

Dorchester County, SC
Department of Business Services

**Comprehensive Annual
Financial Report**

For the Fiscal Year Ended June 30, 2020





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DORCHESTER COUNTY, SOUTH CAROLINA

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December 17, 2020

To the members of County Council and the citizens of Dorchester County, South Carolina:

State law requires every general-purpose local government publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) in the United States of America and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is published to fulfill that requirement for the fiscal year ended June 30, 2020.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. The cost of internal controls should not exceed anticipated benefits. Accordingly, the objective of internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Greene Finney, LLP, Certified Public Accountants, have issued an unmodified opinion on Dorchester County's financial statements for the year ended June 30, 2020. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis ("MD&A") immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the financial statements. MD&A complement this letter of transmittal and should be read in conjunction with the financial statements.

Profile of the Government

Dorchester County is located in the southern part of South Carolina and bordered by the counties of Bamberg, Berkeley, Charleston, Colleton, and Orangeburg. It occupies 568 square miles in South Carolina. Dorchester County is a mixed landscape of suburban development in the lower part of the County in the Summerville area, rural development primarily concentrated in compact nodes as incorporated towns and unincorporated communities, and an abundance of pristine environmental resources. Incorporated towns located in rural Dorchester County include Harleyville, Reevesville, Ridgeville, and St. George. The Town of Summerville and the City of North Charleston are the more densely populated areas of the County. The City of North Charleston and Town of Summerville overlap three counties: Dorchester, Berkeley, and Charleston Counties. The county seat is located in St. George.

Dorchester County boasts award winning school districts and one of the longest free flowing black water rivers in North America. Dorchester County's natural beauty and unwavering sense of community is what makes it the best county in South Carolina to build a business and raise a family.

Dorchester County currently employs more than 1,000 employees organized into 33 departments which provide a full range of countywide services that include, but are not limited to:

- General administration – administrative and legal services, voter registration, veterans' assistance, information technology support, human resources, risk management, public information, financial services, building maintenance, and fleet maintenance
- Public safety - countywide law enforcement (Sheriff's Office), detention facilities, consolidated dispatch center, emergency preparedness plans to include activation of the County's Emergency Operations Center in an event of a disaster, as well as countywide fire protection in unincorporated areas in addition to the incorporated towns of St. George, Harleyville, Ridgeville, and Reevesville

- Growth management – planning and zoning administration, building services (plan review and permitting), and economic development
- Health and general welfare - Emergency Medical Services (EMS), alcohol and other drug abuse services, indigent health care, social services, code enforcement, animal control, and mosquito control
- Recreation – management of two parks and several hundred acres of parklands preserved for future park development
- Urban and Rural street and drainage maintenance
- Waste disposal and recycling at fourteen (14) convenience sites countywide
- Criminal, civil, probate, family court, Master in Equity, and Magistrate’s court administration in county court and in State courts with the support of the elected Clerk of Court
- Public defender and Solicitor’s office assistance
- Property assessments, tax billing (Auditor’s Office), collection and disbursal to appropriate entities/municipalities (Treasurer’s Office)
- Water & Sewer – operation of water wells, elevated water storage tanks, water lines, wastewater treatment plants, gravity sewer lines, sewer force main and pump stations

Dorchester County operates under a Council-Administrator form of government. A seven-member County Council is elected by district and provides policy direction to the County. Each member of Council is elected by single-member districts and serves four-year terms. All legislative and administrative powers of the county and the determination of all matters of policy are vested in the County Council. The County Council enacts, and the County Administrator administers and enforces ordinances and resolutions relative to municipal services, levy taxes, establish appropriations, issue debt and institute other fees and regulations, which aid in the maintenance of equitable treatment and quality standards within the County. Each member of council has one vote in each matter. The County Administrator ensures that management functions are carried out within the policies and procedures endorsed by Council along with ensuring personnel requirements and budget constraints are upheld by department heads charged with managing the daily operations necessary to provide services to the residents and businesses of the County.

The County’s fiscal affairs are budgeted annually and in accordance with Article X of the South Carolina Constitution. After input from the department heads and the Chief Financial Officer, the County Administrator presents the proposed budget to Council. A public hearing is held; the proposed budget is further reviewed and ultimately adopted by County Council. At the request of a department, line items may be adjusted by the County Administrator although transfers cannot be made in personnel line items without the approval of County Council. To modify the original ordinance adopting the budget, formal action must be taken by County Council.

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. The Dorchester County Transportation Authority has been shown in the government-wide statements in the governmental activities, and in the fund financial statements.

Discretely presented component units are reported in a separate column in the Statement of Net Position and in the Statement of Activities in order to emphasize that they are legally separate from the primary government, and to differentiate their financial position and results of operations from those of the primary government. The Dorchester County Library (DCL) is being presented as a discreetly presented component unit.

Local Economy

Population estimates for the County to continue to surge. Between the 2010 Census and estimates dated July 1, 2019, the County experienced population growth of 19.6%, an average of 1.96% per year. Dorchester County has a strong tax base and continues to experience growth in business and residential activity. In 2020, several new and redeveloped properties were either opened or announced, along with an increase in new industrial growth. The County previously formed an improvement district now formally known as Summers Corner in the lower-portion of the County, specifically several tracts of land now owned by Lennar as the master developer. During the year, Lennar subdivided 151 additional parcels of real property for residential development and closed on the

first homes in a new subdivision of the community known as Azalea Ridge. Subsequently, Lennar has announced the development of a third subdivision, known as Magnolia Lakes, which will be a gated active-adult community. Land clearing has already begun for this development.

Dorchester County continues to experience robust activity in residential and commercial construction. Building permits valued at \$221,402,922 (residential) and \$26,913,231 (commercial) were issued during fiscal year 2020. Permits are expected to increase as a result of newly announced residential communities, multifamily, and industrial development. Residential permit activity in fiscal year 2020 represents an 59.2% increase over the prior year.

The aforementioned Summers Corner is located in a rapidly growing area of the County and is bordered by portions of Highways 17A, 165 (Deleamar), and 61 (Beech Hill, Boone Hill) which consists of 6,932 acres of mixed-use planned development. At build-out, it is anticipated that there will be over 8,000 residential units and 193 acres of commercial development intertwined with open space and recreational amenities. According to the developer's continuing disclosure report issued in accordance with the Series 2018 Assessment Revenue Bonds, as of June 30, 2020 there were 155 residential properties under contract for sale in various stages of construction.

Several unique retail and service industries established operations in Dorchester County in 2020. Food Lion has opened a new grocery store in the Jedburg area of unincorporated Dorchester County. This store represents the most westward new construction grocery retailer to open in the County and is one of three grocery retailers located on Highway 78. The other two existing establishments are in the Town of St. George.

Additionally, numerous commercial projects are under construction or are in the plan review process. Walmart Supply Chain announced plans in 2020 to build a 3,000,000 square foot, \$220,000,000 distribution center at the Ridgeville Commerce Park. When completed in early 2022, the center will create 1,000 jobs and is projected to increase traffic at the Port of Charleston by 5%. The County's previous investment in infrastructure at and adjacent to the site significantly increased the viability of industrial development in this area. The 750,000-gallon water storage tank constructed in 2019 to serve the nearby Sundaram Clayton manufacturing facility will serve the Walmart Distribution Center. The County is also in the process of widening Highway 78 in the area from two lanes to various spans of three and five-lane sections in order to accommodate increased traffic and improve safety along the corridor.

Commercial and residential construction are expected to show growth over the next five years and into the future. While earlier projections for growth in the County's tax base were muted due to the impacts of COVID-19, actual results have exceeded expectations to date due to strong strategic planning in various sustainability initiatives.

In 2020, Dockside Logistics purchased the Dorchester County speculative industrial building at the Winding Woods Commerce Park that was constructed in 2017. At this time, an upfit of the building is underway and the warehousing and distribution center will open upon completion. This will represent the first industry to open in the park and is a testament to the County's cumulative investment of over \$10,000,000 in infrastructure to serve the park.

Later in 2020, Dorchester County completed the purchase of the 600+ acres of residual land at the Winding Woods Commerce Park, leaving behind only the land to be utilized by DHL Supply Chain in constructing their previously announced 1,700,000 square foot distribution center. This purchase, in the amount of \$7,600,000 was funded by a combination of grants and \$4,500,000 from a Special Source Revenue Bond that will be repaid from fee in lieu of tax revenues from other industries. With the land now controlled by the County, the future of the park will be controlled for industrial development.

The County is also a member of the Lake Marion Regional Water Agency. After completing reaches to Harleyville and Ridgeville, the County pursued federal funding to improve water service delivery to the Winding Woods Commerce Park. Right of way acquisition and design is underway for another elevated water storage tank that will serve this park and the current anticipated needs of Dockside Logistics and DHL Supply Chain.

Long-term Financial Planning

Future financial requirements are directly linked to the vision and goals outlined in Dorchester County's Comprehensive Plan, Strategic Plan, and Capital Improvement Plan.

Dorchester County has partnered with a firm named Envisio to bring various plans, including the strategic plan, into a more transparent means of delivery. Currently under development, this will allow the public to research and view the status of strategic initiatives in real time.

The Strategic Plan is reviewed each year as part of the annual budget process by County Council in a retreat setting. The plan is

subject to amendment based on the needs of the County but is significantly updated every three years. The goals and objectives as stated in the Strategic Plan are used to guide the capital and operational spending plan for the County over the course of those three years. The County revised and County Council subsequently adopted a new plan in March 2019.

The Capital Improvement Plan ("CIP") is a five-year fiscal planning tool that is used to identify needed capital projects and the appropriate funding and timing for those projects. The CIP is prepared annually based on submissions from the County's various departments. The County Administrator and Chief Financial Officer review each project and present a recommended CIP to County Council. A financing strategy for approved projects is developed based on a comprehensive financial forecast. The future impact of the completed projects on the annual budget, including operational and staffing costs, is also considered.

The County analyzes many financial indicators using a set of Microsoft Excel-based tools encompassed in a product called Municast. The analysis of these indicators is designed to present information on the fiscal health of the County which can then be used as one of the factors influencing short-term organization-wide decisions and the long term financial forecast.

The County's financial trends are analyzed quarterly utilizing many factors in order to understand the financial condition of the County. Forecasting requires estimating the future value of revenues and expenditures. It involves determining how the County's total financial program will be affected by changing demographic and economic factors. It addresses the question of whether the County will have sufficient resources to meet the resource requirements of ongoing, planned or mandated programs given assumptions about local financial policies and economic trends. Forecasting has the added value of providing a planning tool for capital projects and whether bonded indebtedness will be required for capital funding. In summary, it provides an estimate of the financial flexibility of the County, as well as insight into tax, revenue, and service options the council must address.

Forecasting is not an exact science and at times relies upon the best professional judgment of the forecasters. In order to reduce the risks of miscalculating revenues or expenditures, the goal is to identify as many factors as possible that may contribute to changes in revenues and expenditures. The County's revenue and expenditure budgets are comprised of many unique elements that respond to a variety of external factors such as population growth, development, inflation, and interest rates.

The revenue forecast begins with evaluating prior year actual trends. The remaining years of the revenue forecast are from consensus forecasts of trends in key economic and demographic indicators. These forecasts typically cover global, regional and state or tri-county area as a whole, so adjustments to reflect unique conditions in the County are necessary.

The goal is to match revenue sources with the economic and demographic variables that most directly affect year-to-date changes in those revenues. For example, revenue such as the 1% sales tax will reflect consensus forecasts related to taxable sales growth. In contrast, revenue from building permits and plan review are tied to the expected trends in development. Other revenues, such as those from EMS services, are linked to the County's expected population growth or fee increases. By identifying and utilizing as many revenue-related variables as possible in the forecast, the goal is to minimize the risk of overstating or understating revenues that could arise from using only a few variables to forecast all revenue sources.

The expenditure forecast begins with prior year expenditures adjusted for non-recurring expenditures. Expenditure growth is closely linked to two major factors:

- 1) Inflation which includes general inflation, market adjustments to salaries and changes in benefit costs.
- 2) County financial policies and strategic plan related to the amount of new funding added each year for new programs and the expansion of existing programs.

As with the revenue forecast, consensus forecasts of trends in key economic and demographic indicators are factored into the County's expenditure forecast. For certain expenditure categories such as fuel and utilities, inflation factors are used that reflect the historical rate of price inflation in these categories relative to overall inflation. Amounts for new programs and expansions are assumed to be constant over the forecast period.

In January 2020, Moody's Investors Service maintained Dorchester County's General Obligation bond rating of Aa1 as well Standard & Poor's affirmed its AA rating on the County's existing General Obligation debt.

Relevant Financial Policies

The County's financial decisions are guided by formal and informal financial policies designed to provide a consistent and measurable framework for County decision makers.

The County, as a political subdivision of the State of South Carolina, is required to prepare and maintain a balanced budget. For the

fiscal year ended June 30, 2020, the County's budget was balanced.

Unassigned fund balance of approximately \$24,386,779 in the General Fund for the fiscal year ended June 30, 2020, represents 37.7% of subsequent year projected revenues. County policy requires the unassigned fund balance in the General Fund be no less than 32% of General Fund projected revenues for the subsequent year. In the case of the General Fund, a goal of 40% of the subsequent fiscal year's projected revenues is also enacted via the County's fund balance policy. In the event that the 40% threshold is exceeded, the difference is to be transferred to the County Reserve Fund to be committed for disaster recovery. Based upon policy, there will be no transfer to the Reserve Fund in fiscal year 2021. With a balance of \$3,740,193 as of June 30, 2020, the balance of the Reserve Fund is equivalent to 5.8% of subsequent year projected revenues. The County is actively seeking reimbursement from FEMA for five federally declared disasters which will continue to increase this balance as reimbursements are received. A reimbursement for Hurricane Matthew in the amount of \$72,075 was received as recently as October 8, 2020. In the event that both unassigned fund balance meets 40% and the Reserve Fund exceeds 10%, excess fund balance may be used for one-time capital or to retire debt.

With regards to the effective management of debt, the County does not further restrict the State Constitutional debt limit of eight percent of the assessed value of the locality with regards to limiting expenditures for debt service, however a detailed debt management and post issuance disclosure policy was adopted by County Council on December 1, 2014 and revised on July 1, 2019. This policy defines the specific types and uses of short and long-term debt. Additionally, the policy sets thresholds for the effectiveness of mechanisms such as advance refunding's (3.0% of net present value savings) and dictates debt planning activities required in anticipation of the issuance of new debt.

Other relevant financial policies include Grants, Accounting and Financial Reporting, Budget Preparation and Administration, Revenue, Debt Management and Post-Issuance Disclosure, Fund Balance and Working Capital, Investment, and Fixed Asset. Full policies are available in the appendix of the County's Annual Budget Document which is published at www.dorchestercountysc.gov/budget.

Major Initiatives

County Council continues to support an aggressive Capital Improvement Plan to better serve the needs of the community. In 2020, Dorchester County issued \$25,000,000, Series 2020, General Obligation Bonds, pursuant to referendum measures that were passed by voters in November 2019. 80% of the proceeds from the issue were allocated to parks and recreation projects and the remaining 20% was allocated to library projects. Future bonds, in the aggregate amount of \$43,000,000 will be issued to support these projects, up to the total approved amount of \$68,000,000 for both measures.

During fiscal year 2021, County Council approved funding for six new Detention Officers for the County Detention Center based upon staffing reports from the Department of Corrections. Also, eight new positions were added in Facilities and Grounds Maintenance to support new park operations coming online in FY2021. As the County experiences rapid growth, it will be important to continue to monitor all lines of service delivery to ensure long-term sustainability. As part of the base budget for fiscal year 2021, County Council included increases to support the reorganization of the dispatch function to create a Consolidated Dispatch Center.

Looking to the future, the County recognizes the need to continue to improve the provision of Fire-Rescue and EMS services. Stations are planned for Summers Corner (new), Ladson Road (replacement), and Wire Road (new). Each of these projects are either partially or fully funded for implementation over the next year. When these projects are completed, all EMS services will be co-located within a Fire-Rescue and EMS combination facility, with the exception of EMS Headquarters. This represents a significant efficiency for the County's overall building footprint and eliminates duplication.

Growth in Dorchester County poses a significant threat to the sustainability of operations from a long-term perspective. Updated residential growth figures point to a less than sustainable trend in this regard and staff is working across the board to provide creative approaches to diversify the County's tax base and revenue sources. In 2019, Dorchester County conducted countywide reassessment, a process that is required to be implemented under State law every five years. Through this process, the County appraised each parcel of real property and assigned updated values based on the market. State law caps the increase in assessed value at 15%, and due to significant growth in property values over the last five years, 46% of properties countywide were assessed at this cap.

In November 2019, Dorchester County Council approved 3rd reading of an ordinance to establish a Tax Increment Financing (TIF) district in the Oakbrook area of Summerville. This effectively freezes the assessed value of all real property within the district at 2019 values. Incremental increases in assessed value are captured in a fund administered by the County in order to support debt service on TIF Revenue Bonds. This enables the County to issue such bonds to fund public infrastructure projects either in or directly benefitting the district to stimulate redevelopment. The first issuance of Limited Obligation Bonds in the amount of \$14,465,000 were closed on June 4, 2020. Initial funds will allow the redevelopment of the Oakbrook Athletic Complex owned by Dorchester County, streetscape major thoroughfares in the district, and build a replacement Fire-Rescue and EMS station on Ladson Road.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR, which satisfies 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 meets the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility.

The County also received GFOA's Distinguished Budget Presentation Award for the fourteenth time for fiscal year 2020. To receive this award, the budget process and documents must meet program criteria as a policy document, operations guide, financial plan, and communications device. The FY2021 budget has been submitted to the awards program.

The preparation of this report would not have been possible without the efficient and dedicated service of the Business Services Department and specifically the Financial Services Division. We wish to express our appreciation to the County's various departments who assisted and contributed to its preparation. Credit also must be given to County Council for their unfailing support for maintaining the highest standards of professionalism in the management of Dorchester County's finances.


Respectfully submitted,



Jason L. Ward
County Administrator



Daniel T. Prentice
Chief Financial Officer



Jessica D. Carraher
Director of Business Services

DORCHESTER COUNTY, SC
LISTING OF KEY OFFICIALS

County Council

George Bailey – District 3 – Chairman
David Chinnis – District 2 – Vice Chairman
Harriet Holman – District 1
Larry Hargett – District 4
Eddie Crosby – District 5
William (Bill) Hearn – District 6
James Lex Byars, III – District 7

Tracey L. Langley – Clerk to County Council

County Administration

Jason L. Ward, County Administrator
Daniel T. Prentice, Deputy County Administrator / CFO
Tommy Smith, Deputy County Administrator for Public Safety
Jessica D. Carraher, Director of Business Services

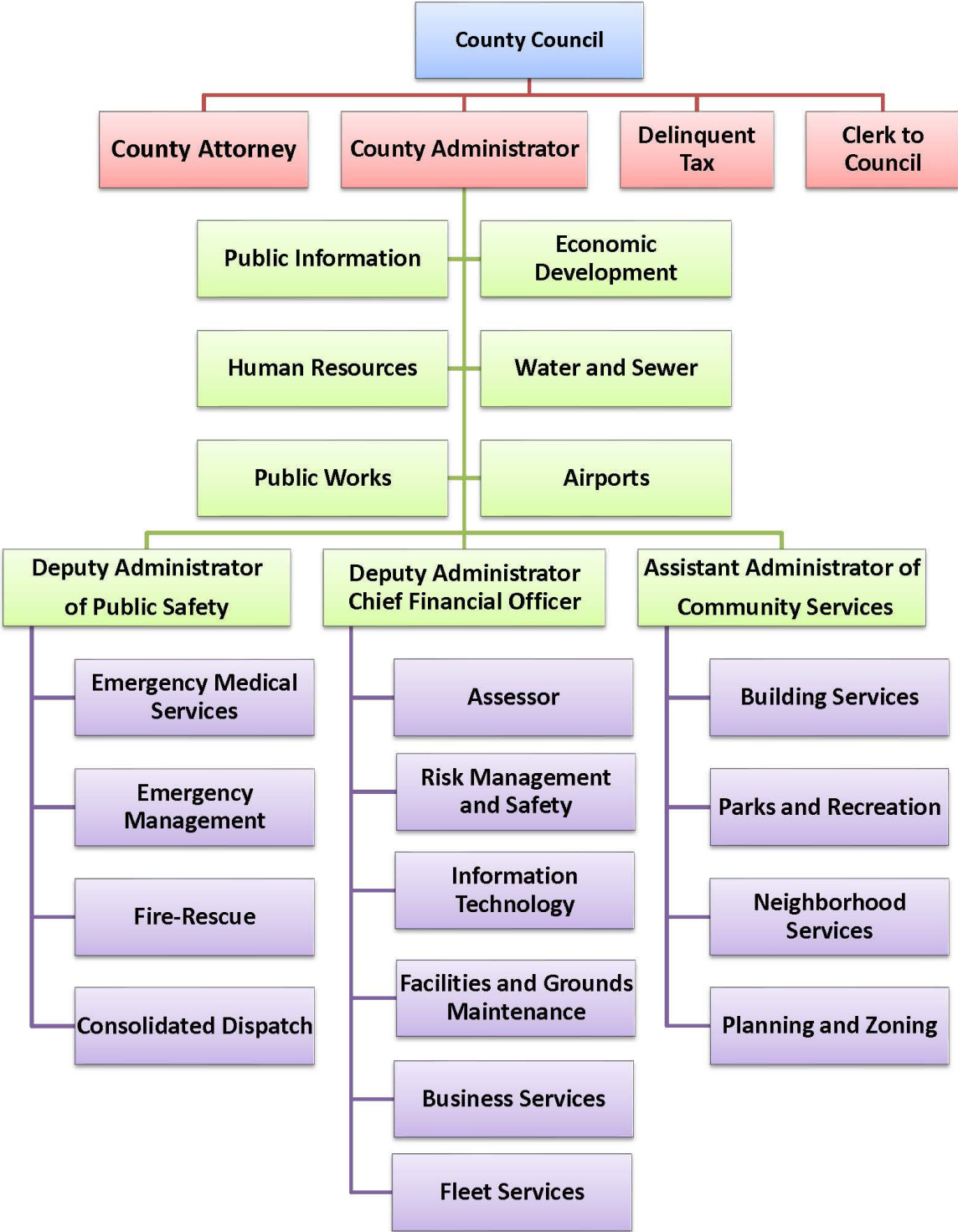
Elected Officials

James H. Messervy Jr. – Auditor
Cheryl Graham – Clerk of Court
Paul Brouthers – Coroner
Mary Blunt – Probate Judge
Margaret Bailey – Register of Deeds
L.C. Knight – Sheriff
Cindy Chitty – Treasurer

Appointed Officials

James Chellis – Master in Equity
Tera Richardson – Chief Magistrate
Cynthia Busby – Veterans Affairs Officer
Todd Billman – Elections and Voter Registration
Monty Jones - Delinquent Tax Collector
John Frampton – County Attorney

Organization Chart



Business Services Organization Chart





DORCHESTER COUNTY

MISSION STATEMENT

Dorchester County government delivers essential services that contribute to the well being and quality of life of its citizens. In doing so we seek to meet the collective needs of our citizens in a cost-effective manner.

