study.

| | EMPLOYMENT | | | TOTAL PAYROLL | | | ANNUAL SPENDING | | | ANNUAL ECONOMIC ACTIVITY | | |
|------------------------------|------------|------------------|-------|---------------|------------------|-------------|-----------------|------------------|-------------|--------------------------|------------------|-------------|
| | Direct | Indirect/Induced | Total | Direct | Indirect/Induced | Total | Direct | Indirect/Induced | Total | Direct | Indirect/Induced | Total |
| Airport Management & Tenants | 3 | 4 | 7 | \$114,400 | \$721,200 | \$227,620 | \$258,340 | \$231,880 | \$490,230 | \$392,840 | \$355,010 | \$747,850 |
| Capital Investment | 6 | 4 | 10 | \$290,620 | \$171,910 | \$462,530 | \$862,770 | \$554,890 | \$1,417,660 | \$1,153,390 | \$726,800 | \$1,880,190 |
| General Aviation | 12 | 5 | 17 | \$309,020 | \$180,230 | \$489,250 | \$921,260 | \$578,720 | \$1,399,990 | \$1,100,280 | \$755,960 | \$1,856,240 |
| Total | 21 | 13 | 34 | \$714,040 | \$4,753,260 | \$1,209,400 | \$1,942,370 | \$1,365,510 | \$3,307,880 | \$2,676,510 | \$1,840,770 | \$4,517,280 |

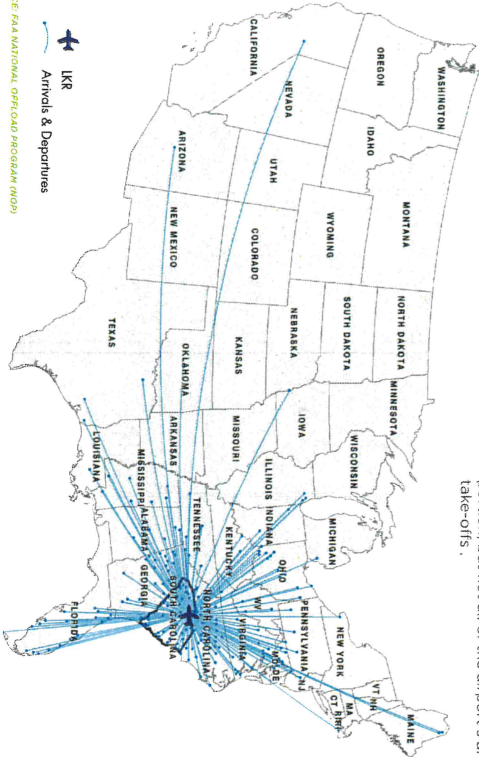
DATA SOURCE: SOUTH CAROLINA AERONAUTICS COMMISSION ECONOMIC IMPACT STUDY

ANNUAL ECONOMIC ACTIVITY = PAYROLL + SPENDING

The Airport Helps Connect the Community

When businesses decide to relocate or expand, there are many factors they consider. Access to an airport is a highly-rated decision-making factor. FAA provides an account of some but not all non-stop general aviation flights that arrive and depart from the airport. The map below demonstrates how Lancaster County-McWhirter Field connects the community to destinations across the United States.

The flight data for Lancaster County-McWhirter Field shown on this map was obtained from FAA's National Offroad Program. Flights shown reflect both instrument and visual flight rule activity for arrivals and departures. The map helps to depict non-stop flight destinations to and from the airport. The map reflects a significant portion, but not all of the airport's annual landings and take-offs.



SOURCE: FAA NATIONAL OFFROAD PROGRAM (M09)

The Airport's Role in State Airport System

South Carolina's Aviation System Plan helps ensure the state has a balanced and viable system of public airports. Assigning a "role" to each airport helps to achieve this objective. Each airport's role is based on a variety of factors that consider activity, facilities, services, airport location, and market area characteristics. Within the South Carolina system, Lancaster County-McWhirter Field is designated as an SC III Business/Recreation Airport. There are four different roles for airports in the system, and each role has a specific set of objectives. Objectives for SC III Airports in South Carolina are shown below.

AIRPORT ROLE

Business/Recreation (SC III)

ROLE CRITERIA

SC III Airports are generally located in non-urban areas. These airports serve smaller business and personal aircraft. These airports offer fuel and most aviation services, and SC III airports are supported by a non-precision approach.

FACILITY OBJECTIVES

- Published approach
- Runway length 3,200 feet with Medium Intensity Runway Lighting (MIRL)
- Runway width 60 feet
- Partial parallel taxiway or turnaround on both runway ends with Medium Intensity Taxiway Lighting (MTTL)
- Automated Surface Observing System (ASOS) or Automated Weather Observation System (AWOS)
- 100LL fuel

The system plan summarized the airport's development needs over the next five years. Costs to improve and maintain the airport over that time-frame consider not only projects identified by the system plan, but also projects from SCAC's Statewide Pavement Management Plan and the airport's own locally generated capital improvement plan (CIP). These three sources indicate an estimated \$2,471,835 will be needed to maintain and improve the airport over the next five years; this equates to an average annual investment of \$494,367.