ADOPTED BY DORCHESTER COUNTY COUNCIL NOVEMBER 18, 2002.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Dorchester County
South Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



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Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Members of County Council
Dorchester County, South Carolina
St. George, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Dorchester County, South Carolina (the "County"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County'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 from 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Dorchester County, South Carolina, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Change in Accounting Principle

As discussed in Note I.C.5 in the notes to the financial statements, effective July 1, 2019 the County has elected to change its policy for accounting for infrastructure projects that will be donated to the State of South Carolina and other governments upon completion of the project. The County will no longer report such projects in construction in progress until the time of donation to these other governments. The County will only report capital additions for projects which the County will ultimately be responsible for maintaining. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, pension plan schedules, and other postemployment benefit plan schedules, as listed in the table of contents, 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, supplementary information, statistical section, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as 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 supplementary information 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 supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the County's internal control over financial reporting and compliance.

Greene Finney, LLP

Greene Finney, LLP
Mauldin, South Carolina
December 17, 2020

DORCHESTER COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2020

As management of Dorchester County (the "County"), we offer the readers of Dorchester County's financial statements this narrative overview and analysis of the financial activities of Dorchester County for the year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the accompanying notes. This overview and analysis do not include the Dorchester County Library System, which is a discretely presented component unit of the County.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of Dorchester County exceeded its liabilities and deferred inflows of resources at June 30, 2020 by \$266,038,231.

The total net position increased during the year by \$27,278,594, including \$16,114,749 for governmental activities and \$11,163,845 for business-type activities.

At the end of the current fiscal year, unassigned fund balance for the general fund was \$24,386,779, which represents a 6 percent increase from the prior year and represents 38.7 percent of total general fund expenditures.

At the end of the current fiscal year, Dorchester County's governmental funds reported combined ending fund balances of \$146,221,911. This is an increase of \$46,315,315 from the prior year. Of this amount, nonspendable fund balance was \$2,146,331, restricted fund balance was \$110,584,391, committed fund balance was \$9,462,457, assigned fund balance was \$1,266,877 and unassigned fund balance was \$22,761,855.

On the government-wide basis, unrestricted net position was a deficit of \$27,078,341, primarily due to the net pension liability (including related deferred outflows and inflows of resources) of \$75,448,098 and the net other postemployment benefits ("OPEB") liability (including related deferred outflows and inflows of resources) of \$9,437,914. The net pension liability is required by Governmental Accounting Standard Boards ("GASB") Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27" ("GASB 68"). The net OPEB liability is required by GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" ("GASB 75"). The County participates in the South Carolina Retirement System's ("SCRS") pension plans and the South Carolina Counties OPEB Trust. The County is required by GASB 68 to recognize its proportionate share of the SCRS' unfunded liabilities on the County's government-wide financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements - The *government-wide financial statements* provide a broad overview of Dorchester County's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about Dorchester County's financial position.

The *Statement of Net Position* presents information on all of the County's assets and deferred outflows and liabilities and deferred inflows, with the difference between them reported as net position. Over time, increases or decreases in *net position* may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Dorchester

DORCHESTER COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

County include general government, public safety, roads and drainage, health and welfare, culture and recreation, economic development, airport, and other charges. The major business-type activities of Dorchester County include water and sewer systems and solid waste systems.

The government-wide financial statements include not only Dorchester County itself (known as the *primary government*), but also the legally separate Dorchester County Library, which is reported as a discretely presented component unit of the County, for which the County is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements. – A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The 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 Dorchester County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Most of Dorchester County's basic services are reported in the governmental funds' financial statements, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance Dorchester County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided to reconcile the two types of statements.

Proprietary Funds. – Services for which Dorchester County charges customers a fee are generally reported in proprietary funds. Proprietary fund statements, like the government-wide statements, provide both long and short-term financial information. These funds are similar to the government-wide business-type activities, but provide more detail and additional information, such as a cash flow statement.

Fiduciary Funds. – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements. – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Budgetary Comparison Schedules. – The County adopts an annual appropriated budget for its general fund and capital improvements fund, its only major special revenue fund. Budgetary comparison schedules have been provided for these two funds as required supplementary information to demonstrate compliance with the budget. In addition, the County includes budgetary comparison schedules in the supplementary information for all other governmental funds that have legally adopted budgets.

Other Information. – In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules as well as required supplementary information related to the County's participation in the State retirement plans and the County's other postemployment benefit plan.

DORCHESTER COUNTY, SOUTH CAROLINA**MANAGEMENT'S DISCUSSION AND ANALYSIS****YEAR ENDED JUNE 30, 2020****GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net Position. The County's net position comparing 2020 to 2019 (as reported) is as follows for the Governmental Activities and the Business-Type Activities:

	Governmental Activities		Business-Type Activities	
	2020	2019	2020	2019
Current, Restricted and Other Assets	\$ 165,861,456	116,089,237	46,817,704	\$ 48,818,978
Capital Assets, Net	142,887,397	144,858,099	216,935,363	204,696,150
Total Assets	<u>308,748,853</u>	<u>260,947,336</u>	<u>263,753,067</u>	<u>253,515,128</u>
Deferred Outflows of Resources	<u>19,933,447</u>	<u>20,050,370</u>	<u>3,691,189</u>	<u>3,846,219</u>
Current and Other Liabilities	22,327,509	22,118,328	7,622,326	8,327,904
Net Pension Liability	76,338,110	73,240,113	13,696,528	12,403,550
Net OPEB Liability	11,360,939	9,013,892	1,674,345	1,371,671
Long-Term Liabilities Outstanding	146,972,468	114,709,753	49,243,669	51,191,752
Total Liabilities	<u>256,999,026</u>	<u>219,082,086</u>	<u>72,236,868</u>	<u>73,294,877</u>
Deferred Inflows of Resources	<u>708,017</u>	<u>653,509</u>	<u>144,414</u>	<u>167,341</u>
Net Position:				
Net Investment in Capital Assets	42,547,231	37,657,298	166,214,018	154,321,376
Restricted	65,081,388	55,642,172	19,273,935	16,668,345
Unrestricted	(36,653,362)	(32,037,359)	9,575,021	12,909,408
Total Net Position	<u>\$ 70,975,257</u>	<u>61,262,111</u>	<u>195,062,974</u>	<u>\$ 183,899,129</u>

DORCHESTER COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Changes in Net Position. The County's Change in Net Position for fiscal years ended June 30, 2020 and 2019 is as follows:

	Governmental Activities		Business-Type Activities	
	2020	2019	2020	2019
Revenues:				
Program Revenues:				
Charges for Services	\$ 16,995,532	14,924,813	38,995,521	\$ 36,066,257
Operating Grants and Contributions	8,057,070	7,193,336	87,384	93,572
Capital Grants and Contributions	10,092,216	6,739,077	6,441,904	4,339,194
General Revenues:				
Property Taxes	58,071,717	51,607,166	-	-
Other Taxes	20,289,017	18,810,036	-	-
Unrestricted Grants and Contributions	5,778,417	5,517,465	-	-
Interest and Investment Earnings	2,083,866	1,648,617	252,180	220,068
Miscellaneous	1,164,393	354,918	102,284	776,789
Total Revenues	<u>122,532,228</u>	<u>106,795,428</u>	<u>45,879,273</u>	<u>41,495,880</u>
Program Expenses:				
General Government	35,887,658	29,925,262	-	-
Public Safety	47,227,872	42,088,535	-	-
Roads and Drainage	5,716,211	78,308,048	-	-
Health and Welfare	1,106,028	1,025,696	-	-
Recreation and Culture	1,399,509	310,336	-	-
Airport	603,309	478,903	-	-
Economic Development	1,579,658	4,235,715	-	-
Intergovernmental and Nonprofit Assistance	5,401,085	4,618,709	-	-
Disaster Recovery	2,721,745	375,362	-	-
Interest and Fiscal Charges	5,458,252	4,859,879	-	-
Water and Sewer	-	-	25,368,652	22,607,782
Solid Waste	-	-	6,343,772	5,938,070
Stormwater Management	-	-	2,319,156	2,093,198
Total Expenses	<u>107,101,327</u>	<u>166,226,445</u>	<u>34,031,580</u>	<u>30,639,050</u>
Change in Net Position Before Transfers	15,430,901	(59,431,017)	11,847,693	10,856,830
Transfers	683,848	(1,786,130)	(683,848)	1,786,130
Change in Net Position	<u>16,114,749</u>	<u>(61,217,147)</u>	<u>11,163,845</u>	<u>12,642,960</u>
Net Position, Beginning	61,262,111	122,479,258	183,899,129	171,256,169
Cumulative Change in Accounting Principle	(6,401,603)	-	-	-
Net Position, Beginning- Restated	54,860,508	-	-	-
Net Position, Ending	<u>\$ 70,975,257</u>	<u>61,262,111</u>	<u>195,062,974</u>	<u>\$ 183,899,129</u>

Change in Accounting Principle - Effective July 1, 2019 the County changed its policy for accounting for infrastructure projects that will be donated to other governments upon completion of the project. The County will no longer report such projects in construction in progress until the time of donation to these other governments. The County will only report capital additions for projects which the County will ultimately be responsible for maintaining. On its government-wide financial statements, this change resulted in a decrease to Net Position for governmental activities of \$6,401,603. This change had no impact on the governmental funds or business-type activities.

DORCHESTER COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities. Governmental activities increased the County's net position by \$16,114,749.

Charges for services accounted for \$16,995,532 or 13.9 percent of total governmental activity revenues. These charges are for fees related to judicial activity, fees for real estate transfers, fees associated with the E911 service, emergency medical services, and fees associated with the collection of property taxes.

Property tax revenues accounted for \$58,071,717 of the \$122,532,228 total revenues for governmental activities, or 47.4 percent of total revenues. Other tax revenues, primarily for sales and use taxes, accounted for \$20,289,017 or 16.6 percent of total revenues. Another major component of general revenues was grants and contributions not restricted to specific programs, which accounted for \$5,778,417 or 4.7 percent of total revenues.

The largest governmental activities were public safety and general government, accounting for \$46,923,382 and \$36,191,548, respectively.

The following table for governmental activities indicates the total cost of services and the net cost of services. The Statement of Activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2020	2019	2020	2019
General Government	\$ 35,887,658	29,925,262	22,522,467	\$ 16,862,697
Public Safety	47,227,872	42,088,535	36,511,376	33,520,805
Roads and Drainage	5,716,211	78,308,048	(2,463,537)	75,651,129
Health and Welfare	1,106,028	1,025,696	1,070,363	968,210
Recreation and Culture	1,399,509	310,336	1,067,928	259,901
Airport	603,309	478,903	595,280	425,165
Economic Development	1,579,658	4,235,715	(405,679)	(168,698)
Intergovernmental and Nonprofit Assistance	5,401,085	4,618,709	5,401,085	4,618,709
Disaster Recovery	2,721,745	375,362	2,198,974	371,422
Nondepartmental	-	-	-	-
Interest and Fiscal Charges	5,458,252	4,859,879	5,458,252	4,859,879
Total Expenses	<u>\$ 107,101,327</u>	<u>166,226,445</u>	<u>71,956,509</u>	<u>\$ 137,369,219</u>

Charges for services and operating grants of \$25,052,602 (23.4 percent of the total costs of services) were received and used to fund the governmental expenses of the County. An additional 4.1 percent, \$10,092,216, were for capital grants that were also used to fund governmental activities. The remaining \$71,956,509 in general governmental expenses was funded by property taxes, sales and use taxes, unrestricted grants, and other revenue.

Business-type activities. Business-type activities increased the County's net position by \$11,163,845.

Charges for services were the County's largest program revenue for business-type activities, accounting for \$38,995,521, or 85.0 percent of total business-type activity revenues. These charges are for sewer and water fees, impact fees, solid waste user fees, host fees, storm water fees, tap fees, origination fees, reconnection fees and other associated fees.

DORCHESTER COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

In the current year, the increase in revenues exceeded the need for increased expenditures to maintain the current level of services. The growth resulted from an increase in revenues from charges for services and impact fees, partially offset by a decrease in contributions of infrastructure to the County by developers.

FINANCIAL ANALYSIS OF DORCHESTER COUNTY'S FUNDS

As noted earlier, Dorchester County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds. The purpose of the County's governmental fund financial statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2020, the County's governmental funds reported a combined ending fund balance of \$146,221,911, an increase of \$46,315,315 from the prior year. Approximately 15.6 percent of this total, \$22,761,855, is unassigned fund balance. The remainder of fund balance is not available for new spending because it has been restricted, committed, or assigned for a variety of purposes.

The General Fund is the primary operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$24,386,779. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 38.7 percent of total general fund expenditures.

The fund balance of the County's General Fund increased by \$1,102,108 during the current fiscal year to \$31,540,180, or 3.6%, as revenues of \$61,261,083 and net other financing sources (primarily net transfers in) of \$2,851,857 exceeded expenditures of \$63,010,832. Revenues increased by \$5,284,456, primarily due to an increase in taxes of \$3,965,844 due to a 12% increase in assessed values, combined with changes in state, local and other miscellaneous revenues. Expenditures increased by \$6,370,318 due to higher disaster recovery costs associated with Hurricane Dorian and other storms (\$2,346,383), public safety (\$2,953,379) and general government (\$966,213) resulting primarily from increases in payroll.

The fund balance of the County's Capital Improvements fund decreased by \$901,591 during the current fiscal year to \$1,959,573. This was primarily due to an increase in expenditures related to various improvements throughout the county, combined with transfers to other funds (primarily the Capital Projects Fund) of \$2,040,783.

The fund balance of the County's Capital Projects fund decreased by \$827,639 during the current fiscal year to \$17,461,131, as revenues of \$647,757 and net transfers received from other funds of \$1,180,444 were exceeded by expenditures of \$2,655,840.

The fund balance of the County's Transportation Authority fund increased by \$7,246,253 during the current fiscal year, compared to an increase of \$9,007,843 from the prior year. This was primarily a result of an increase in sales and use tax revenues of 5 percent; expenditures were \$15,810,452, which was an increase of \$3,916,837 from the prior year, primarily for additional capital outlay.

The fund balance of the County Bonds fund decreased by \$374,929 during the current fiscal year, as expenditures of \$6,048,641 for debt service exceeded revenues of \$4,238,664 (primarily property taxes) and transfers in of \$1,435,048. The County Bonds fund received \$1,435,048 as a transfer from two newly established nonmajor capital projects funds to be used as initial debt service for the newly issued Series 2020 General Obligation Bonds, as discussed in the Debt Administration section below.

During 2020 the County established a new nonmajor capital project fund to account for a newly created Oakbrook Tax Increment Financing District. In addition, the County established two new nonmajor capital project funds to account for parks and recreational facilities and library facilities. The County issued bonds to finance these improvements, as noted in the Debt Administration section below.

DORCHESTER COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2020

FINANCIAL ANALYSIS OF DORCHESTER COUNTY'S FUNDS (CONTINUED)

Proprietary Funds. The County's proprietary fund statements provide the same type of information found in the government-wide financial statements but provide more detail.

Unrestricted net position of the water and sewer fund, solid waste fund, and stormwater fund at the end of the year were \$4,087,894, \$4,565,334, and \$921,793, respectively. The net change in total net position was \$10,905,112, (\$85,334), and \$344,067, respectively, for those same funds. Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

By State statute, the Dorchester County Council adopts the annual operating budget for the General Fund for the County by the last day of June. The budget was not amended during the year.

The actual net increase in the General Fund balance was \$1,102,108, which was a positive variance of \$1,102,108. The primary reasons for the variance in the General Fund was better than anticipated collections in taxes and charges for services and other income, as actual revenues exceeded budget by \$4,008,113. Actual expenditures came in over budget by \$3,659,519, due primarily to disaster recovery expenditures of \$2,721,745, which were not budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The County's capital assets for its governmental activities at June 30, 2020, was \$142,887,397 (net of accumulated depreciation) and for its business-type activities was \$216,935,363. This investment in capital assets includes land and improvements, construction in progress, buildings and building improvements, improvements other than buildings, furniture and equipment, vehicles, infrastructure, sewer plant, and sewer and water systems.

The capital assets (net of accumulated depreciation) as of June 30, 2020 and 2019 (as adjusted to reflect the change in accounting principle as previously discussed) were as follows:

	Governmental Activities		Business-Type Activities	
	2020	2019 *	2020	2019
Land, Improvements, and Right of Way	\$ 22,894,846	20,272,874	1,828,752	\$ 1,733,728
Construction in Progress	5,315,568	4,819,755	12,647,227	13,008,112
Buildings and Building Improvements	65,044,728	64,936,996	2,249,485	2,157,399
Infrastructure	124,980,799	122,231,527	2,217,455	1,088,021
Furniture and Equipment	36,821,414	33,745,819	10,373,074	9,333,205
Sewer Plant	-	-	42,231,941	42,231,941
Sewer System	-	-	184,090,289	173,310,598
Water System	-	-	38,033,468	32,060,314
Less: Accumulated Depreciation	(112,169,958)	(107,550,475)	(76,736,328)	(70,227,168)
Total	<u>\$ 142,887,397</u>	<u>138,456,496</u>	<u>216,935,363</u>	<u>\$ 204,696,150</u>

* Adjusted to reflect the change in accounting principle as discussed in Note I.C.5 in the Notes to the Financial Statements.

Additional information on the County's capital assets can be found in Note III.D in the notes to the financial statements.

DORCHESTER COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Debt. At June 30, 2020, the County had \$201,016,723 in outstanding debt consisting of general obligation bonds, limited obligation (TIF) bonds, revenue bonds, installment notes and capital leases. The general obligation bonds are secured by the full faith and credit, and taxing power of the County. The limited obligation and revenue bonds are secured by specific revenue sources.

	Governmental Activities	Business-Type Activities	Total
General Obligation Bonds	\$ 132,647,663	-	\$ 132,647,663
Limited Obligation Bonds	14,465,000	-	14,465,000
Revenue Bonds and Notes Payable	-	50,202,540	50,202,540
Capital Leases	3,701,520	-	3,701,520
Total	<u>\$ 150,814,183</u>	<u>50,202,540</u>	<u>\$ 201,016,723</u>

The County's general obligation bonded debt increased by \$14,839,468 (12.6 percent) during fiscal year 2020. This was due to the issuance of the Series 2020 General Obligation Bonds in the amount of \$25,000,000, which was partially offset by the scheduled debt service during the year of \$10,160,532. The Series 2020 General Obligation Bonds were approved by voter referendum in November 2019 for new parks and recreational facilities and new library facilities. The County also issued its Series 2020 Limited Obligation Oakbrook TIF Bonds in the amount of \$14,465,000 in 2020, as it established a new Oakbrook Tax Increment Financing District. The County's revenue bonded debt and notes payable obligations decreased by \$1,377,170 (2.7 percent) during the year. This was due to the scheduled payment of debt service during the year of \$3,789,768, partially offset by draws received on its 2018 State Revolving Fund note payable of \$2,412,598 in 2020. The County's capital lease obligations increased by \$194,866 (5.6 percent) during the year due to a new lease of \$1,260,277, partially offset by scheduled debt service payments during the year of \$1,065,411.

Additional information on the County's long-term debt can be found in Note III.F in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Dorchester County is part of the three-county Charleston metropolitan area and is closely associated with the major economic centers of the metropolitan area including the military, the aerospace industry, tourism, and shipping and logistics. In addition, Dorchester County was one of the fastest growing counties in South Carolina over the past decade. According to recent US Census figures, Dorchester County has grown from a population of 96,413 in 2000 to an estimated population of 162,809 in 2019. Dorchester County continues to be fast growing; however, that growth was muted during the recession but has since returned to pre-2008 levels. Recent permit filings and development plan submittals including those for large format apartment complexes and master planned residential communities indicate continued recovery in the local economy. The number of plan reviews in FY 2019-20 was 1,267, which is an increase of 207 from last year.

Dorchester County has worked to establish a favorable climate for business relocation and industrial expansion. Major economic development announcements made during FY 2019-20 include Walmart Supply Chain, announcing a new \$220,000,000 distribution complex totaling 3,000,000 square feet and creating over 1,000 new jobs in the Ridgeville Industrial Park. Touted as one of the largest distribution centers in the Walmart Supply Chain network, construction began shortly after the announcement and the center is planned to be complete in early-2022. Since that time, the County has also closed on the purchase of 600+ acres of undeveloped land at the Winding Woods Commerce Park, which was funded by a combination of grants and proceeds from a special source revenue bond. This acquisition will allow the County to continue to incentivize industrial development and increases the County's inventory of industrial property on the market to over 1,000 acres. Dorchester County also continues to focus on skilled training and partners routinely with Dorchester District 2 and 4 schools, the Dorchester County Career & Technology Center and Trident Technical College.

Construction is underway at the new Trident Technical College Dorchester Campus in the Oakbrook area of Summerville. While this project was initiated in FY 2018-19, it is anticipated that substantial completion will occur in January 2021, which will allow Trident Tech to begin classes in March 2021. The campus will include over 28,000 square feet of classrooms, science labs, offices, and other student services. Presently, Dorchester County is the largest County in South Carolina without a technical college campus and this project will fill that void. The campus will offer general education, health science, HVAC maintenance, and cyber security courses.

DORCHESTER COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2020

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (CONTINUED)

The County continues to incur increased costs associated with employee benefits provided by the state on the County's behalf. This includes an increase in employer premiums associated with the County's participation in the State Health Plan in FY 2019-20. Moreover, the County included required increases in the contribution rates for both the Police Officers Retirement System (PORS) and the South Carolina Retirement System (SCRS). Management expects costs associated with these benefits to continue to rise based on the pension reform plan which calls for continuous 1% increases to both SCRS and PORS for the next three years. As of the publication of the Annual Financial Report, County Council has appropriated from fund balance \$1,266,877 in the General Fund fund balance, consisting of carryover items not completed in the fiscal year ended June 30, 2020.

COVID-19 Health Pandemic - On January 30, 2020, the World Health Organization announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China, and in March 2020, classified the outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the outbreak continues to evolve as of the date of these financial statements. Management continues to actively monitor the impact from this health crisis on its financial condition, liquidity, operations, workforce and citizens.

As local and federal governments recommended or mandated restrictions on business and travel in an effort to curb the pandemic by changing consumer behavior, the County's revenues have experienced an element of sustainability not seen in peer organizations throughout the region. The County's unique mix of strong industrial and residential growth has enabled revenue projections to continue to exceed expectations throughout the pandemic. While the County utilizes revenues from special tax programs, such as hospitality and accommodations, these sources are not used to offset the cost of critical services. Budgets for both sources exceeded estimates in the prior fiscal year and are expected to do the same in FY 2020-21. COVID-19 related expenses were offset by strong reserves set aside for disasters and requested reimbursements through the CARES Act and FEMA have already been approved in part. With plans for a vaccine to roll-out in early-2021, the County is anticipating strong financial results with no adverse effect on the results of operations, net position/fund balance and liquidity for the year ended June 30, 2021.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Dorchester 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 Dorchester County Business Services, 201 Johnston Street, St. George, South Carolina 29477.

BASIC FINANCIAL STATEMENTS

DORCHESTER COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2020

	PRIMARY GOVERNMENT			COMPONENT
	Governmental Activities	Business-Type Activities	Total	UNIT Library System
ASSETS				
Current Assets:				
Cash and Investments	\$ 37,939,046	19,018,579	56,957,625	\$ 7,056,466
Cash and Investments, Restricted	105,949,244	20,092,957	126,042,201	-
Property Taxes Receivable, Net	950,780	-	950,780	117,224
Accounts Receivable, Net	3,542,690	7,279,647	10,822,337	-
Other Receivables, Net	549,770	-	549,770	-
Due from Other Governments	14,686,745	210,757	14,897,502	125,843
Prepaid Items	2,223,170	215,764	2,438,934	42,816
Inventories	20,011	-	20,011	-
Total Current Assets	165,861,456	46,817,704	212,679,160	7,342,349
Non-Current Assets:				
Capital Assets:				
Non-Depreciable	28,210,414	14,475,979	42,686,393	255,917
Depreciable, Net	114,676,983	202,459,384	317,136,367	4,937,862
Total Non-Current Assets	142,887,397	216,935,363	359,822,760	5,193,779
TOTAL ASSETS	308,748,853	263,753,067	572,501,920	12,536,128
DEFERRED OUTFLOWS OF RESOURCES				
Advance Refunding Charges	2,975,198	1,613,097	4,588,295	-
Deferred Pension Charges	13,822,952	1,616,019	15,438,971	405,746
Deferred Other Postemployment Benefit ("OPEB") Charges	3,135,297	462,073	3,597,370	101,189
TOTAL DEFERRED OUTFLOWS OF RESOURCES	19,933,447	3,691,189	23,624,636	506,935
LIABILITIES				
Current Liabilities:				
Accounts Payable	4,224,731	1,891,173	6,115,904	55,553
Accrued Liabilities	2,506,777	235,323	2,742,100	78,379
Assets Held for Others	1,388,067	602,036	1,990,103	-
Accrued Interest Payable	862,963	464,022	1,326,985	-
Unearned Revenue	987,513	-	987,513	-
Long-Term Liabilities, Due Within One Year	12,357,458	4,429,772	16,787,230	105,909
Total Current Liabilities	22,327,509	7,622,326	29,949,835	239,841
Non-Current Liabilities:				
Net Pension Liability	76,338,110	13,696,528	90,034,638	2,733,619
Net OPEB Liability	11,360,939	1,674,345	13,035,284	698,762
Long-Term Liabilities, Due in More than One Year	146,972,468	49,243,669	196,216,137	-
Total Non-Current Liabilities	234,671,517	64,614,542	299,286,059	3,432,381
TOTAL LIABILITIES	256,999,026	72,236,868	329,235,894	3,672,222
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Credits	708,017	144,414	852,431	158,618
Deferred OPEB Credits	-	-	-	17,232
TOTAL DEFERRED INFLOWS OF RESOURCES	708,017	144,414	852,431	175,850
NET POSITION				
Net Investment in Capital Assets	42,547,231	166,214,018	208,761,249	5,193,779
Restricted For:				
Public Safety	4,360,558	-	4,360,558	-
Health and Welfare	1,234,836	-	1,234,836	-
Capital Projects	49,507,184	-	49,507,184	-
Capital Improvements	2,019,821	19,273,935	21,293,756	-
Debt Service	3,608,316	-	3,608,316	-
Other	4,350,673	-	4,350,673	-
Unrestricted	(36,653,362)	9,575,021	(27,078,341)	4,001,212
TOTAL NET POSITION	\$ 70,975,257	195,062,974	266,038,231	\$ 9,194,991

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

DORCHESTER COUNTY, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Library System	
					Governmental Activities	Business-Type Activities		Total
PRIMARY GOVERNMENT:								
Governmental Activities:								
General Government	\$ 35,887,658	8,792,117	4,573,074	-	(22,522,467)	-	(22,522,467)	\$ -
Public Safety	47,227,872	8,195,488	2,521,008	-	(36,511,376)	-	(36,511,376)	-
Roads and Drainage	5,716,211	-	72,977	8,106,771	2,463,537	-	2,463,537	-
Health and Welfare	1,106,028	-	35,665	-	(1,070,363)	-	(1,070,363)	-
Recreation and Culture	1,399,509	-	6,581	325,000	(1,067,928)	-	(1,067,928)	-
Airport	603,309	7,927	-	102	(595,280)	-	(595,280)	-
Economic Development	1,579,658	-	324,994	1,660,343	405,679	-	405,679	-
Intergovernmental and Nonprofit Assistance	5,401,085	-	-	-	(5,401,085)	-	(5,401,085)	-
Disaster Recovery	2,721,745	-	522,771	-	(2,198,974)	-	(2,198,974)	-
Interest and Other Charges	5,458,252	-	-	-	(5,458,252)	-	(5,458,252)	-
Total Governmental Activities	<u>107,101,327</u>	<u>16,995,532</u>	<u>8,057,070</u>	<u>10,092,216</u>	<u>(71,956,509)</u>	<u>-</u>	<u>(71,956,509)</u>	<u>-</u>
Business-Type Activities:								
Water and Sewer	25,368,652	29,069,859	-	6,441,904	-	10,143,111	10,143,111	-
Solid Waste	6,343,772	7,062,872	87,384	-	-	806,484	806,484	-
Stormwater Management	2,319,156	2,862,790	-	-	-	543,634	543,634	-
Total Business-Type Activities	<u>34,031,580</u>	<u>38,995,521</u>	<u>87,384</u>	<u>6,441,904</u>	<u>-</u>	<u>11,493,229</u>	<u>11,493,229</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>141,132,907</u>	<u>55,991,053</u>	<u>8,144,454</u>	<u>16,534,120</u>	<u>(71,956,509)</u>	<u>11,493,229</u>	<u>(60,463,280)</u>	<u>-</u>
COMPONENT UNIT:								
Dorchester County Library System	3,364,347	93,657	284,668	-	-	-	-	(2,986,022)
TOTAL COMPONENT UNIT	<u>\$ 3,364,347</u>	<u>93,657</u>	<u>284,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,986,022)</u>
GENERAL REVENUES AND TRANSFERS:								
General Revenues:								
Taxes:								
Property Taxes, Including Fee in Lieu of Taxes					58,071,717	-	58,071,717	3,867,682
Franchise Fees and Hospitality Taxes					1,950,211	-	1,950,211	-
Sales and Use Tax					18,338,806	-	18,338,806	-
Unrestricted Investment Earnings					2,083,866	252,180	2,336,046	20,301
Grants and contributions not restricted to specific programs					5,778,417	-	5,778,417	-
Miscellaneous					882,153	22,433	904,586	-
Gain on Disposal of Capital Assets					282,240	79,851	362,091	-
Transfers In (Out)					683,848	(683,848)	-	-
Total General Revenues and Transfers					<u>88,071,258</u>	<u>(329,384)</u>	<u>87,741,874</u>	<u>3,887,983</u>
CHANGE IN NET POSITION					<u>16,114,749</u>	<u>11,163,845</u>	<u>27,278,594</u>	<u>901,961</u>
NET POSITION, Beginning of Year					61,262,111	183,899,129	245,161,240	8,293,030
Cumulative Change in Accounting Principle - See Note I.C.5					(6,401,603)	-	(6,401,603)	-
NET POSITION, Beginning of Year - Restated					<u>54,860,508</u>	<u>183,899,129</u>	<u>238,759,637</u>	<u>8,293,030</u>
NET POSITION, End of Year	<u>\$ 70,975,257</u>	<u>195,062,974</u>	<u>266,038,231</u>	<u>\$ 9,194,991</u>				

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

DORCHESTER COUNTY, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2020

	GENERAL	CAPITAL IMPROVEMENTS	CAPITAL PROJECTS
ASSETS			
Cash and Investments	\$ 24,611,999	-	4,421,890
Cash and Investments, Restricted	-	2,854,178	13,340,985
Receivables, Net			
Taxes	630,816	78,437	-
Accounts	2,066,091	-	-
Other	-	100,024	-
Due From:			
Other Funds	6,671,942	-	-
Other Governments	3,328,612	-	-
Prepaid Items	2,126,320	3,891	64,810
Inventories	20,011	-	-
TOTAL ASSETS	\$ 39,455,791	3,036,530	17,827,685
LIABILITIES			
Accounts Payable	\$ 1,664,093	296,620	366,554
Accrued Liabilities	1,749,457	-	-
Assets Held for Others	1,238,067	-	-
Due to Other Funds	-	720,089	-
Unearned Revenue	583,851	-	-
TOTAL LIABILITIES	5,235,468	1,016,709	366,554
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	2,680,143	60,248	-
TOTAL DEFERRED INFLOWS OF RESOURCES	2,680,143	60,248	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	7,915,611	1,076,957	366,554
FUND BALANCES			
Nonspendable:			
Prepaid Items	2,126,320	-	-
Inventories	20,011	-	-
Restricted for:			
Public Safety	-	-	-
Family Court	-	-	-
Victims' Advocate	-	-	-
Growth Management	-	-	-
Tourism	-	-	-
Health and Welfare	-	-	-
Capital Projects	-	-	13,337,370
Capital Improvements	-	1,959,573	-
Debt Service	-	-	-
Other	-	-	-
Oakbrook Tax Increment Finance District	-	-	-
Parks and Recreation Improvements	-	-	-
Library Improvements	-	-	-
Committed for:			
Recreation	-	-	-
Economic Development	-	-	-
Capital Projects	-	-	4,123,761
Contingencies	3,740,193	-	-
Assigned for:			
Budget Carryovers	1,266,877	-	-
Unassigned	24,386,779	-	-
TOTAL FUND BALANCES	31,540,180	1,959,573	17,461,131
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 39,455,791	3,036,530	17,827,685

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

TRANSPORTATION AUTHORITY	COUNTY BONDS	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
-	-	7,371,754	\$ 36,405,643
37,289,892	5,839,827	46,624,362	105,949,244
-	68,800	172,727	950,780
-	60,233	1,382,956	3,509,280
-	-	449,746	549,770
-	-	-	6,671,942
10,185,182	-	1,172,951	14,686,745
-	-	28,149	2,223,170
-	-	-	20,011
47,475,074	5,968,860	57,202,645	\$ 170,966,585
1,193,662	-	524,307	\$ 4,045,236
-	-	338,238	2,087,695
-	-	150,000	1,388,067
-	62,533	5,889,320	6,671,942
-	-	403,662	987,513
1,193,662	62,533	7,305,527	15,180,453
5,793,487	52,940	977,403	9,564,221
5,793,487	52,940	977,403	9,564,221
6,987,149	115,473	8,282,930	24,744,674
-	-	-	2,126,320
-	-	-	20,011
-	-	2,802,751	2,802,751
-	-	1,961,415	1,961,415
-	-	17,715	17,715
-	-	65,500	65,500
-	-	1,543,884	1,543,884
-	-	1,210,161	1,210,161
40,487,925	-	3,225,772	57,051,067
-	-	-	1,959,573
-	5,853,387	-	5,853,387
-	-	40,382	40,382
-	-	14,968,904	14,968,904
-	-	18,133,682	18,133,682
-	-	4,975,970	4,975,970
-	-	559,386	559,386
-	-	630,381	630,381
-	-	408,736	4,532,497
-	-	-	3,740,193
-	-	-	1,266,877
-	-	(1,624,924)	22,761,855
40,487,925	5,853,387	48,919,715	146,221,911
47,475,074	5,968,860	57,202,645	\$ 170,966,585



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DORCHESTER COUNTY, SOUTH CAROLINA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2020

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS **\$ 146,221,911**

Amounts reported for the governmental activities in the Statement of Net Position are different because:

Receivables will be collected in the future but are not available soon enough to pay for the current period's expenditures and therefore are reported as unavailable in the funds:

Property taxes	720,562
Grant reimbursements	4,471,263
EMS fees	1,459,647
Sales taxes	2,912,749
	9,564,221

The County's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State pension plans are not recorded in the governmental funds but are recorded in the Statement of Net Position. (63,223,175)

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets was \$255,057,355 and the accumulated depreciation was \$112,169,958. 142,887,397

Bond deferred losses are amortized over the lives of the bonds; however, in governmental accounting, bond deferred losses are expenditures the year they are incurred. The bond deferred losses of \$6,143,381 have been shown net of accumulated amortization expense of \$3,168,183. 2,975,198

The County's net OPEB liability and deferred outflows of resources related to its OPEB plan are not recorded in the governmental funds but are recorded in the Statement of Net Position. (8,225,642)

Accrued interest on the outstanding bonds in governmental accounting is not due and payable in the current period and therefore is not reported as a liability in the funds. (862,963)

The internal service fund is used by management to account for the costs and administration of workers compensation. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. 968,236

Long-term obligations, including debt premiums and discounts, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of the following:

Long-Term Debt	(150,814,183)	
Long-Term Debt Premiums	(5,352,155)	
Compensated Absences	(3,163,588)	(159,329,926)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES **\$ 70,975,257**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

DORCHESTER COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2020

	GENERAL	CAPITAL IMPROVEMENTS	CAPITAL PROJECTS
REVENUES			
Taxes	\$ 38,381,877	4,743,947	-
Licenses and Permits	4,180,763	-	-
Intergovernmental Revenues:			
Federal	567,003	-	-
State	6,013,996	-	325,000
Local	1,490,261	-	-
Fees and Service Charges:			
Registrar of Deeds	2,066,522	-	-
EMS Charges	4,873,750	-	-
Cable Franchise Fees	403,277	-	-
Other Miscellaneous Fees	1,127,917	-	-
Judicial Fines and Assessments	1,463,724	-	-
Other Income	691,993	53,373	322,757
TOTAL REVENUE ALL SOURCES	61,261,083	4,797,320	647,757
EXPENDITURES			
Current:			
General Government	19,811,961	379,333	-
Public Safety	31,976,239	569,032	42,400
Roads and Drainage	2,586,466	67,056	-
Health and Welfare	1,049,433	-	-
Recreation and Culture	-	-	-
Airport	165,657	-	-
Economic Development	536,109	-	-
Intergovernmental and Nonprofit Assistance	3,287,614	-	8,100
Disaster Recovery	2,721,745	-	-
Nondepartmental	875,608	-	-
Capital Outlay	-	3,881,283	2,605,340
Debt Service:			
Principal Retirement	-	716,173	-
Interest and Fiscal Charges	-	33,673	-
TOTAL EXPENDITURES	63,010,832	5,646,550	2,655,840
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,749,749)	(849,230)	(2,008,083)
OTHER FINANCING SOURCES (USES)			
Premium on Bonds Issued	-	-	-
Issuance of General Obligation Bonds	-	-	-
Issuance of Limited Obligation Bonds (TIF)	-	-	-
Proceeds from Lease Purchase	-	1,260,277	-
Transfers In	3,986,549	583,085	1,601,404
Transfers Out	(1,248,615)	(2,040,783)	(420,960)
Sale of Capital Assets	-	104,519	-
Insurance Recoveries	113,923	40,541	-
TOTAL OTHER FINANCING SOURCES (USES)	2,851,857	(52,361)	1,180,444
NET CHANGES IN FUND BALANCES	1,102,108	(901,591)	(827,639)
FUND BALANCES, Beginning of Year	30,438,072	2,861,164	18,288,770
FUND BALANCES, End of Year	\$ 31,540,180	1,959,573	17,461,131

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

TRANSPORTATION AUTHORITY	COUNTY BONDS	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
18,402,011	4,118,481	12,020,858	\$ 77,667,174
-	-	-	4,180,763
601,050	-	1,596,002	2,764,055
3,023,747	-	4,307,547	13,670,290
-	-	1,931,834	3,422,095
-	-	-	-
-	-	-	2,066,522
-	-	-	4,873,750
-	-	403,277	806,554
-	-	429,101	1,557,018
-	-	252,028	1,715,752
1,029,897	120,183	3,532,485	5,750,688
23,056,705	4,238,664	24,473,132	118,474,661
91,942	-	6,138,586	26,421,822
-	-	8,367,520	40,955,191
-	-	-	2,653,522
-	-	11,145	1,060,578
-	-	1,359,024	1,359,024
-	-	34,780	200,437
-	-	878,223	1,414,332
-	-	2,030,051	5,325,765
-	-	-	2,721,745
-	-	96,432	972,040
6,890,987	-	6,319,952	19,697,562
5,800,000	4,360,532	349,238	11,225,943
3,027,523	1,688,109	700,354	5,449,659
15,810,452	6,048,641	26,285,305	119,457,620
7,246,253	(1,809,977)	(1,812,173)	(982,959)
-	-	2,448,983	2,448,983
-	-	25,000,000	25,000,000
-	-	14,465,000	14,465,000
-	-	-	1,260,277
-	1,435,048	1,573,780	9,179,866
-	-	(1,756,077)	(5,466,435)
-	-	151,600	256,119
-	-	-	154,464
-	1,435,048	41,883,286	47,298,274
7,246,253	(374,929)	40,071,113	46,315,315
33,241,672	6,228,316	8,848,602	99,906,596
40,487,925	5,853,387	48,919,715	\$ 146,221,911