As SCAC's Statewide Economic Impact Study has shown, on an annual basis Lancaster County-McWhirter Field supports an estimated \$4.5 M in economic benefit. The airport's annual economic impact far exceeds its annual financial need for maintenance and improvement. SCAC's statewide studies show the airport is well worth the investment!



Agenda Item Summary

Ordinance # / Resolution #: N/A

Contact Person / Sponsor: Steve Willis/Administration and Jeff Catoe/Public Works

Department: Public Works

Date Requested to be on Agenda: 3/4/2020

Issue for Consideration:

Does the Capital Project Sales Tax Committee desire to consider state roads in this funding cycle?

Points to Consider:

Last time the Capital Project Sales Tax Committee considered state roads for funding. At that time the South Carolina Department Of Transportation (SCDOT) lacked adequate gas tax funding to address some local roads which they owned.

As of today, the gas tax is increasing and SCDOT has more funding than they have had in the past.

In order to prepare projects for the consideration of the Committee, staff is asking for guidance on what you think is reasonable to fund.

We have requests for consideration of the following projects at this time:

SCDOT

Turn lanes on SC 5 at Old Hickory and Riverside/ Rebound – cost to be determined.

Resurfacing on the following roads – cost to be determined

| Name | Road Number |
|-------------------|--------------------|
| Hard Pine | S-872 |
| Kamala | S-871 |
| Wylie Circle | S-555 |
| Bowers Lane | S-427 |
| Old Lancaster HWY | S-183 |
| Sunshine Ln | S-885 |
| Knollwood Dr | S-884 |
| Little Dude | S-564 |
| Phillipstown Road | S-89 |
| Coldstream Road | S-619 |
| Spinner | S-618 |
| Suttle Road | S-541 |

RFATS

1. Repaving Harrisburg Road from Barberville Road to Regent Park

Approximate length 2.5 miles.

Existing 2-lanes approximately 24' wide

Assume 1.5" overlay

Cost per mile is \$450 thousand

Approximate construction cost =

\$1,125,000

ROW and Utility contingency of 35%

\$393,750

Approximate total construction cost =

\$1,518,750

2. Widen Marvin Road to 3 lanes from US 521 to the NC state line/Union Co

Approximate length 1.4 miles

Existing 2-lanes approximately 24' wide

Assume curb and gutter section with sidewalk.

Cost per mile is \$8.0 million (includes ROW and Utility assumptions)

Approximate construction cost =

\$11,200,000

Construction cost contingency of 15%

\$1,680,000

Approximate total construction cost =

\$12,880,000

3. Widen Barberville Road to 3 lanes from SC 160 to NC state line
 - Approximate length 2.7 miles
 - Existing 2-lanes approximately 24' wide
 - Assume curb and gutter section with sidewalk.
 - Assume new bridge over Clems Branch.
 - Existing bridge approximately 125 long and assume new bridge width is 45 feet to accommodate sidewalk.
 - Approximate bridge cost \$750,000
 - Cost per mile is \$8.0 million (includes ROW and Utility assumptions)
 - Approximate construction cost = \$21,600,000
 - Construction cost contingency of 15% \$3,240,000
 - Approximate total construction cost = **\$24,840,000**

4. Widen Dobys Bridge Road to 5 lanes from the York Co line to US 521
 - Approximate length 1.1 miles
 - Existing 2-lanes approximately 24' wide.
 - Assume curb and gutter section with raised median.
 - Cost per mile is \$10.0 million (includes ROW and Utility assumptions)
 - Approximate construction cost = \$11,000,000
 - Construction cost contingency of 15% \$1,650,000
 - Approximate total construction cost = **\$12,650,000**

5. Widen Possum Hollow Road to 3 lanes from SC 160 to US 521
 - Approximate length 3.3 miles
 - Existing 2-lanes approximately 24' wide.
 - Assume curb and gutter section with sidewalk.
 - Assume new bridge over existing creek.
 - Existing bridge approximately 80 long and assume new bridge width is 45 feet to accommodate sidewalk.
 - Approximate bridge cost \$500,000
 - Cost per mile is \$8.0 million (includes ROW and Utility assumptions)
 - Approximate construction cost = \$26,400,000
 - Construction cost contingency of 15% \$3,960,000
 - Approximate total construction cost = **\$30,360,000**

6. Marvin Road and Henry Harris Road Roundabout
 - Approximate construction cost = \$2,000,000
 - Construction cost contingency of 15% \$300,000
 - Approximate total construction cost = **\$2,300,000**

We have a request from the City of Lancaster to consider funding to help jump start their downtown redevelopment project. This would involve the streetscape of the 100 block of West Gay Street (a state secondary road but SCDOT will not pay for streetscape activities) to transform it into a festival area as well as a functioning road in downtown. The overall plan should be voted on at the next City Council meeting. The cost is to be determined but should be approximately \$2 million.

Recommendation:

We have no recommendation but are asking for guidance from the Committee on how to proceed.