DORCHESTER COUNTY, SOUTH CAROLINA

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 46,315,315
Amounts reported for governmental activities in the Statement of Activities are different because:	
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. These amounts represent the changes in unavailable revenue for the year:	
Property taxes	(49,789)
Grant reimbursements	2,100,409
EMS fees	495,930
Sales taxes	(63,205)
	<u>2,483,345</u>
Repayment of bond and capital lease principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position.	11,225,943
Bond, capital lease, and note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position.	(40,725,277)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This amount is the net change in accrued interest for the year.	(6,426)
Deferred advanced refunding charges are not recognized by the governmental funds but are amortized over the life of the refunded debt in the Statement of Activities. This amount represents the amortization for the year.	(324,980)
Bond premiums are revenues the year they are received in governmental funds but are amortized over the lives of the bonds in the Statement of Activities if material. This amount represents the premiums received during the year, net of current year amortization of premiums.	(2,126,170)
Changes in the County's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	(4,357,143)
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 the governmental funds.	(378,502)
Changes in the County's net OPEB liability and deferred outflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	(934,352)
The internal service fund is used by management to account for the costs and administration of workers compensation. The net revenue of the activities of the internal service fund is reported with governmental activities.	512,095
In the Statement of Activities the gain on disposal of capital assets is reported, whereas in the governmental funds, proceeds from the disposal of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets disposed.	(128,343)
In the Statement of Activities, infrastructure and equipment contributed by developers and others are reported as revenues. Since such contributions result in neither the receipt nor the use of current financial resources, they are not reflected in the fund statements.	1,291,982
In the Statement of Activities, infrastructure and equipment transferred to business-type activities are reported as transfers. Since such transfers result in neither the receipt nor the use of current financial resources, they are not reflected in the governmental fund statements.	(3,029,583)
Governmental funds report capital asset additions as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which current year additions of \$13,631,457, excluding contributed assets of \$1,291,982, exceeded current year depreciation expense of \$7,334,612.	6,296,845
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 16,114,749

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

DORCHESTER COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2020

	WATER AND SEWER	SOLID WASTE	STORMWATER NONMAJOR FUND	TOTAL ENTERPRISE FUNDS	WORKERS COMPENSATION INTERNAL SERVICE FUND
ASSETS					
Current Assets:					
Cash and Investments	\$ 13,176,111	4,236,621	1,605,847	19,018,579	\$ 1,533,403
Cash and Investments, Restricted	20,092,957	-	-	20,092,957	-
Accounts Receivable, Net	2,147,495	3,756,608	1,375,544	7,279,647	33,410
Due From Other Governments	210,757	-	-	210,757	-
Prepaid Items	205,445	7,722	2,597	215,764	-
Total Current Assets	35,832,765	8,000,951	2,983,988	46,817,704	1,566,813
Noncurrent Assets:					
Capital Assets:					
Nondepreciable	13,805,734	313,662	356,583	14,475,979	-
Depreciable, Net	199,050,865	747,426	2,661,093	202,459,384	-
Total Noncurrent Assets	212,856,599	1,061,088	3,017,676	216,935,363	-
TOTAL ASSETS	248,689,364	9,062,039	6,001,664	263,753,067	1,566,813
DEFERRED OUTFLOWS OF RESOURCES					
Advance Refunding Charges	1,613,097	-	-	1,613,097	-
Deferred OPEB Charges	302,176	62,332	97,565	462,073	-
Deferred Pension Charges	1,050,417	336,254	229,348	1,616,019	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,965,690	398,586	326,913	3,691,189	-
LIABILITIES					
Current Liabilities:					
Accounts Payable	1,276,560	530,737	83,876	1,891,173	179,495
Accrued Liabilities	153,117	47,026	35,180	235,323	419,082
Assets Held for Others	602,036	-	-	602,036	-
Accrued Interest	464,022	-	-	464,022	-
Current Portion of Landfill Postclosure Liability	-	14,410	-	14,410	-
Current Portion of Compensated Absences	202,229	37,737	42,024	281,990	-
Current Portion of Notes Payable	714,897	-	-	714,897	-
Current Portion of Revenue Bonds	3,418,475	-	-	3,418,475	-
Total Current Liabilities	6,831,336	629,910	161,080	7,622,326	598,577
Noncurrent Liabilities:					
Net Pension Liability	8,956,938	2,891,978	1,847,612	13,696,528	-
Net OPEB Liability	1,094,949	225,863	353,533	1,674,345	-
Landfill Postclosure Liability	-	14,410	-	14,410	-
Compensated Absences	160,232	41,550	7,402	209,184	-
Notes Payable	6,168,416	-	-	6,168,416	-
Revenue Bonds	42,851,659	-	-	42,851,659	-
Total Noncurrent Liabilities	59,232,194	3,173,801	2,208,547	64,614,542	-
TOTAL LIABILITIES	66,063,530	3,803,711	2,369,627	72,236,868	598,577
DEFERRED INFLOWS OF RESOURCES					
Deferred Pension Credits	94,441	30,492	19,481	144,414	-
TOTAL DEFERRED INFLOWS OF RESOURCES	94,441	30,492	19,481	144,414	-
NET POSITION					
Net Investment in Capital Assets	162,135,254	1,061,088	3,017,676	166,214,018	-
Restricted for Capital Improvements	19,273,935	-	-	19,273,935	-
Unrestricted	4,087,894	4,565,334	921,793	9,575,021	968,236
TOTAL NET POSITION	\$ 185,497,083	5,626,422	3,939,469	195,062,974	\$ 968,236

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

DORCHESTER COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2020

	WATER AND SEWER	SOLID WASTE	STORMWATER NONMAJOR FUND	TOTAL ENTERPRISE FUNDS	WORKERS COMPENSATION INTERNAL SERVICE FUND
OPERATING REVENUES					
Charges for Services, Net	\$ 21,760,195	7,009,578	2,543,465	31,313,238	\$ -
Tap Fees	1,721,523	-	-	1,721,523	-
Origination Fee	208,437	-	-	208,437	-
Reconnection Fee	839,014	-	-	839,014	-
Inspection Fee	260,751	-	146,830	407,581	-
Premiums and Billings to Other Funds	-	-	-	-	2,000,000
Other Revenue	377,435	53,294	172,495	603,224	4,073
TOTAL OPERATING REVENUES	25,167,355	7,062,872	2,862,790	35,093,017	2,004,073
OPERATING EXPENSES					
Personnel Services	7,108,742	1,890,131	1,546,903	10,545,776	-
Contractual Services	4,119,675	4,113,847	229,122	8,462,644	-
Maintenance and Repairs	1,669,593	18,823	118,554	1,806,970	-
Utilities	1,324,614	35,687	11,955	1,372,256	-
Office Expenses	244,180	18,528	31,385	294,093	-
Truck Expenses	220,427	56,755	45,923	323,105	-
Other Services and Charges	1,499,819	74,488	41,341	1,615,648	-
Supplies	620,510	22,160	46,052	688,722	-
Collection Expenses	439,175	-	-	439,175	-
Claims Paid and Premium Expenses	-	-	-	-	1,491,978
Depreciation	6,340,971	113,353	247,921	6,702,245	-
TOTAL OPERATING EXPENSES	23,587,706	6,343,772	2,319,156	32,250,634	1,491,978
OPERATING INCOME	1,579,649	719,100	543,634	2,842,383	512,095
NONOPERATING REVENUES (EXPENSES)					
Investment Income	198,865	36,508	16,807	252,180	-
Impact Fees	3,902,504	-	-	3,902,504	-
Settlement of Legal Claim	22,433	-	-	22,433	-
Gain (Loss) on Disposition of Capital Assets	68,963	388	10,500	79,851	-
Grant Revenue	457,312	87,384	-	544,696	-
Interest Expense	(1,780,946)	-	-	(1,780,946)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	2,869,131	124,280	27,307	3,020,718	-
CONTRIBUTIONS AND TRANSFERS					
Capital Contributions	9,014,175	-	-	9,014,175	-
Transfers In	-	6,607	-	6,607	-
Transfers Out	(2,557,843)	(935,321)	(226,874)	(3,720,038)	-
TOTAL CONTRIBUTIONS AND TRANSFERS	6,456,332	(928,714)	(226,874)	5,300,744	-
CHANGE IN NET POSITION	10,905,112	(85,334)	344,067	11,163,845	512,095
NET POSITION, Beginning of Year	174,591,971	5,711,756	3,595,402	183,899,129	456,141
NET POSITION, End of Year	\$ 185,497,083	5,626,422	3,939,469	195,062,974	\$ 968,236

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

DORCHESTER COUNTY, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2020

	WATER AND SEWER	SOLID WASTE	STORMWATER NONMAJOR FUND	TOTAL ENTERPRISE FUNDS	WORKERS COMPENSATION INTERNAL SERVICE FUND
OPERATING ACTIVITIES					
Cash Received from Customers and Users	\$ 26,595,674	6,907,210	2,825,562	36,328,446	\$ 1,970,663
Cash Paid to Suppliers, Premiums and Claims	(10,122,177)	(4,188,323)	(536,436)	(14,846,936)	(1,314,973)
Cash Paid to Employees	(5,748,828)	(1,717,296)	(1,333,396)	(8,799,520)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	10,724,669	1,001,591	955,730	12,681,990	655,690
NONCAPITAL FINANCING ACTIVITIES					
Noncapital Transfers and Advances Between Funds	(1,419,260)	(928,714)	(226,874)	(2,574,848)	-
Noncapital Grants	-	87,384	-	87,384	-
NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES	(1,419,260)	(841,330)	(226,874)	(2,487,464)	-
CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and Construction of Capital Assets	(9,942,553)	(304,215)	(843,532)	(11,090,300)	-
Proceeds from the Sale of Capital Assets	73,507	388	10,500	84,395	-
Proceeds from the Issuance of Notes Payable	2,851,963	-	-	2,851,963	-
Capital Transfer to Other Funds	(1,138,583)	-	-	(1,138,583)	-
Capital Grants	457,312	-	-	457,312	-
Impact Fees	3,902,504	-	-	3,902,504	-
Legal Settlement	22,433	-	-	22,433	-
Principal Paid on Revenue Bonds	(3,253,286)	-	-	(3,253,286)	-
Principal Paid on Notes Payable	(536,482)	-	-	(536,482)	-
Interest Paid	(1,942,891)	-	-	(1,942,891)	-
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(9,506,076)	(303,827)	(833,032)	(10,642,935)	-
INVESTING ACTIVITIES					
Interest on Investments	198,865	36,508	16,807	252,180	-
NET CASH PROVIDED BY INVESTING ACTIVIITES	198,865	36,508	16,807	252,180	-
NET CHANGE IN CASH AND CASH EQUIVALENTS / INVESTMENTS (including RESTRICTED CASH)	(1,802)	(107,058)	(87,369)	(196,229)	655,690
CASH AND CASH EQUIVALENTS / INVESTMENTS (including RESTRICTED CASH), Beginning of Year	33,270,870	4,343,679	1,693,216	39,307,765	877,713
CASH AND CASH EQUIVALENTS / INVESTMENTS (including RESTRICTED CASH), End of Year	\$ 33,269,068	4,236,621	1,605,847	39,111,536	\$ 1,533,403

(Continued)

DORCHESTER COUNTY, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2020

	WATER AND SEWER	SOLID WASTE	STORMWATER NONMAJOR FUND	TOTAL ENTERPRISE FUNDS	WORKERS COMPENSATION INTERNAL SERVICE FUND
Reconciliation of Operating Income (Loss) to Net Cash Provided By Operating Activities:					
Operating Income (Loss)	\$ 1,579,649	719,100	543,634	2,842,383	\$ 512,095
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation Expense	6,340,971	113,353	247,921	6,702,245	-
Noncash Pension Expense	1,151,383	223,888	96,548	1,471,819	-
Noncash OPEB Expense	84,613	(79,517)	97,638	102,734	-
Decrease (Increase) in Operating Assets:					
Accounts Receivable	1,699,689	(155,662)	(37,228)	1,506,799	(33,410)
Due From Other Governments	(32,170)	-	-	(32,170)	-
Prepaid Items	(113,934)	2,109	2,876	(108,949)	-
Increase (Decrease) in Operating Liabilities:					
Accounts Payable	129,750	164,266	(14,981)	279,035	3,547
Assets Held for Others	(239,200)	-	-	(239,200)	-
Accrued Liabilities	51,438	16,433	13,517	81,388	173,458
Landfill Postclosure Liability	-	(14,410)	-	(14,410)	-
Accrued Compensated Absences	72,480	12,031	5,805	90,316	-
Total Adjustments	<u>9,145,020</u>	<u>282,491</u>	<u>412,096</u>	<u>9,839,607</u>	<u>143,595</u>
Net Cash Provided by Operating Activities	<u>\$ 10,724,669</u>	<u>1,001,591</u>	<u>955,730</u>	<u>12,681,990</u>	<u>\$ 655,690</u>
Schedule of Noncash Capital and Financing Activities:					
Acquisition of Capital Assets Not Yet Paid for (Net)	\$ 1,158,473	-	-	1,158,473	\$ -
Acquisition of Capital Assets Through					
Developer Contributions	5,984,592	-	-	5,984,592	-
Transfer of Capital Assets from Governmental Activities	3,029,583	-	-	3,029,583	-
Amortization of Premiums	275,407	-	-	275,407	-
Amortization of Deferred Refunding Charges	(153,202)	-	-	(153,202)	-
Issuance of Note Payable not yet Funded	\$ (439,365)	-	-	(439,365)	\$ -

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

DORCHESTER COUNTY, SOUTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION

AGENCY FUND

JUNE 30, 2020

	AGENCY FUNDS
ASSETS	
Cash and Investments	\$ 46,204,871
Taxes Receivable, Net	2,671,474
Due From Other Governments	215,966
TOTAL ASSETS	<u>\$ 49,092,311</u>
LIABILITIES	
Assets Held for Others	\$ 49,092,311
TOTAL LIABILITIES	<u>\$ 49,092,311</u>

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

Dorchester County (the “County”) is governed by a seven-member County Council under the Council-Administrator form of government established in 1974, pursuant to the South Carolina Home Rule Act. Members of County Council are elected from resident districts. The County Council acts as the governing body of the County with power to pass ordinances and adopt regulations. The basic financial statements herein reflect those operations subject to the control of Dorchester County Council and the County Administrator.

Among services which the County funds in whole or in part are the following: (1) general government, which includes County offices, financial, administrative, executive, judicial departments, facilities maintenance and employee benefits; (2) public safety (law enforcement and emergency management services); (3) roads and drainage; (4) transportation (airport); (5) public health and welfare; (6) recreation and cultural institutions; (7) economic development; (8) disaster recovery; and (9) other miscellaneous services (intergovernmental and nonprofit assistance).

The County (the primary government) is the lowest level of government which has oversight responsibility and control over all activities related to county operations. The County is not included in any other governmental reporting entity because it does not meet the financial accountability criteria for inclusion established by Governmental Accounting Standards Board Statement (“GASB”) No. 61. County Council members have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters.

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. As required by GAAP, these financial statements present the County (primary government) and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the County’s operations and data from these units are combined with data of the primary government. The County has two blended component units as discussed below. Discretely presented component units, on the other hand, are reported in a separate column in the financial statements to emphasize that they are legally separate from the County. The County has one discretely presented component unit as discussed below.

The Dorchester County Sales Tax Transportation Authority (the “Authority”), a blended component unit, was created on January 10, 2008, by Dorchester County Council pursuant to a voter referendum which authorized Council to assess one percent (1%) sales and use tax for the purpose of funding various transportation projects. To that end, the Authority may issue up to \$125,000,000 of general obligation bonds supported by the tax. The Authority may collect the tax for up to twenty-five years and will terminate within twelve months of the final sales and use tax collection. Each member of Dorchester County Council will appoint one member of the Authority, who shall serve a term coinciding with that of the council member. The council member may remove his or her appointee during his or her term of office, subject to a majority vote of County Council. The Authority’s governing body is substantively the same as the County Council and County management has operational responsibility for the Authority. The Authority is also fiscally dependent upon the County because the County Council must approve any debt issuances. In addition, the Authority provides services entirely, or almost entirely, to the County. It is reported as a blended component unit and considered part of the primary government. The Authority’s financial information is presented in individual columns throughout the financial statements. Separate financial statements for the Authority are not issued.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity (Continued)

The Dorchester Economic Development Corporation (the “Corporation”), a blended component unit, was created on February 1, 2018 as a supporting organization exclusively for the benefit of the County by assisting the County in economic growth and development of the County. The Corporation has a 14-member board consisting of 10 members with voting power and 4 members without voting power. Each of the seven members of County Council will have the right to nominate one voting member of the Corporation, who will be elected by majority vote of County Council. The council member may remove his or her appointee during his or her term of office, subject to a majority vote of County Council. County Council will also elect two members of County Council to the Corporation’s Board and one Mayor from local municipalities. The remaining four members are made up of heads of other local non-profit or governmental entities and do not have voting power. The Corporation’s governing body is substantively the same as the County Council and County management has operational responsibility for the Corporation. In addition, the Corporation provides services entirely, or almost entirely, to the County. It is reported as a blended component unit and considered part of the primary government. The Corporation’s financial information is presented in individual columns throughout the financial statements within the nonmajor governmental funds. Separate financial statements for the Corporation are not issued.

The Dorchester County Library System (the “Library”), a discretely presented component unit, provides library services to the residents of Dorchester County. The members of the Library’s governing board are appointed by Dorchester County Council. The Library is fiscally dependent upon the County because the County Council approves the Library’s budgets, levies taxes, and must approve any debt issuances.

The complete financial statements for the Library may be obtained from the Library’s administrative office at the following address:

506 N. Parler Avenue
St. George, South Carolina 29477

Related Organizations

The County Council has the responsibility for appointing members to the boards of the Charleston Regional Development Alliance, Dorchester Seniors, Inc., and the Trident Technical College Area Commission. These appointments do not represent a majority or controlling interest in the organizations and therefore are not reflected as component units.

The County Council appoints the board members of Dorchester Drug and Alcohol Commission. The Commission is not fiscally dependent upon the County and is not reflected as a component unit.

B. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from any legally separate component unit(s) for which the primary government is financially responsible.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. 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.

The government-wide financial statements (which exclude fiduciary activities) are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Proprietary Funds and Fiduciary Fund financial statements. Revenues are recognized/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.

The government-wide financial statements are prepared using a different measurement focus from the manner in which governmental fund financial statements are prepared (see further detail below). Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as 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 generally considers all revenues to be available if they are collected within 90 days of the end of the current fiscal period (60 days for property taxes). 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 only when payment is due.

Real property taxes, federal and state grant programs and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash has been received by the government.

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. There are a minimum number of funds maintained to keep the accounts consistent with legal and managerial requirements. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Fiduciary funds are reported by fund type. The following major funds and fund types are used by the County:

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Governmental fund types are those through which most governmental functions of the County are financed. The County's expendable financial resources and related assets and liabilities (except for those accounted for in the Proprietary and Fiduciary Funds) are accounted for through governmental funds. Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting.

The following are the County's governmental funds:

The *General Fund, a major fund* and a budgeted fund, is the general operating fund of the County and accounts for all revenues and expenditures of the County except those required to be accounted for in other funds. All general tax revenues and other receipts that (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

The *Capital Improvements Fund, a major special revenue fund* and a budgeted fund, is used to account for and report the financial resources provided by property taxes and lease purchase proceeds that are restricted for use on capital and other operating expenditures as well as various capital improvements and assets identified in the lease purchase agreements.

The *Capital Projects Fund, a major fund*, is used to account for and report the financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition and construction of capital facilities and other capital assets.

The *Transportation Authority Fund, a major capital projects fund*, is used to account for and report the financial resources that are restricted, committed, or assigned to expenditures of the Transportation Authority, a blended component unit. This includes the collection of the one percent sales tax.

The *County Bonds Fund, a major debt service fund*, is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest on long-term debt for the County.

The County also reports several nonmajor special revenue funds, which account for revenue sources that are legally restricted or committed to expenditures for specific purposes (not including expendable trusts or major capital projects) such as grants, other special purpose fees, and economic development. The County has the following nonmajor special revenue funds:

Grant Fund	Upper Dorchester Economic Development
Sheriff's Fund	Children in Crisis
Economic Development	Senior Citizens Center
Hospitality Tax Fund	Recreation Fund
Family Court DSS	Fire Protection Fund
E-911	Fire Improvements Fund
Victims' Advocate	Dorchester County Economic
First Circuit Solicitor	Development Corporation
C-Funds	Other Special Revenue Fund
Public Defender	

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

The County also reports several nonmajor capital project funds, which account for revenue sources that are legally restricted or committed to expenditures for specific capital outlay purposes such as tax increment financing district improvements, library facilities, and parks and recreational facilities. The County has the following nonmajor capital project funds:

Oakbrook TIF Fund	Library Facilities Fund
Parks and Recreational Facilities Fund	

Proprietary fund types are accounted for using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds distinguish operating revenues and expenses from non-operating 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 proprietary fund are those revenues that are generated directly from the primary activity of the proprietary fund. Operating expenses for the proprietary fund include the necessary costs incurred to provide the goods or services that are the primary activity of the fund and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund types include the following funds:

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The County has the following enterprise funds:

The **Water and Sewer Fund, a major fund**, accounts for the sale and distribution of potable water, and for the operation of sewage treatment plants, pumping stations and systems for the collection and treatment of sewage.

The **Solid Waste Fund, a major fund**, accounts for the operation and maintenance of the County solid waste collection sites and contracts for the collection and disposal of solid waste for County residents.

The **Stormwater Fund, a nonmajor fund**, accounts for the operation and maintenance of the County's stormwater drainage operations.

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis. The County has the following internal service fund:

The **Workers' Compensation Fund** is used to account for the County's workers' compensation costs.

Fiduciary Fund Types include the **Agency Fund**, which is generally used to account for assets that the government holds on behalf of others, including municipalities, school districts, special districts and other agencies that use the County as a depository of property taxes that are collected on behalf of the other governments. The **Agency Fund** is custodial in nature and does not present results of operations.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity

1. Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows for the proprietary funds, the County considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased, money market funds and investments in the South Carolina Local Government Investment Pool ("SCLGIP") to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) are reported as investments. Restricted cash and cash equivalents include amounts legally restricted by bond covenants or revenue sources.

Investments

The County's investment policy is designed to operate within existing statutes (which are identical for all funds, fund types and component units within the State of South Carolina) that authorize the County to invest in the following:

- (a) Obligations of the United States and agencies thereof;
- (b) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, The Federal Home Loan Banks, the Federal Home Loan Mortgage Corporations, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories issued by at least two nationally recognized credit rating organizations;
- (c) General obligations of the State of South Carolina or any of its political units; or revenue obligations of the State of South Carolina if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories issued by at least two nationally recognized credit rating organizations;
- (d) Savings and Loan Associations to the extent that the same are insured by an agency of the Federal Government;
- (e) Certificates of Deposit and funds in deposit accounts with banking institutions provided that such certificates and funds in deposit accounts are collaterally secured by securities of the type described in (a) and (b) above, held by a third party as escrow agent, or custodian of a market value, not less than the amount of the certificates or funds in deposit accounts so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government;
- (f) Collateralized repurchase agreements when collateralized by securities as set forth in (a) and (b) above and held by the governmental entity or a third party as escrow agent or custodian; and

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

1. Cash, Cash Equivalents, and Investments (Continued)

Investments (Continued)

- (g) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) above and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

The County's cash investment objectives are preservation of capital, liquidity, and yield. To assist in achieving these objectives, the County maintains a cash and investment pool that is available for use by other funds. Investments are reported at their fair values, which are normally determined by quoted market prices.

Restricted Cash and Investments include amounts legally restricted by bond covenants and funding sources.

The County currently or in the past year has used the following investments:

- South Carolina Local Government Investment Pool ("SCLGIP") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 *"Accounting and Financial Reporting for Certain Investments and for External Investment Pools"* and GASB Statement No. 72 *"Fair Value Measurement and Application"*, investments are carried at fair value determined annually based upon (a) quoted market prices for identical or similar investments or (b) observable inputs other than quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.
- U.S. securities are generally United States Treasury notes and bonds and related securities which are debt obligations of the U.S. government (lending money to the federal government for a specified period of time). These debt obligations are backed by the "full faith and credit" of the government, and thus by its ability to raise tax revenues and print currency, United States Treasury securities are considered the safest of all investments.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

1. Cash, Cash Equivalents, and Investments (Continued)

Investments (Continued)

- Agency securities are securities that are generally backed by mortgage loans, and due to their creation from particular corporations that are sponsored by the United States government, they enjoy credit protection based on either an implicit or explicit guarantee from the United States government.
- Open-Ended Money Market Mutual Funds which invest in obligations of the United States and repurchase agreements collateralized by U.S. Government obligations.
- Certified Deposits are bond-type investments issued by a bank when a person or company deposits a certain amount of money for a determined amount of time. Interest is paid to the old at an agreed upon rate. Money removed before maturity is subject to a penalty.

2. Interfund Receivables and Payables

Transactions between funds that are representative of reimbursement arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as "internal balances."

3. Inventories

Inventories are valued at cost using the first-in, first-out method. The consumption method of accounting is used to record inventories under which the cost of inventory is recorded as an expense / expenditure when consumed rather than purchased.

4. Prepaid Items

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 using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense / expenditure is reported in the year in which the services are consumed.

5. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets utilized by the proprietary fund are reported both in the business-type activities column of the government-wide Statement of Net Position and in the respective fund financial statements.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

5. Capital Assets (Continued)

In general, assets with an estimated useful life in excess of two years are capitalized. The capitalization threshold for infrastructure assets is \$50,000 for individual items and networks. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Capital assets other than infrastructure assets and intangibles other than easements with an initial, individual cost of more than \$5,000 are capitalized. Land and easements are capitalized regardless of cost. Donated capital assets are recorded at estimated acquisition value (as estimated by the County) at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

All reported capital assets except land and certain infrastructure assets are depreciated. Construction projects begin being depreciated once they are complete, at which time the complete costs of the project are transferred to the appropriate capital asset category. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure are estimated based on the County's historical records of necessary improvements and replacements. Depreciation is provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Other Improvements	10 - 50 Years
Furniture and Equipment	3 - 7 Years
Infrastructure	10 - 30 Years
Water and Sewer Systems	50 Years

Effective July 1, 2019 the County changed its policy for accounting for infrastructure projects that will be donated to the State of South Carolina and other governments upon completion of the project. The County will no longer report such projects in construction in progress until the time of donation to these other governments. The County will only report capital additions for projects which the County will ultimately be responsible for maintaining. Management believes that this new treatment is preferable because it better supports the economics of the transactions and ultimate disposition of this infrastructure. On its government-wide financial statements, this change resulted in a decrease to Net Position for governmental activities of approximately \$6,402,000. This change had no impact on the governmental funds or business-type activities.

6. Compensated Absences

The County reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. It is the primary government's policy to permit employees to accumulate earned but unused vacation, compensatory time and sick pay benefits. There is no liability for unpaid accumulated sick leave, since it is the County's policy to record the cost of sick leave only when it is paid and no benefits vest upon termination. All vacation time and compensatory pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only to the extent they are payable from current resources, and represent matured liabilities, for example, as a result of employee resignations and retirements.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

6. *Compensated Absences (Continued)*

The entire compensated absence liability and expense is reported on the government-wide financial statements. The portion applicable (if material) to the Proprietary Funds is also recorded in the Proprietary Fund financial statements.

7. *Accrued Liabilities and Long-Term Obligations*

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from the Proprietary Funds are reported on the Proprietary Fund financial statements. If material, bond premiums, discounts, and advance refunding changes are deferred and amortized over the life of the bonds using the straight-line method (as it approximates the effective interest method). Debt is reported net of applicable bond premiums and discounts. Bond issuance costs (if any) are expensed in the period incurred.

In the governmental fund financial statements, bond premiums, discounts, and bond issuance costs are recognized immediately. The face amount of debt or capital leases issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the non-current portion of debt and capital leases, compensated absences, contractually required pension contributions, and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

8. *Fund Balance*

In accordance with GAAP, the County classifies governmental fund balances as follows:

Nonspendable – includes amounts that inherently cannot be spent either because it is not in spendable form (i.e. prepaids, inventories, etc.) or because of legal or contractual requirements (i.e. principal on an endowment, etc.).

Restricted – includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.

Committed – includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action (an ordinance or resolution, which are equally binding) made by the Council, which is the highest level of decision-making authorities, before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

8. Fund Balance (Continued)

Assigned – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. The Council is the only party that has the right to make assignments of fund balance for the County at this time.

Unassigned – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts of restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The County generally uses restricted amounts to be spent first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the County generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The County’s Board of Trustees has formally adopted a minimum fund balance policy that supports maintaining an unassigned fund balance in the General Fund of at least 32% of the subsequent fiscal year’s projected revenues in the General Fund. The unassigned fund balance of the General Fund as of June 30, 2020 is approximately \$24,387,000, which represents approximately 38% of the fiscal year 2021 General Fund projected revenues of approximately \$64,697,000.

9. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County currently has three types of deferred outflows of resources: (1) The County reports *advance refunding charges* in its Statements of Net Position. *Advance refunding charges*, which are the differences between the reacquisition prices and the net carrying amounts of the defeased debt, are deferred and amortized over the life of the refunding bonds. Amortization of *advanced refunding charges* is included in interest expense in the Statement of Activities. (2) The County reports *deferred pension charges* in its Statements of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. (3) The County reports *deferred other postemployment benefits (“OPEB”) charges* in its Statements of Net Position in connection with the Dorchester County OPEB Plan. The *deferred pension and OPEB charges* are either (a) recognized in the subsequent period as a reduction of the net pension/OPEB liability (which includes contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension/OPEB expense in future periods in accordance with GAAP.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

9. *Deferred Outflows and Inflows of Resources (Continued)*

In addition to liabilities, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County currently has three types of deferred inflows of resources: (1) The County reports *unavailable revenue* only in the governmental funds' Balance Sheet; it is deferred and recognized as an inflow of resources (revenues) in the period the amounts become available. (2) The County also reports *deferred pension credits* in its Statements of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. (3) The County also reports *deferred OPEB credits* in its Statements of Net Position in connection with its participation in the Dorchester County OPEB Plan. These *deferred pension and OPEB credits* are amortized in a systematic and rational method and recognized as a reduction of OPEB expense in future periods in accordance with GAAP.

10. *Net Position*

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows in the Statement of Net Position. Net position is classified as net investment in capital assets; restricted; and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Outstanding debt, which has not been spent, is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

11. *Pensions and Other Postemployment Benefits*

In government-wide financial statements, pensions and OPEB are required to be recognized and disclosed using the accrual basis of accounting (see Note IV.A and Note IV.B and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amounts recognized as pension and OPEB expenditures on the modified accrual basis of accounting. The County recognizes net pension and net OPEB liabilities for each plan for which it participates, which represents the excess of the total pension and OPEB liabilities over the fiduciary net position of the qualified plan, or the County's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the County's fiscal year-end. Changes in the net pension and OPEB liabilities during the period are recorded as pension and OPEB expenses, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension and OPEB liabilities that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified plan and recorded as a component of pension and OPEB expense beginning with the period in which they are incurred. Any projected earnings on qualified pension and OPEB plan investments are recognized as a component of pension and OPEB expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension and OPEB expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

12. Fair Value

The fair value measurement and disclosure framework provides for a three-tier fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County can access at the measurement date.

Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1, that are observable for an asset or liability either directly or indirectly and include:

- Quoted prices for similar assets and liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted market prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:

- Fair value is often based on developed models in which there are few, if any, observable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The County believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

13. Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources and disclosure of these balances as of the date of the financial statements. In addition, they affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

14. Comparative Data

Comparative data (i.e., presentation of prior year totals by fund type) has not been presented in each of the statements since their inclusion would make the statement unduly complex and difficult to read.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Encumbrances are recorded in order to reserve that portion of the applicable appropriation and are employed as an extension of formal budgetary integration in all funds except the Sheriff's Fund, which is subject to the Sheriff's discretion. Annual budgets are used for all funds except the Capital Projects Fund, Grants Fund, Fire Protection Fund, Family Court DSS Fund, Sheriff's Fund, C-Funds, Senior Citizens Center Fund, Upper Dorchester Economic Development Fund, Children in Crisis Fund, Economic Development Fund, Dorchester County Economic Development Corporation, the three nonmajor capital project funds, and some Other Special Revenue Funds which use project-length budgets. Encumbrances are used as budgetary controls in certain special revenue funds and Capital Projects Fund. At June 30, 2020, the County had no outstanding encumbrances.

The budgets are prepared by fund, function, activity, and object. Appropriations are made at the fund level. The legal level of budgetary control, that is, the level at which management cannot overspend without a budget amendment approved by County Council is at the individual fund level.

B. Deficit Fund Balances

The following funds had deficit fund balances at year-end that are expected to be resolved as indicated:

<u>Nonmajor Special Revenue Fund</u>	<u>Deficit</u>	<u>Resource for Elimination</u>
Grants Fund	\$ 1,276,963	Future revenues
First Circuit Solicitor	87,050	Future revenues
Public Defender	70,127	Future revenues
C- Funds	\$ 42,656	Future revenues

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

Deposits

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the County's deposits might not be recovered. The County does not have a formal policy related to custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2020, none of the County's total bank balances of approximately \$78,447,000 (with a carrying value of approximately \$74,401,000) were exposed to custodial credit risk.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

A. Deposits and Investments (Continued)

Investments

As of June 30, 2020, the County had the following investments and maturities:

Investment Type	Fair Value Level ⁽¹⁾	Credit Rating [^]	Fair Value	Investment Maturity in Years			
				< 1 yr	1 - 3 yrs	3 - 5 yrs	> 5 yrs
SC Local Government Investment Pool	N/A	NR, NR	\$ 109,729,673	109,729,673	-	-	\$ -
US Treasuries	Level 1	Aaa, AA+	7,626,747	7,626,747	-	-	-
US Govt Agencies	Level 1	Aaa, AA+	34,261,991	8,187,264	17,941,180	400,012	7,733,535
Money Market	Level 1	Aaa, AA+	1,404,253	1,404,253	-	-	-
Certified Deposits	N/A	N/A	1,780,673	-	1,780,673	-	-
Total			\$ 154,803,337	126,947,937	19,721,853	400,012	\$ 7,733,535

[^] If available, credit ratings are for Standard & Poor's and Moody's Investors Service.

(1) See Note I.C.12 for details on the County's fair value hierarchy.

N/A – Not applicable

NR – Not rated

Interest Rate Risk: The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk for Investments: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2020, none of the County's investments were exposed to custodial credit risk.

Credit Risk for Investments: Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County does not have an investment policy for credit risk but follows the investment policy statutes of the State of South Carolina.

Concentration of Credit Risk for Investments: The County places no limit on the amount the County may invest in any one issuer. Investments issued by or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are exempt from concentration of credit risk disclosures.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

A. Deposits and Investments (Continued)

The following table reconciles deposits and investments within the footnotes to the amounts in the financial statements:

Financial Statements	
Statement of Net Position:	
Cash and Investments	\$ 56,957,625
Cash and Investments, Restricted	126,042,201
Statement of Assets and Liabilities - Agency Fund	
Cash and Investments	46,204,871
Total	<u>\$ 229,204,697</u>
Notes to the Financial Statements	
Deposits	\$ 74,401,360
Investments	154,803,337
Total	<u>\$ 229,204,697</u>

B. Property Taxes and Other Receivables

The County is responsible for levying and collecting property taxes for itself and other taxing entities in the County under joint billing and collection agreements. The property taxes are considered both measurable and available for purposes of recognizing revenue and a receivable from the County at the time they are collected by the County or if they are collected within 60 days of the end of the fiscal year.

Property taxes are levied and billed by the County on real and personal properties on October 1 based on an assessed value as of the preceding December 31 of approximately \$682 million at rates of 5.5 mills for the Library, 1.0 mills for the Children in Crisis Fund, 1.9 mills for the Senior Citizens Center Fund, 54.9 mills for the General Fund, 5.9 mills for the County Bonds Fund, 6.8 mills for the Capital Improvements Fund, 4.0 mills for the Fire Improvements Fund, and 17.2 mills for the Fire Protection Fund for the current year. These taxes are due without penalty through January 15.

Penalties are added to taxes depending on the date paid as follows:

January 16 through February 1	-	3% of tax
February 2 through March 15	-	10% of tax
After March 15	-	15% of tax plus collection costs

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

B. Property Taxes and Other Receivables (Continued)

Current year real and personal taxes become delinquent on March 16. Unpaid property taxes become a lien against the property as of June 1 of the calendar year following the levy date. The levy date for motor vehicles is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the same month.

Receivables as of June 30, 2020 for the County's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Receivables:	General	Capital Improvements	Transportation Authority	County Bonds	Water and Sewer	Solid Waste	Nonmajor Funds	Total
Taxes	\$ 1,350,911	167,975	-	147,336	-	-	370,312	\$ 2,036,534
Accounts	10,132,367	-	-	60,233	4,350,583	3,890,629	2,844,299	21,278,111
Other	-	100,024	-	-	-	-	449,746	549,770
Due From Other Governments	3,328,612	-	10,185,182	-	210,757	-	1,172,951	14,897,502
Gross Receivables	14,811,890	267,999	10,185,182	207,569	4,561,340	3,890,629	4,837,308	38,761,917
Less Allowance For:								
Taxes	(720,095)	(89,538)	-	(78,536)	-	-	(197,585)	(1,085,754)
Accounts	(8,066,276)	-	-	-	(2,203,088)	(134,021)	(52,389)	(10,455,774)
Net Receivables	\$ 6,025,519	178,461	10,185,182	129,033	2,358,252	3,756,608	4,587,334	\$ 27,220,389

C. Unearned and Unavailable Revenue

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue in connection with resources that have been received, but not yet earned. At June 30, 2020, the various components of unearned revenue and deferred inflows of resources reported in the governmental funds are as follows:

Unavailable Revenue:	
Property Taxes Receivable	\$ 720,562
Grant Reimbursements	4,471,263
Fees for Emergency Medical Services	1,459,647
Sales Taxes Receivable	2,912,749
Total Unavailable Revenue - Governmental Funds	<u>\$ 9,564,221</u>
Unearned Revenue:	
Advance Tax Installments	\$ 550,781
Communication Tower Deposits	33,070
Deposits Held for Collateral	100,000
Assets Seized in Connection with Unadjudicated Cases	303,662
Total Unearned Revenue - Governmental Funds	<u>\$ 987,513</u>

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

D. Capital Assets

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

	Beginning Balance *	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Non Depreciable:					
Land, Improvements, and Right of Way	\$ 20,272,874	2,621,972	-	-	\$ 22,894,846
Construction in Progress	4,819,755	5,227,095	-	(4,731,282)	5,315,568
Total Capital Assets, Non Depreciable	25,092,629	7,849,067	-	(4,731,282)	28,210,414
Capital Assets, Depreciable:					
Infrastructure	122,231,527	1,489,541	-	1,259,731	124,980,799
Buildings and Improvements	64,936,996	742,062	(1,073,007)	438,677	65,044,728
Furniture and Equipment	33,745,819	4,842,769	(1,775,402)	8,228	36,821,414
Total Capital Assets, Depreciable	220,914,342	7,074,372	(2,848,409)	1,706,636	226,846,941
Less: Accumulated Depreciation for:					
Infrastructure	68,011,228	3,256,334	-	-	71,267,562
Buildings and Improvements	17,242,796	1,338,210	(1,071,762)	-	17,509,244
Furniture and Equipment	22,296,451	2,740,068	(1,648,304)	4,937	23,393,152
Total Accumulated Depreciation	107,550,475	7,334,612	(2,720,066)	4,937	112,169,958
Total Capital Assets, Depreciable, Net	113,363,867	(260,240)	(128,343)	1,701,699	114,676,983
Total Governmental Activities Capital Assets, Net	\$ 138,456,496	7,588,827	(128,343)	(3,029,583)	\$ 142,887,397

* Adjusted to reflect the change in accounting principle as discussed in Note I.C.5.

During the year ended June 30, 2020, the County transferred assets with a net book value totaling \$3,029,583 from governmental activities to business-type activities. This transfer is appropriately not reflected in the governmental funds statements. However, it is included in with capital contributions on the enterprise funds' Statement of Revenues, Expenses and Changes in Net Position. On the government-wide Statement of Activities, this transfer is included in with transfers.

Depreciation expense for the year ended June 30, 2020 was charged to functions of the primary government as follows:

Governmental Activities:	
General Government	\$ 990,614
Public Safety	2,732,128
Roads and Drainage	2,973,044
Health and Welfare	32,984
Parks and Recreation	29,112
Airport	401,484
Economic Development and Assistance	135,988
Intergovernmental and Nonprofit Assistance	39,258
Total	\$ 7,334,612

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

D. Capital Assets (Continued)

Capital asset activity for business-type activities for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities:					
Capital Assets, Non Depreciable:					
Land, Improvements, and Right of Way	\$ 1,733,728	95,024	-	-	\$ 1,828,752
Construction in Progress	13,008,112	8,655,489	-	(9,016,374)	12,647,227
Total Capital Assets, Non Depreciable	14,741,840	8,750,513	-	(9,016,374)	14,475,979
Capital Assets, Depreciable:					
Infrastructure	1,088,021	-	-	1,129,434	2,217,455
Sewer Plant	42,231,941	-	-	-	42,231,941
Sewer System	173,310,598	4,089,725	-	6,689,966	184,090,289
Water System	32,060,314	1,812,271	-	4,160,883	38,033,468
Buildings and Improvements	2,157,399	92,086	-	-	2,249,485
Furniture and Equipment	9,333,205	1,171,824	(192,692)	60,737	10,373,074
Total Capital Assets, Depreciable	260,181,478	7,165,906	(192,692)	12,041,020	279,195,712
Less: Accumulated Depreciation for:					
Infrastructure	197,410	66,441	-	-	263,851
Sewer Plant	21,834,061	1,368,446	-	-	23,202,507
Sewer System	36,035,474	3,614,982	-	-	39,650,456
Water System	6,765,773	681,770	-	-	7,447,543
Buildings and Improvements	365,951	62,385	-	-	428,336
Furniture and Equipment	5,028,499	908,221	(188,148)	(4,937)	5,743,635
Total Accumulated Depreciation	70,227,168	6,702,245	(188,148)	(4,937)	76,736,328
Total Capital Assets, Depreciable, Net	189,954,310	463,661	(4,544)	12,045,957	202,459,384
Total Business-Type Activities Capital Assets, Net	\$ 204,696,150	9,214,174	(4,544)	3,029,583	\$ 216,935,363

E. Transfers In and (Out) and Interfund Balances

Transfers from (to) other funds for the year ended June 30, 2020 were as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 3,986,549	\$ 1,248,615
Capital Improvements	583,085	2,040,783
Capital Projects	1,601,404	420,960
County Bonds	1,435,048	-
Nonmajor Governmental Funds	1,573,780	1,756,077
Water and Sewer Fund	-	2,557,843
Solid Waste Fund	6,607	935,321
Nonmajor Enterprise Fund	-	226,874
Total Transfers In/Out	\$ 9,186,473	\$ 9,186,473

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

E. Transfers In and (Out) and Interfund Balances (Continued)

General Fund

Transfers in: Funds were transferred into the General Fund from the Capital Improvements Fund and Capital Projects Fund to partially fund various capital expenditures, from the Water and Sewer Fund, Solid Waste Fund, Stormwater Fund and Fire Improvements Fund as an allocation of overhead costs.

Transfers out: The General Fund transferred funds into the Nonmajor Governmental Funds (Victim's Advocate Fund) to fund a portion of operating costs. Funds were transferred to Capital Improvements and Capital Projects to fund ongoing capital projects as well as approved capital purchases.

Capital Improvements Fund

Transfers in: Funds were transferred into the Capital Improvements Fund from the General Fund and Capital Projects Fund to partially fund ongoing capital projects.

Transfers out: The Capital Improvements Fund transferred funds into the General Fund, the Capital Projects Fund, and the Nonmajor Governmental Funds to fund Council approved capital projects and for grant matches.

Capital Projects Fund

Transfers in: Funds were transferred into the Capital Projects Fund from the Capital Improvements Fund and the General Fund to fund Council approved capital projects.

Transfers out: The Capital Projects Fund transferred funds into the General Fund and Capital Improvements Fund to partially fund various operating and capital expenditures.

County Bonds Fund

Transfers in: Funds were transferred into the County Bonds Funds from the Nonmajor Governmental Funds (Parks and Recreation Facilities and Library Facilities Capital Project Funds) to fund the initial debt service for the Series 2020 General Obligation Bonds.

Nonmajor Governmental Funds

Transfers in: Funds were transferred into the Nonmajor Governmental Funds from the General Fund to fund a portion of operating costs. Funds were transferred into the Nonmajor Governmental Funds from the Capital Improvements Fund, Capital Projects Fund and the Water and Sewer Fund to fund capital improvements and grant matches.

Transfers out: Funds were transferred from the Fire Improvements Fund to the General Fund as an allocation of overhead costs. Funds were also transferred from the Parks and Recreation Facilities and the Library Facilities Capital Project Funds to the County Bonds Fund to fund the initial debt service for the Series 2020 GO Bonds.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

E. Transfers In and (Out) and Interfund Balances (Continued)

Water and Sewer Fund

Transfers out: Funds were transferred from the Water and Sewer Fund to the General Fund as an allocation of overhead costs; funds were also transferred to the Nonmajor Governmental Funds (Economic Development Fund) to partially fund capital improvements.

Solid Waste and Stormwater Funds

Transfers out: Funds were transferred from the Solid Waste and Stormwater Funds to the General Fund as an allocation of overhead costs.

In addition, as noted at Note III.D Capital Assets, the County transferred \$3,029,583 in assets from governmental activities to business-type activities during the year-ended June 30, 2020, which is included in Transfers In (Out) on the Statement of Activities.

Interfund Balances

Interfund balances at June 30, 2020 result from the timing of payments made by the General Fund for expenditures incurred by other funds during the year, all of which are expected to be paid within one year:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 6,671,942	\$ -
Capital Improvements	-	720,089
County Bonds	-	62,533
Nonmajor Governmental Funds	-	5,889,320
Total Transfers In/Out	<u>\$ 6,671,942</u>	<u>\$ 6,671,942</u>

F. Long-Term Obligations

The County has the following forms of long-term indebtedness as of June 30, 2020:

General Obligation Bonds – The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for use in governmental activities. General obligation bonds reported in governmental activities are direct obligations and pledge the full faith and credit of the County. Resources from the County Bonds Fund, the Transportation Authority Fund and the Recreation Fund have been used in the past to liquidate these obligations.

Limited Obligation Bonds – The County’s limited obligation bonds are used to finance infrastructure improvements in the Oakbrook Tax Increment Financing (“TIF”) District. Resources from the Oakbrook TIF Fund (nonmajor capital projects fund) have been used to liquidate these obligations.

Revenue Bonds – The County’s revenue bonds were used to finance construction of water and sewer facilities and the purchase of real estate for use in business-type activities. The Revenue Bonds are reported in the proprietary funds since they are expected to be repaid from revenues, primarily water and sewer sales and services, which are generated by proprietary fund activities.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

F. Long-Term Obligations (Continued)

Notes Payable – The County finances certain Proprietary Fund capital projects through State Revolving Loan Funds and other similar loans.

Capital Lease Obligations – The County uses capital leases to finance the purchase of various equipment. Resources in the Capital Improvements Fund and the Fire Improvements Fund have been used in the past to liquidate these obligations.

Compensated Absences Payable – These obligations represent accumulated annual leave and compensatory time benefits which were not funded by the current or prior years' revenue resources. These obligations are primarily funded by the General Fund, except for proprietary funds which pay for their own obligations.

Type of Issue: Each of the County's outstanding debt issues are either direct borrowings/placements ("DBP") or publicly traded ("PT"). The County's DBP debt (excluding General Obligation Bonds and Limited Obligation Bonds) generally are secured/collateralized by the underlying assets and contain provisions that in an event of default, (a) outstanding amounts can become immediately due if the County is unable to make payment and (b) the lender could exercise its option to demand return of the financed assets.

There are a number of limitations and restrictions contained in the various bond indentures. Management believes the County is in compliance with all significant limitations and restrictions.

The South Carolina constitution permits the County to incur general obligation (general purpose) bonded indebtedness not to exceed eight percent of the assessed value of taxable property in the County, unless approved by referendum. The 2010 general obligation bonds and the 2020 general obligation bonds, as well as the 2009 and 2013A general obligation bonds issued by the Authority, were approved by referendum and are not subject to the debt limit. At June 30, 2020, the County was in compliance with this requirement. Further, the general obligation bonds, as well as the revenue bonds, are supported by the full faith, credit, and taxing power of the County.

From time to time, the County issues industrial development 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. Additionally, not-for-profit entities which provide fire protection within the County occasionally borrow funds to purchase equipment. The lending institutions require the County to authorize the borrowings although the loans and the related assets belong to the not-for-profit entities. The County is not obligated in any manner for repayment of the bonds and notes. Accordingly, the bonds and notes are not reported as liabilities in the accompanying financial statements. As of June 30, 2020, there were an undetermined number of industrial revenue bonds and notes outstanding and the principal payable at June 30, 2020 could not be determined.

On November 5, 2019, voters in Dorchester County approved a referendum question pertaining to proposed new library facilities in the Summerville, North Charleston, and Ridgeville areas of the County. Therefore, in enacting this ordinance, the County will be enabled to issue General Obligation bonds in an amount not to exceed \$30,000,000 to finance the new library facilities. In December 2019 County Council approved the 3rd and final reading of an ordinance to provide for the issuance and sale of not to exceed \$30,000,000 for General Obligation Bonds to be used to fund the new library facilities.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

F. Long-Term Obligations (Continued)

On November 5, 2019, voters in Dorchester County approved a referendum question pertaining to proposed new parks and recreational facilities at various locations throughout the County, including the development of the Dorchester County Courthouse Park in St. George, the Ashley River Park, the Ashley River Park-Rosebrock Park-Swamp Fox Connector and the Pine Trace Natural Area in Summerville, and the development of hiking, biking and pedestrian trails and bridges, together with associated infrastructure, at various locations throughout the County. Therefore, in enacting this ordinance, the County will be enabled to issue General Obligation bonds in an amount not to exceed \$38,000,000 to finance the projects. In December 2019 County Council approved the 3rd and final reading of an ordinance to provide for the issuance and sale of not to exceed \$38,000,000 for General Obligation Bonds to be used to fund the new parks and recreational facilities.

In February 2020, the County issued its Series 2020 General Obligation (“GO”) Bonds in the amount of \$25,000,000, of which \$5,000,000 is for new library facilities and \$20,000,000 is for new parks and recreational facilities. This is the first of several anticipated issuances up to a total of \$68,000,000 (\$30,000,000 for the new library facilities and \$38,000,000 for the new parks and recreational facilities). This was approved by voter referendum in November 2019. The Series 2020 GO Bonds are classified as publicly traded debt; they have annual principal payments beginning in October 2020 ranging from \$630,000 to \$1,340,000 through April 2045; they have semi-annual interest payments with rates that range from 2.00% to 5.00%. The County received a premium of approximately \$1,613,000 and incurred issuance costs of approximately \$380,000. The County will use approximately \$1,435,000 from the proceeds to fund the first two debt service payments; there are no continuing requirements to maintain a debt service fund or a debt service reserve fund. The Series 2020 GO Bonds may not be redeemed prior to April 1, 2029; after that date they may be redeemed at the County’s option.

In June 2020, the County issued its Series 2020 Limited Obligation Bonds (Oakbrook Tax Increment Pledge) (“LOB TIF Bonds”) in the amount of \$14,465,000. These bonds were issued to fund public infrastructure in the Oakbrook Tax Increment Financing District, which was created by County Council in November 2019. The LOB TIF Bonds are classified as publicly traded debt; they have annual principal payments beginning in October 2024 ranging from \$200,000 to \$1,000,000 through October 2044; they have semi-annual interest payments beginning in October 2020 with rates that range from 2.00% to 5.00%. The County received a premium of approximately \$835,000 and incurred issuance costs of approximately \$286,000. The Series 2020 LOB TIF may not be redeemed prior to October 1, 2029; after that date they may be redeemed at the County’s option. The Series 2020 LOB TIF are secured by a pledge and lien on property taxes collected in the Oakbrook Tax Increment Financing District.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

F. Long-Term Obligations (Continued)

The following is a summary of changes in the County's governmental activities long-term obligations for the year ended June 30, 2020:

Long-Term Obligations	Beginning of Year	Additions	Reductions	End of Year	Due Within One Year
Governmental Activities:					
Direct Borrowing / Placement:					
General Obligation Bonds					
2010 Series	\$ 3,528,195	-	230,532	3,297,663	\$ 240,491
2015 Series	3,105,000	-	245,000	2,860,000	250,000
Total DBP General Obligation Bonds	<u>6,633,195</u>	<u>-</u>	<u>475,532</u>	<u>6,157,663</u>	<u>490,491</u>
Capitalized Leases	<u>3,506,654</u>	<u>1,260,277</u>	<u>1,065,411</u>	<u>3,701,520</u>	<u>1,154,416</u>
Total Direct Borrowing / Placement	<u>10,139,849</u>	<u>1,260,277</u>	<u>1,540,943</u>	<u>9,859,183</u>	<u>1,644,907</u>
Publicly Traded:					
General Obligation Bonds					
2012 Series	14,910,000	-	585,000	14,325,000	600,000
2013B Series: Refunding	7,410,000	-	490,000	6,920,000	505,000
2009 Series: Transportation Authority	34,200,000	-	2,820,000	31,380,000	2,935,000
2013A Series: Refunding - Transportation Authority	35,625,000	-	2,980,000	32,645,000	3,105,000
2019 Series GO Refunding and Improvement Bonds	19,030,000	-	2,810,000	16,220,000	1,215,000
2020 Series	-	25,000,000	-	25,000,000	800,000
Total PT General Obligation Bonds	<u>111,175,000</u>	<u>25,000,000</u>	<u>9,685,000</u>	<u>126,490,000</u>	<u>9,160,000</u>
Premiums on PT General Obligation Bonds					
2012 Series	535,867	-	28,553	507,314	-
2013B Series: Refunding	460,975	-	39,193	421,782	-
2009 Series: Transportation Authority	77,030	-	7,825	69,205	-
2013A Series: Refunding - Transportation Authority	2,152,113	-	218,626	1,933,487	-
2020 Series	-	1,613,201	25,464	1,587,737	-
Total Premiums on PT General Obligation Bonds	<u>3,225,985</u>	<u>1,613,201</u>	<u>319,661</u>	<u>4,519,525</u>	<u>-</u>
Limited Obligation Bonds					
2020 Series Oakbrook TIF	-	14,465,000	-	14,465,000	-
Premiums on PT Limited Obligation Bonds					
2020 Series Oakbrook TIF	-	835,074	2,444	832,630	-
Total Publicly Traded	<u>114,400,985</u>	<u>41,913,275</u>	<u>10,007,105</u>	<u>146,307,155</u>	<u>9,160,000</u>
Total Indebtedness	124,540,834	43,173,552	11,548,048	156,166,338	10,804,907
Compensated Absences	2,785,086	1,931,053	1,552,551	3,163,588	1,552,551
Governmental Activities Long-Term Obligations	<u>\$ 127,325,920</u>	<u>45,104,605</u>	<u>13,100,599</u>	<u>159,329,926</u>	<u>\$ 12,357,458</u>

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

F. Long-Term Obligations (Continued)

The following is a summary of changes in the County's business-type activities long-term obligations for the year ended June 30, 2020:

Long-Term Obligations	Beginning of Year	Additions	Reductions	End of Year	Due Within One Year
Business-Type Activities:					
Direct Borrowing / Placement:					
Revenue Bonds					
2017 Waterworks and Sewer System Revenue Bond	\$ 1,636,000	-	184,000	1,452,000	\$ 221,000
2017 Waterworks and Sewer System Refunding Bond	6,165,000	-	55,000	6,110,000	335,000
Total DBP Revenue Bonds	<u>7,801,000</u>	<u>-</u>	<u>239,000</u>	<u>7,562,000</u>	<u>556,000</u>
Notes Payable	5,007,197	2,412,598	536,482	6,883,313	714,897
Total Direct Borrowing / Placement	<u>12,808,197</u>	<u>2,412,598</u>	<u>775,482</u>	<u>14,445,313</u>	<u>1,270,897</u>
Publicly Traded:					
Revenue Bonds					
2009 Waterworks and Sewer System Revenue Bond	270,000	-	270,000	-	-
2012 Waterworks and Sewer System Revenue Bond	16,590,000	-	1,360,000	15,230,000	1,415,000
2012B Waterworks and Sewer System Revenue Bond	716,513	-	174,286	542,227	177,475
2015 Waterworks and Sewer System Revenue Bond	21,195,000	-	1,210,000	19,985,000	1,270,000
Total PT Revenue Bonds	<u>38,771,513</u>	<u>-</u>	<u>3,014,286</u>	<u>35,757,227</u>	<u>2,862,475</u>
Premiums on PT Revenue Bonds					
2012 Waterworks and Sewer System Revenue Bond	1,179,929	-	117,993	1,061,936	-
2015 Waterworks and Sewer System Revenue Bond	2,046,385	-	157,414	1,888,971	-
Total Premiums on PT Revenue Bonds	<u>3,226,314</u>	<u>-</u>	<u>275,407</u>	<u>2,950,907</u>	<u>-</u>
Total PT Revenue Bonds	<u>41,997,827</u>	<u>-</u>	<u>3,289,693</u>	<u>38,708,134</u>	<u>2,862,475</u>
Total Publicly Traded	<u>41,997,827</u>	<u>-</u>	<u>3,289,693</u>	<u>38,708,134</u>	<u>2,862,475</u>
Total Indebtedness	54,806,024	2,412,598	4,065,175	53,153,447	4,133,372
Landfill Postclosure Costs	43,230	-	14,410	28,820	14,410
Compensated Absences	400,858	372,306	281,990	491,174	281,990
Business-Type Activities Long-Term Obligations	<u>\$ 55,250,112</u>	<u>2,784,904</u>	<u>4,361,575</u>	<u>53,673,441</u>	<u>\$ 4,429,772</u>

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

F. Long-Term Obligations (Continued)

The following is a summary of each long-term obligation of the County at June 30, 2020.

General obligation bonds payable are comprised of the following individual issuances:

Issue	Type	Outstanding at Year End
\$5,000,000 2010 general obligation bond due in annual principal installments of \$382,950 through April 1, 2031; interest at 4.32%	DBP	\$ 3,297,663
\$18,000,000 2012 general obligation bond due in annual principal installments of \$475,000 to \$1,015,000 through April 1, 2038; interest ranging from 3.0 to 4.0%	PT	14,325,000
Plus Unamortized Issuance Premium	PT	507,314
\$9,005,000 2013B serial refunding bonds due in annual principal installments of \$85,000 to \$760,000 through April 1, 2031; interest ranging from 1.5 to 5.0%	PT	6,920,000
Plus Unamortized Issuance Premium	PT	421,782
\$4,040,000 2015 general obligation bond due in annual principal installments of \$225,000 to \$325,000 through June 30, 2030; interest at 2.49%	DBP	2,860,000
\$57,000,000 (Transportation Projects) Series 2009 serial Build America Bonds (35% of interest costs to be reimbursed by the federal government over the life of the bonds), due in annual payments of \$1,345,000 to \$4,110,000 through May 2029; interest ranging from 0.85 to 5.7%.	PT	31,380,000
Plus Unamortized Issuance Premium	PT	69,205
\$43,890,000 (Transportation Projects) Series 2013A serial refunding bonds due in annual payments of \$2,655,000 to \$4,170,000 through May 1, 2029; interest ranging from 3.0 to 5.0%	PT	32,645,000
Plus Unamortized Issuance Premium	PT	1,933,487
\$19,030,000 2019 general obligation serial refunding and improvement bond due in annual payments of \$550,000 to \$2,810,000 through April 1, 2039; interest ranging from 3.0 to 5.0%	PT	16,220,000
\$25,000,000 2020 general obligation bond due in annual payments of \$630,000 to \$1,340,000 through April 1, 2045; interest ranging from 2.0 to 5.0%	PT	25,000,000
Plus Unamortized Issuance Premium		1,587,737
Total General Obligation Bonds Outstanding at Year End		<u>\$ 137,167,188</u>

The County has entered into several lease agreements with payment terms varying from three to eight years with interest rates varying from 0% to 2.60%, secured by various vehicles, computer hardware, cameras and other equipment. As of June 30, 2020, the assets acquired through capital leases in the amount of approximately \$3,409,000 are included in equipment with accumulated amortization of approximately \$1,148,000 included in accumulated depreciation.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

F. Long-Term Obligations (Continued)

Revenue bonds payable are comprised of the following individual issuances:

Issue	Type	Outstanding at Year End
\$22,760,000 2012 Waterworks and Sewer System Revenue Bond due in annual principal installments of \$1,150,000 to \$2,020,000 through October 1, 2028; Interest ranging from 3.00 to 5.00%	PT	\$ 15,230,000
Plus: Unamortized Issuance Premium	PT	1,061,936
\$1,700,000 2012B Waterworks and Sewer System Revenue Bond due in annual principal installments of \$157,930 to \$184,030 through December 31, 2022; Interest at 1.83%	PT	542,227
\$23,445,000 2015 Waterworks and Sewer System Revenue Refunding Bond due in annual principal installments of \$1,100,000 to \$2,065,000 through October 1, 2031; Interest ranging from 3.00 to 5.00%	PT	19,985,000
Plus: Unamortized Issuance Premium	PT	1,888,971
\$1,750,000 2017 Waterworks and Sewer System Revenue Bond due in annual principal installments of \$114,000 to \$245,000 through March 1, 2028; Interest at 3.54%	DBP	1,452,000
\$6,219,000 2017 Waterworks and Sewer System Revenue Refunding Bond due in annual principal installments of \$54,000 to \$490,000 through October 1, 2034; Interest at 2.69%	DBP	6,110,000
Total Revenue Bonds Outstanding at Year End		<u>\$ 46,270,134</u>

Limited obligation bonds payable are comprised of the following individual issuances:

Issue	Type	Outstanding at Year End
\$14,465,000 2020 Oakbrook Tax Increment Financing District Bond due in annual principal installments of \$200,000 to \$1,000,000 through October 2044; Interest ranging from 2.00% to 5.00%.	PT	\$ 14,465,000
Plus: Unamortized Issuance Premium	PT	832,630
Total Limited Obligation Bonds Outstanding at Year End		<u>\$ 15,297,630</u>

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

F. Long-Term Obligations (Continued)

Notes payable are comprised of the following individual issuances:

Issue	Type	Outstanding at Year End
\$2,100,000 Promissory note, due in annual installments of \$180,000 to \$230,000, maturing October 1, 2022, interest at 2.0%	DBP	\$ 675,000
\$4,034,983 Revolving Loan, \$3,860,225 drawn to date, due in quarterly installments of \$60,392, maturing August 2030, interest at 1.84%	DBP	2,140,440
\$1,481,830 Revolving Loan, \$1,432,063 drawn to date, due in quarterly installments of \$20,460, maturing August 2030, interest at 1.00%	DBP	996,534
\$3,654,740 Revolving Loan, \$3,128,461 drawn to date, due in quarterly installments of \$74,482, maturing February 2034, interest at 1.90%	DBP	3,071,339
Total Notes Payable Outstanding at Year End		<u>\$ 6,883,313</u>

Annual debt service requirements to maturity for all governmental activities long-term debt as of June 30, 2020 are as follows:

Year Ending June 30,	Direct Borrowing/Placement		Publicly Traded		Total
	Principal	Interest	Principal	Interest	
Governmental Activities:					
2021	\$ 1,644,907	262,056	9,160,000	5,421,462	\$ 16,488,425
2022	1,330,906	226,111	9,310,000	5,007,441	15,874,458
2023	1,356,744	198,155	9,690,000	4,612,241	15,857,140
2024	1,197,050	169,421	9,305,000	4,129,414	14,800,885
2025	812,845	143,200	9,690,000	3,718,394	14,364,439
2026-2030	3,149,638	411,643	48,370,000	11,985,291	63,916,572
2031-2035	367,093	15,858	17,790,000	5,271,455	23,444,406
2036-2040	-	-	16,515,000	2,637,507	19,152,507
2041-2045	-	-	11,125,000	823,964	11,948,964
Totals	<u>\$ 9,859,183</u>	<u>1,426,444</u>	<u>140,955,000</u>	<u>43,607,169</u>	<u>\$ 195,847,796</u>

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

F. Long-Term Obligations (Continued)

Annual debt service requirements to maturity for all business-type activities long-term debt as of June 30, 2020 are as follows:

Year Ending June 30,	Direct Borrowing/Placement		Publicly Traded		Total
	Principal	Interest	Principal	Interest	
Business-Type Activities:					
2021	\$ 1,270,897	342,815	2,862,475	1,491,854	\$ 5,968,041
2022	1,280,595	312,821	2,980,723	1,373,206	5,947,345
2023	1,289,449	282,689	3,124,029	1,241,049	5,937,216
2024	1,056,234	252,756	3,080,000	1,087,181	5,476,171
2025	1,058,640	227,501	3,245,000	929,056	5,460,197
2026-2030	5,324,695	759,111	16,405,000	2,375,606	24,864,412
2031-2035	3,164,803	181,998	4,060,000	136,960	7,543,761
Totals	<u>\$ 14,445,313</u>	<u>2,359,691</u>	<u>35,757,227</u>	<u>8,634,912</u>	<u>\$ 61,197,143</u>

Landfill Postclosure Care Costs

State and federal laws and regulations require the County to place a final cover on its landfill sites when each site stops accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although postclosure care costs will be paid only after the date that the landfills stop accepting waste, the County reports a portion of these postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The accrual of approximately \$29,000 for landfill postclosure care at June 30, 2020 reflects the estimated remaining liability for postclosure care of the previously closed landfill site for another two years based on the latest engineering estimates. This amount is based on what it would cost to perform all postclosure care as of June 30, 2020. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The County provides financial assurance for postclosure care costs through its ability to meet the requirements of the local government financial test as contained in South Carolina DHEC regulations.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION

A. Retirement Plans

The County participates in the State of South Carolina's retirement plans. The South Carolina Public Employee Benefit Authority ("PEBA"), created July 1, 2012, is the state agency responsible for the administration and management of the various retirement systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' ("Systems") five defined benefit plans. PEBA has an 11-member Board of Directors ("PEBA Board"), appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority ("SFAA"), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with 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.

The PEBA issues a Comprehensive Annual Financial Report ("CAFR") containing financial statements and required supplementary information for the System's Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on the 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. The PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Description

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

The South Carolina Police Officers Retirement System ("PORS"), a cost-sharing multiple-employer defined benefit pension plan, was established 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 to police officers and firefighters. PORS also covers peace officers, coroners, probate judges, and magistrates.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan 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 presented below.

- SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. 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.
- PORS – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in the PORS. Magistrates are required to participate in the 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.

Plan Benefits

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

- SCRS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Benefits (Continued)

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

- **PORS** – 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.

Plan Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (“UAAL”) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year through July 1, 2022 (the employer contribution rates were frozen for the upcoming fiscal year – see “*Subsequent Event to the Plan Measurement Date*” at the end of this section for more details). If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA Board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Contributions (Continued)

Additionally, the PEBA Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the PEBA Board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July first, and annually thereafter as necessary, the PEBA Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

As noted earlier, both employees and the County are required to contribute to the Plans at rates established and as amended by the PEBA. The County's contributions are actuarially determined but are communicated to and paid by the County as a percentage of the employees' annual eligible compensation. Required employer and employee contribution rates for the past three years are as follows:

	SCRS Rates			PORS Rates		
	2018	2019	2020	2018	2019	2020
Employer Contribution Rate: [^]						
Retirement	13.41%	14.41%	15.41%	15.84%	16.84%	17.84%
Incidental Death Benefit	0.15%	0.15%	0.15%	0.20%	0.20%	0.20%
Accidental Death Contributions	0.00%	0.00%	0.00%	0.20%	0.20%	0.20%
	<u>13.56%</u>	<u>14.56%</u>	<u>15.56%</u>	<u>16.24%</u>	<u>17.24%</u>	<u>18.24%</u>
Employee Contribution Rate	<u>9.00%</u>	<u>9.00%</u>	<u>9.00%</u>	<u>9.24%</u>	<u>9.75%</u>	<u>9.75%</u>

[^] Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

The required contributions and percentages of amounts contributed to the Plans for the past three years were as follows:

Year Ended June 30,	SCRS Contributions		PORS Contributions	
	Required	% Contributed	Required	% Contributed
2020	\$ 4,648,204	100%	\$ 3,238,271	100%
2019	3,992,484	100%	2,676,695	100%
2018	\$ 3,548,050	100%	\$ 2,301,551	100%

In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the State General Assembly ("State") funded 1 percent of the SCRS and PORS contribution increases for the year ended June 30, 2019. The State's budget appropriated these funds directly to the PEBA for the South Carolina Retirement System Trust Fund and the Police Officers Retirement System Trust Fund. The amount of funds appropriated by the State (nonemployer contributing entity) for the year ended June 30, 2019 (measurement date) to the County were approximately \$253,000 and \$115,000 for the SCRS and PORS, respectively.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Contributions (Continued)

The County recognized contributions (on-behalf benefits) from the State of approximately \$253,000 and \$115,000 for the year ended June 30, 2019. These contributions by the State are recognized as intergovernmental revenues and pension expenditures in the County’s governmental fund financial statements.

Eligible payrolls of the County covered under the Plans for the past three years were as follows:

Year Ended June 30,	SCRS Payroll	PORS Payroll	Total Payroll
2020	\$ 29,872,775	17,753,678	\$ 47,626,453
2019	27,420,904	15,526,072	42,946,976
2018	\$ 26,165,560	14,172,111	\$ 40,337,671

Actuarial Assumptions and Methods

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2015.

The June 30, 2019 total pension liability (“TPL”), net pension liability (“NPL”), and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company, and are based on an actuarial valuation performed as of July 1, 2018. The TPL was rolled-forward from the valuation date to the Plans’ fiscal year end, June 30, 2019, using generally accepted actuarial principles.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2019 (measurement date) for the SCRS and PORS.

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
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)
Benefit Adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

* Includes inflation at 2.25%.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Actuarial Assumptions and Methods (Continued)

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality table ("2016 PRSC"), were 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
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

Long-Term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2019 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Long-Term Expected Rate of Return (Continued)

Asset Class	Target Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Equity	51.0%		
Global Public Equity	35.0%	7.29%	2.55%
Private Equity	9.0%	7.67%	0.69%
Equity Options Strategies	7.0%	5.23%	0.37%
Real Assets	12.0%		
Real Estate (Private)	8.0%	5.59%	0.45%
Real Estate (REITs)	1.0%	8.16%	0.08%
Infrastructure (Private)	2.0%	5.03%	0.10%
Opportunistic	8.0%		
Global Tactical Asset Allocations		3.09%	0.22%
	7.0%		
Hedge Funds (non-PA)	0.0%	0.00%	0.00%
Other Opportunistic Strategies	1.0%	3.82%	0.04%
Credit	15.0%		
High Yield Bonda/Bank Loans		3.14%	0.13%
	4.0%		
Emerging Markets Debt	4.0%	3.31%	0.13%
Private Debt	7.0%	5.49%	0.38%
Rate Sensitive	14.0%		
Core Fixed Income	13.0%	1.62%	0.21%
Cash and Short Duration (Net)	1.0%	0.31%	0.00%
Total Expected Real Return	100.0%		5.41%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.66%

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of the June 30, 2019 measurement date, for the SCRS and PORs, are presented in the following table:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 50,073,060,256	27,238,916,138	\$ 22,834,144,118	54.4%
PORS	\$ 7,681,749,768	4,815,808,554	\$ 2,865,941,214	62.7%

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The TPL is calculated by the Systems' actuary, and each Plans' fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB No. 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the Plans' funding requirements.

At June 30, 2020, the County reported liabilities of approximately \$59,307,000 and \$30,727,000 for its proportionate share of the NPL for the SCRS and PORS, respectively. The NPL were measured as of June 30, 2019, and the TPL for the Plans used to calculate the NPL were determined based on the most recent actuarial valuation report of July 1, 2018 that was projected forward to the measurement date. The County's proportion of the NPL were based on a projection of the County's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2019 measurement date, the County's SCRS proportion was 0.259732 percent, which was an increase of 0.007023 from its proportion measured as of June 30, 2018. At the June 30, 2019 measurement date, the County's PORS proportion was 1.07215 percent, which was an increase of 0.04801 from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized a total pension expense of approximately \$13,721,000, consisting of \$7,893,000 and \$5,828,000 for the SCRS and PORS, respectively. At June 30, 2020, the County reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences Between Expected and Actual Experience	\$ 40,766	\$ 426,054
Change in Assumptions	1,195,132	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	525,071	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	1,240,740	199,281
Employer Contributions Subsequent to the Measurement Date	4,394,839	-
Total SCRS	7,396,548	625,335
PORS		
Differences Between Expected and Actual Experience	631,814	227,096
Change in Assumptions	1,218,486	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	389,599	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	2,679,555	-
Employer Contributions Subsequent to the Measurement Date	3,122,969	-
Total PORS	8,042,423	227,096
Total SCRS and PORS	\$ 15,438,971	\$ 852,431

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Approximately \$4,395,000 and \$3,123,000 that were reported as deferred outflows of resources related to the County's contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the NPL in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS and PORS will increase (decrease) pension expense as follows:

Year Ended June 30,	SCRS	PORS	Total
2021	\$ 1,904,745	2,641,671	\$ 4,546,416
2022	(151,016)	1,288,460	1,137,444
2023	411,515	573,580	985,095
2024	211,130	188,647	399,777
Total	<u>\$ 2,376,374</u>	<u>4,692,358</u>	<u>\$ 7,068,732</u>

Discount Rate

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

Sensitivity Analysis

The following table presents the sensitivity of the County's proportionate share of the NPL of the Plans to changes in the discount rate, calculated using the discount rate of 7.25 percent, as well as what it would be if it were calculated using a discount rate that is 1% point lower (6.25 percent) or 1% point higher (8.25 percent) than the current rate:

System	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
The County's proportionate share of the net pension liability of the SCRS	\$ 74,715,020	59,307,485	\$ 46,449,004
The County's proportionate share of the net pension liability of the PORS	41,642,578	30,727,153	21,784,663
Total	<u>\$ 116,357,598</u>	<u>90,034,638</u>	<u>\$ 68,233,667</u>

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plans Fiduciary Net Position

Detailed information regarding the fiduciary net position of the Plans administered by the PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for the SCRS and PORS. The CAFR is publicly available through the Retirement Benefits' link on the 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.

Payable to Plans

The County reported a payable of approximately \$937,000 to the PEBA as of June 30, 2020, representing required employer and employee contributions for the month of June 2020 for the SCRS and PORS. This amount is included in Accrued Liabilities on the financial statements and was paid in July 2020.

Subsequent Event to the Plans Measurement Date

In May 2020, due to the global health crisis/pandemic caused by the COVID-19 virus, the South Carolina General Assembly included a provision in its continuing resolution for suspending the statutory employer contribution rate increase of 1% for the 2020-2021 fiscal year. This means that the employer contribution rate for the Plans during the 2020-2021 fiscal year, as expressed as a percentage of earnable compensation, shall remain at the same rate as imposed for the 2019-2020 fiscal year.

B. Other Postemployment Benefits

Plan Description

The County is a participant in the South Carolina Counties OPEB Trust, an agent multiple-employer irrevocable trust administered by the South Carolina Association of Counties (the "Plan"). The Plan provides lifetime healthcare insurance for eligible retirees and their spouses through the County's group health insurance plan, which covers both active and retired members. Benefit provisions are established by County Council. The Plan does not issue a publicly available financial report. The County is a participant in the South Carolina Counties OPEB Trust, an irrevocable trust for the benefit of participants.

Plan Membership

As of June 30, 2019, the valuation date, the following employees were covered by the OPEB Plan's benefit terms:

Inactive Members or Beneficiaries Currently Receiving Benefit Payments	85
Active Members	902
Total Membership	<u>987</u>

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

Plan Membership (Continued)

Contribution requirements are established by County Council. The required contribution is based on projected pay-as-you-go financing requirements. Medical coverage levels and premiums for retirees and their families are the same as coverage provided to active County employees under the State Health Insurance Plan. For employees who retired on or before December 31, 2011 or employees who had at least 25 years of service as of December 31, 2011, the County pays 100% of the employer portion of the retiree's insurance premium provided:

- The retiree has a minimum of 15 years of continuous lifetime employment with the County, and
- The retiree has reached eligibility for full retirement under the SCRS or the PORS.

In addition, the County pays 25% of the spouse's premium if the employee retired from the County with 20 years of continuous lifetime employment with the County and has reached eligibility for full retirement under SCRS or PORS. For employees with less than 25 years of continuous fulltime service with Dorchester County as of December 31, 2011, Dorchester County will pay 100% of the employer portion of the medical and dental premiums for the retiree until the retiree reaches age 65 or is Medicare eligible provided the employee:

Plan Benefits and Contributions

- Meets all eligibility criteria for fulltime retiree and insurance benefits set by PEBA.
- Has 15 years continuous fulltime service with Dorchester County
- Elects to receive retirement and insurance benefits at the time of separation from the County.

If the employee retires with 20 or more years continuous lifetime service, Dorchester County will pay 25% of the spousal portion of the premiums for medical dental benefits for the spouse until the spouse reaches age 65 or is Medicare eligible.

The State Health Insurance Plan prohibits its participants from separately rating retiree and active employees. The County, therefore, pays an equal blended rate premium for both groups. Although both groups are charged the same rate, GASB 75 requires the actuarial figures to be calculated using age adjusted premiums approximating claim cost for retirees separately from active employees. The use of age adjusted premiums results in the addition of an implicit rate subsidy into the actuarial accrued liability.

Actuarial Assumptions and Methods

Actuarial valuations of the OPEB Plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, inflation, healthcare cost trend rates, and future salary changes. Amounts determined regarding the net OPEB liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

Actuarial Assumptions and Methods (Continued)

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

The following table provides a summary of the significant actuarial assumptions and methods used in the latest actuarial valuation for the OPEB Plan.

Actuarial Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Amortization Period	23 Years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Discount Rate	2.21%
Inflation	2.50%
Healthcare Cost Trend Rate	6.50% for 2019 decreasing to an ultimate rate of 4.15%
Salary Increases	2.50%
Investment Rate of Return	1.50%
Coverage Elections	70% of eligible retirees will elect coverage, 17% of male spouses and 7% of female spouses will elect to receive coverage upon retirement
Active Participation/Marriage	80% of all active employees are assumed to be married with female spouses assumed to be 3 years younger
Retirement Rates	July 1, 2018 SCRS and PORS Valuations
Mortality Table	July 1, 2018 SCRS and PORS Valuations

The discount rate was decreased from 3.50% that was used in the prior actuarial valuation to 2.21% for this valuation. During the fiscal year ended June 30, 2020, the actual return on assets was 1.16% compared to an expected return of 1.50%.

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB Plan Investments is based upon market assumptions related to historical rates of return for the South Carolina Counties OPEB Trust. The long-term expected rate of return represent assumptions developed using an arithmetic building block approach and are presented net of investment fees. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation for the beginning of the 2019 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

Long-Term Expected Rate of Return (Continued)

Asset Class	Target Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
US Government Fixed Income			
US Government Obligations	100.0%	1.50%	1.50%
Total Expected Real Rate of Return	100.0%		1.50%
Inflation for Actuarial Purposes			2.50%
Total Expected Nominal Return			4.00%

OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The County's net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019.

	Total OPEB Liability (a)	OPEB Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances as of June 30, 2019	\$ 12,991,722	2,606,159	\$ 10,385,563
Changes for the year:			
Service Cost	614,895	-	614,895
Interest	445,438	-	445,438
Net Investment Income	-	30,216	(30,216)
Benefit Payments	(367,772)	-	(367,772)
Implicit Rate Subsidy Fulfillment	(166,677)	-	(166,677)
Administrative Expense	-	(964)	964
Net Changes	2,678,973	29,252	2,649,721
Balances as of June 30, 2020	\$ 15,670,695	2,635,411	\$ 13,035,284

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

For the year ended June 30, 2020, the County recognized OPEB expense of approximately \$1,572,000. At June 30, 2020, the County reported deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,289,179	\$ -
Net Difference Between Projected/Actual Earnings on OPEB Plan Investments	18,532	-
Changes of Assumptions	2,289,659	-
Total	\$ 3,597,370	\$ -

The amount reported as deferred outflows of resources (deferred OPEB charges) related to the OPEB Plan will increase OPEB expense as follows:

Year Ended June 30,	Total
2021	\$ 549,432
2022	549,432
2023	541,801
2024	543,107
2025	541,310
Thereafter	872,288
Total	\$ 3,597,370

Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) the long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) the tax-exempt municipal bond rate on an index of 20-year general obligation bonds with an average AA/Aa crediting rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). The actuarial valuation expected rate of return on OPEB plan investments is 1.50% and the municipal bond rate is 3.50% (based on the daily rate closest to but not later than the measurement date of the Bond Buyer 20-Bond GO Index. Since the municipal bond rate exceeds the expected rate of return on OPEB plan investments, a Single Discount Rate of 2.21% was used to measure the total OPEB liability.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the sensitivity of the County’s net OPEB liability to changes in the discount rate, calculated using the discount rate of 2.21%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (1.21%) or 1% point higher (3.21%) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Net OPEB Liability	\$ 15,032,229	13,035,284	\$ 11,329,768

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following table presents the sensitivity of the County’s net OPEB liability to changes in the healthcare cost trend rate, calculated using the healthcare cost trend rate of 6.50% decreasing to 4.15%, as well as what it would be if it were calculated using a healthcare cost trend rate that is 1% point lower (5.50% decreasing to 3.15%) or 1% point higher (7.50% decreasing to 5.15%) than the current rate:

	1% Decrease (5.50% decreasing to 3.15%)	Current Healthcare Cost Trend Rate (6.50% decreasing to 4.15%)	1% Increase (7.50% decreasing to 5.15%)
Net OPEB Liability	\$ 10,887,049	13,035,284	\$ 15,666,895

C. Deferred Compensation Plans

Internal Revenue Code Section 457 Plan – The County offers its employees a deferred compensation plan, offered through the South Carolina Deferred Compensation Program (SCDCP), created in accordance with Internal Revenue Code Section 457. The plan, available to all regular full-time employees, permits participants to defer a portion of their salaries until future years. The deferred compensation is not available to the employee or his beneficiaries until termination, retirement, death, disability or an approved hardship.

All amounts of compensation deferred under the plan are held in trust for the contributing employee and are not subject to claims of the employer’s general creditors. The plan is administered by the SCDCP.

Internal Revenue Code Section 401(k) Plan – The County also offers its employees participation in a deferred compensation plan, offered through SCDCP, created in accordance with Internal Revenue Code Section 401(k). The 401(k) plan has the same eligibility requirements as the 457 plan, although the withdrawal provisions are different under the 401(k) plan. All amounts of compensation deferred under the plan are held in trust for the contributing employee and are not subject to claims of the employer’s general creditors. The funds are administrated by the SCDCP.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

D. Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the County is covered by the Insurance Reserve Fund administered by the SFAA. The County pays an annual premium for general insurance coverage. The County is also subject to risks of loss from providing life, accident, dental and other medical benefits to employees, retirees, and their dependents. The County has enrolled substantially all employees in the State's health insurance plans administered by the Public Employees Benefit Authority. The State reinsures through commercial companies for these risks

In addition, the County insures the risk of job-related injury or illness to employees through the South Carolina Counties Worker's Compensation Trust, a public entity risk pool operating for the benefit of local governments. The County pays an annual premium to the Worker's Compensation Trust for insurance coverage. The County uses an internal service fund for workers compensation. This fund is responsible for collecting premiums from departments and for paying claims up to the deductible. The County increased its deductible from \$100,000 per claim to \$200,000 per claim, effective July 1, 2019.

An estimate for workers compensation claims that were incurred on or before June 30, 2019 but were unreported at that time has been accrued in the internal service fund. This estimate is based upon the County's claims history, claims processed following the close of year end and other factors. The County estimates that all of the workers compensation claims will be paid within one year.

Changes in the reported liabilities for the workers compensation claims, which are included in Accounts Payable and Accrued Liabilities in the Statement of Net Position, were as follows:

<u>Fund/Year</u>	<u>Beginning Balance</u>	<u>Claims and Changes in Estimates</u>	<u>Claims/ Payments</u>	<u>Ending Balance</u>
2020	\$ 245,624	750,540	(397,587)	\$ 598,577
2019	\$ -	462,020	(216,396)	\$ 245,624

For all of the above risk management programs, the County has not significantly reduced insurance coverage from the previous year and settled claims in excess of insurance coverage for the past three years were immaterial.

E. Commitments and Contingencies

Grants – The County participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount of program expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Litigation – The County is party to various legal proceedings that normally occur in governmental operations. These lawsuits involve environmental issues, employment matters and certain claims under contractual agreements. In the opinion of County management, based on the advice of legal counsel with respect to litigation, the ultimate disposition of these lawsuits and claims will not have a material adverse effect on the County's financial position. Additionally, the County would be allowed to appropriate any required funds in a subsequent fiscal year.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

E. Commitments and Contingencies (Continued)

Construction Commitments – As of June 30, 2020, the County had approximately \$36,627,000 in construction commitments remaining on various projects.

Summers Corner Improvement District – In April 2017, the County Council approved an ordinance creating the Summers Corner Improvement District (“SCID”), approving and authorizing the improvement plan, providing for the financing of improvements within the SCID by assessment, approving the rate and method of apportionment of assessments, and approving the assessment reports. The improvements, which are estimated to cost approximately \$100,000,000 (inflated cost), include recreational facilities, a fire station, an EMS station, various infrastructure, and other public facilities. As a result of this ordinance, the County will levy two annual assessments on properties in the SCID: (1) Special Assessment A will be levied to finance certain capital improvements and (2) Special Assessment B will be levied to pay for maintenance and operations of the improvements. Special Assessment A is expected to finance approximately \$65,000,000 (uninflated cost) of the cost of the improvements and will be used to pay the debt service on bonds that the County expects to issue to finance the improvements. Special Assessment A was first levied in the year ended June 30, 2018. Special Assessment B will be levied in future years when the SCID begins to incur maintenance and operations expenditures. In addition, the County issued its SCID Special Assessment Revenue Bonds, Series 2018 in the amount of \$17,105,000 in December 2018. The County is not obligated in any manner for this special assessment debt. Accordingly, the County has not recorded this debt in its financial statements. The County is recording the assessments collected and then remitted to the Trustee in a special revenue fund as the bond documents required the establishment of a special revenue fund to account for these transactions.

Operating Lease - In August 2019 the County entered into a ten year lease for 28,100 square feet at 10055 Dorchester Road for a Trident Technical College campus, beginning January 1, 2020 and continuing through December 31, 2029. The initial monthly base rent is approximately \$17,600 plus upfit and other fees in the amount of approximately \$11,100, for a total monthly payment of approximately \$28,700. The lease also includes annual increases throughout the term.

COVID-19 Health Pandemic - On January 30, 2020, the World Health Organization announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China, and in March 2020, classified the outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the outbreak continues to evolve as of the date of these financial statements. Management continues to actively monitor the impact from this health crisis on its financial condition, liquidity, operations, workforce and citizens.

As local and federal governments recommended or mandated restrictions on business and travel in an effort to curb the pandemic by changing consumer behavior, the County’s revenues were negatively impacted. Such restrictions are currently expected to be temporary; however, there is considerable uncertainty about their duration. Given the daily evolution of the pandemic, the County cannot estimate the duration or gravity of its impact at this time. If the pandemic continues for a long period of time, it may have a material adverse effect on the County’s results of operations, net position/fund balance and liquidity for the year ended June 30, 2021.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

F. Joint Ventures

Lake Marion Water Agency – During fiscal year 2008, the County executed an agreement with the Lake Marion Regional Water Agency (“Lake Marion WA”), a joint municipal water system. The County has an 11.8% voting representation on this system’s board, representing its proportionate commitment to purchase water to the system’s total capacity. Lake Marion WA is not owned nor is it fiscally dependent upon the County.

The Lake Marion WA was formed in the mid 1990’s in order to provide safe reliable drinking water to the residents of central South Carolina and to help bring economic growth to the Interstate 95 corridor. Members include Calhoun, Clarendon, Dorchester, Orangeburg, and Berkeley Counties and the Town of Santee. In November 2007, the County entered into a contract with Lake Marion WA. The County has committed to purchase up to 1.0 million gallons a day, or 11.8% of the total capacity of the plant. The initial term of the agreement is for twenty years, which shall be extended for subsequent twenty-year terms unless the County notifies Lake Marion WA in writing of its intent to terminate not less than thirty months prior to the expiration of the initial term or the expiration date of any renewal. Provisions of the agreement require the County to pay its share of the funds required to operate and maintain Lake Marion WA and to defray its capital costs, in addition to monthly demand (fixed) and volumetric (variable) charges based upon the amount of water purchased. The County is not currently purchasing water from the Lake Marion WA but is paying its annual membership fees for contract demand in monthly installments.

Construction of the Dorchester Reach/Highway 27 Extension is complete and closeout activities continue. Prior to a Permit to Operate (“PTO”), all upstream reaches (Holly Hill, Wells Cross Roads, and Harleyville) must have current bacteriological testing so PTO’s can be requested.

The next project is the Winding Woods Elevated Tank. The design of this 500,000 gallon elevated storage tank has by completed by Hazen and Sawyer and the real estate for the tank site has been certified by the Army Corps of Engineers (“Corps”). Funding is in place and no additional County funding is required. The Corps will bid out the project for construction in December 2020 and plans to award a contract for construction in late March 2021.

Winding Woods Reach is at the 95% design level. Surveys for real estate easements have been completed. Appraisals are being completed and Dorchester County and Santee Cooper will be submitted to the Corps for approval. Following approval, the property owners will be contacted and offers to purchase easements will be made. If negotiations fail, the easements will be obtained through condemnation. All design drawings, real estate certification and technical reviews are scheduled for completion by January 15, 2021. The Corps will review complete package, complete contracting actions and get real estate certified. The Corps will advertise the project for construction bids for 30 days beginning January 29, 2021. The Corps will review the proposals for construction and plans to award a contract by March 31, 2021

G. Oakbrook Tax Increment Financing District

In November 2019, the County Council approved an ordinance establishing the Oakbrook Redevelopment Project Area; the County subsequently created a Tax Increment Financing (“TIF”) District in the Oakbrook area to fund public infrastructure projects after receiving the approval of the Town of Summerville and Dorchester School District Two. A TIF District is a funding mechanism outlined in the SC Code of Laws §31-7-10 to §31-7-130 that allows a government to utilize the incremental increase in property tax revenues in an area to issue bonds to fund public infrastructure projects in a designated redevelopment area. The establishment of a TIF District is not a tax increase and all funds generated by the TIF District must be utilized on public infrastructure projects.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

G. Oakbrook Tax Increment Financing District (Continued)

These projects are intended to encourage redevelopment and revitalization and reduce blight in the Oakbrook area. These projects are listed in the Redevelopment Plan and were presented to County Council and the public at a public hearing held, as required by State law, in November 2019. The County also approved its redevelopment plans for this new TIF District. As disclosed in Note III.F, the County issued its Series 2020 Limited Obligation Oakbrook TIF Bonds in the amount of \$14,465,000 in June 2020 for a first of a series of bonds not to exceed the approved amount of \$35,000,000, which will depend on growth in the TIF District. The County is accounting for all transactions for the TIF District in the Oakbrook TIF Fund, which is a nonmajor capital projects fund.

H. Concentrations of Credit Risk

The County grants credit to water, sewer and solid waste customers in Dorchester County, South Carolina. In addition, the County grants credit to individuals requiring emergency medical services while in Dorchester County. Accounts receivable and financed impact fees are financial instruments that potentially subject the County to credit risk. No collateral is required for credit granted to customers. The County may terminate services for water, sewer and solid waste accounts unpaid after 90 days, but may not refuse emergency medical services to citizens for non-payment of accounts. The County also participates in the State of South Carolina debt collection program whereby delinquent customer balances may be withheld from customers' state income tax refunds.

I. Tax Abatements

The County enters into property tax abatement agreements with local businesses through the Fee in Lieu of Ad Valorem Tax ("FILOT") program under the Title 12, Chapter 44 "Fee in Lieu of Tax Simplification Act" and the related Special Source Revenue Credit ("SSRC") program under Title 4, Chapter 29 "Industrial Development Projects" of the Code of Laws of South Carolina 1976, as amended. Under the FILOT program, taxpayers are eligible to receive a reduction in property taxes, through reduced assessed values and locked millage rates, if they enter into an agreement with the County and invest at least \$2.5 million in taxable property (or some other negotiated investment floor) in the County within a 5-year period. The amount of the tax abatement is determined by applying the reduced assessment rate and locked millage rate to the total taxable values of the taxpayer. Under the SSRC program, taxpayers are eligible to receive a reduction in property taxes, through bill credits, if the taxpayer is located in a Multi-County Industrial Park ("MCIP"), and infrastructure credits are granted as part of the FILOT program agreements. The amount of the tax abatement is generally determined by multiplying the agreed-upon SSRC percentage by the FILOT. These abatements may be granted to businesses located within or promising to relocate to the County.

If the taxpayers do not meet the minimum requirements agreed to as part of the FILOT and SSRC programs, the County can terminate the abatement agreements and collect the total amount of ad valorem taxes that would result from normal operations.

For the fiscal year ended June 30, 2020, the County abated property taxes totaling approximately \$5,773,000.

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

J. Subsequent Events

County Council approved a reimbursement resolution on November 19, 2019 for the acquisition of fire apparatus and various equipment not to exceed \$3,500,000. The County plans on entering into a lease purchase for Certain Expenditures Related to the Acquisition of Fire Engines and Equipment to be Financed by a Lease Purchase Obligation (Amount not Exceeding \$3,500,000). The County closed on the lease purchase in December 2020. The General Fund advanced the Fire Fund \$762,266 in fiscal 2020 and \$10,023 in fiscal 2021 to proceed with the purchase of two trucks as well as some loose equipment. The remaining balance of unspent funds of \$519,413 was carried over to fiscal 2021 to be paid to Spartan Fire upon delivery of the truck in July 2020.

The County closed on a \$11,962,000 Water and Sewer Refunding Bond, Series 2020 on August 5, 2020, which partially refunded the Waterworks and Sewer System Revenue Bond, Series 2012.

The County Council approved a reimbursement resolution on August 10, 2020 for the acquisition and installation of equipment not to exceed \$1,200,000 to be funded through a lease purchase with an anticipated closing date of February 2021.

County Council approved a reimbursement resolution on September 8, 2020 for expansion of the Lower Dorchester Wastewater Treatment Plan to be financed by the Issuance of Bonds not to exceed \$110,000,000.

County Council approved a reimbursement resolution on September 21, 2020 for the purchase of furniture, fixtures and equipment for various projects to be financed through a lease purchase not to exceed \$3,850,000 in September 2021. Funds are being expended in fiscal 2021, which will be reimbursed when the lease proceeds are received.

County Council approved a reimbursement resolution approved on August 10, 2020 for the acquisition of land at the Winding Woods Industrial Park to be financed by Special Source Revenue Bonds (“SSRB”) not to exceed \$4,650,000. The County executed a wire transfer of \$250,000 on August 12, 2020 as a deposit on the Real Estate Purchase and Sale Agreement, from the County’s General Fund. The closing for the land purchase occurred on October 15, 2020 for a total of \$7,368,626. \$1,000,000 was funded by the South Carolina Department of Commerce, \$2,000,000 was funded by the South Carolina Power Team, \$4,250,000 was funded by the General Fund, and \$118,626 from the Economic Development Fund. Closing on the SSRB is scheduled for January 12, 2021, at which time the General Fund will be reimbursed \$4,500,000 through SSRB proceeds.

REQUIRED SUPPLEMENTARY INFORMATION

DORCHESTER COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL

YEAR ENDED JUNE 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 35,966,249	35,966,249	38,381,877	\$ 2,415,628
Licenses and Permits	3,260,727	3,260,727	4,180,763	920,036
Intergovernmental Revenues:				
Federal	33,210	33,210	567,003	533,793
State	6,173,702	6,173,702	6,013,996	(159,706)
Local	1,425,070	1,425,070	1,490,261	65,191
Fees and Service Charges:				
Registrar of Deeds	1,817,100	1,817,100	2,066,522	249,422
EMS Charges	5,000,000	5,000,000	4,873,750	(126,250)
Cable Franchise Fees	368,000	368,000	403,277	35,277
Other Miscellaneous Fees	973,078	973,078	1,127,917	154,839
Judicial Fines and Assessments	1,865,008	1,865,008	1,463,724	(401,284)
Other Income	370,826	370,826	691,993	321,167
TOTAL REVENUE ALL SOURCES	57,252,970	57,252,970	61,261,083	4,008,113
EXPENDITURES				
Current:				
General Government:				
County Council	395,341	395,341	341,772	53,569
County Administrator	1,140,294	1,140,294	1,047,562	92,732
Human Resources	431,577	431,577	396,607	34,970
Planning	581,538	581,538	582,820	(1,282)
Building Services	693,404	693,404	645,001	48,403
Business Services	1,247,166	1,247,166	1,244,743	2,423
Information Technology Services	1,545,741	1,545,741	1,625,122	(79,381)
Elections And Voter Registration	544,614	544,614	649,427	(104,813)
Risk Management And Safety	269,285	269,285	253,117	16,168
Magistrates	1,437,908	1,437,908	1,329,684	108,224
Circuit Court	84,251	84,251	72,752	11,499
Probate Court	601,084	601,084	603,430	(2,346)
Master In Equity	257,036	257,036	252,615	4,421
Attorney	435,831	435,831	520,832	(85,001)
Juvenile Justice	52,370	52,370	48,452	3,918
Solicitor	16,350	16,350	8,175	8,175
Building Utilities	980,998	980,998	988,469	(7,471)
Fleet Services	1,043,536	1,043,536	1,085,408	(41,872)
Facilities, Grounds And Recreation	2,102,108	2,102,108	2,518,314	(416,206)
Auditor	801,614	801,614	712,882	88,732
Treasurer	961,121	961,121	912,157	48,964
Clerk Of Court	715,624	715,624	677,231	38,393
Delinquent Tax Collector	465,395	465,395	443,428	21,967
Assessor	1,636,935	1,636,935	1,638,151	(1,216)
Register Of Deeds	537,247	537,247	528,221	9,026
Family Court	735,495	735,495	685,544	49,951
Forfeited Land Commission	21,050	21,050	45	21,005
Total General Government	\$ 19,734,913	19,734,913	19,811,961	\$ (77,048)

(Continued)

DORCHESTER COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL

YEAR ENDED JUNE 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Public Safety:				
Sheriff	\$ 15,102,219	15,102,219	15,842,100	\$ (739,881)
Jail	7,529,416	7,529,416	7,604,210	(74,794)
Coroner	505,937	505,937	509,479	(3,542)
Communications Support	358,759	358,759	301,490	57,269
Emergency Management	220,895	220,895	196,359	24,536
Emergency Medical Services	7,793,016	7,793,016	7,522,601	270,415
Total Public Safety	31,510,242	31,510,242	31,976,239	(465,997)
Roads and Drainage:				
Roads Maintenance	2,436,933	2,436,933	2,586,466	(149,533)
Total Roads and Drainage	2,436,933	2,436,933	2,586,466	(149,533)
Health and Welfare:				
Health Department	25,545	25,545	11,371	14,174
Community Services	1,051,752	1,051,752	1,038,062	13,690
Total Health and Welfare	1,077,297	1,077,297	1,049,433	27,864
Airport	167,442	167,442	165,657	1,785
Economic Development	546,440	546,440	536,109	10,331
Intergovernmental and Nonprofit Assistance	2,954,287	2,954,287	3,287,614	(333,327)
Disaster Recovery	-	-	2,721,745	(2,721,745)
Nondepartmental:				
Insurance	835,207	835,207	827,772	7,435
Other	88,552	88,552	47,836	40,716
Total Nondepartmental	923,759	923,759	875,608	48,151
TOTAL EXPENDITURES	59,351,313	59,351,313	63,010,832	(3,659,519)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,098,343)	(2,098,343)	(1,749,749)	348,594
OTHER FINANCING SOURCES (USES)				
Transfers In	2,199,113	2,199,113	3,986,549	1,787,436
Transfers Out	(100,770)	(100,770)	(1,248,615)	(1,147,845)
Insurance Recoveries	-	-	113,923	113,923
TOTAL OTHER FINANCING SOURCES (USES)	2,098,343	2,098,343	2,851,857	753,514
NET CHANGE IN FUND BALANCE	-	-	1,102,108	1,102,108
FUND BALANCES, Beginning of Year	30,438,072	30,438,072	30,438,072	-
FUND BALANCES, End of Year	\$ 30,438,072	30,438,072	31,540,180	\$ 1,102,108

Note: The budgets are presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

Note: Actual expenditures exceeded budget by \$3,659,519, which was offset by revenues exceeding budget by \$4,008,114.

DORCHESTER COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - CAPITAL IMPROVEMENTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGETS AND ACTUAL

YEAR ENDED JUNE 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 4,377,814	4,377,814	4,743,947	\$ 366,133
Other Income	120,000	120,000	53,373	(66,627)
TOTAL REVENUE ALL SOURCES	4,497,814	4,497,814	4,797,320	299,506
EXPENDITURES				
Current:				
General Government	336,931	336,931	379,333	(42,402)
Public Safety	207,075	207,075	569,032	(361,957)
Roads and Drainage	150,000	150,000	67,056	82,944
Nondepartmental	250,000	250,000	-	250,000
Capital Outlay	2,894,581	2,894,581	3,881,283	(986,702)
Debt Service:				
Principal Retirement	740,000	740,000	716,173	23,827
Interest and Fiscal Charges	34,295	34,295	33,673	622
TOTAL EXPENDITURES	4,612,882	4,612,882	5,646,550	(1,033,668)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(115,068)	(115,068)	(849,230)	(734,162)
OTHER FINANCING SOURCES (USES)				
Proceeds from Lease Purchase	-	-	1,260,277	1,260,277
Transfers In	-	-	583,085	583,085
Transfers Out	(587,278)	(587,278)	(2,040,783)	(1,453,505)
Sale of Capital Assets	-	-	104,519	104,519
Insurance Recoveries	-	-	40,541	40,541
TOTAL OTHER FINANCING SOURCES (USES)	(587,278)	(587,278)	(52,361)	534,917
NET CHANGE IN FUND BALANCE	(702,346)	(702,346)	(901,591)	(199,245)
FUND BALANCES, Beginning of Year	2,861,164	2,861,164	2,861,164	-
FUND BALANCES, End of Year	\$ 2,158,818	2,158,818	1,959,573	\$ (199,245)

Note: The budgets are presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

Note: The original budget and final budget included a planned use of fund balance of \$702,346. Actual expenditures exceeded budget by \$1,033,666, which was partially offset by revenues exceeding budget by \$299,506.

DORCHESTER COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF DORCHESTER COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM**

LAST SEVEN FISCAL YEARS

	Year Ended June 30,						
	2020	2019	2018	2017	2016	2015	2014
Dorchester County's Proportion of the Net Pension Liability	0.259732%	0.252709%	0.252626%	0.256500%	0.234735%	0.240675%	0.240675%
Dorchester County's Proportionate Share of the Net Pension Liability	\$ 59,307,485	56,624,101	56,870,175	54,788,021	44,518,617	41,436,256	\$ 43,168,509
Dorchester County's Covered Payroll	\$ 27,420,904	26,165,560	25,436,922	24,829,671	22,010,722	21,841,915	\$ 21,860,495
Dorchester County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	216.3%	216.4%	223.6%	220.7%	202.3%	189.7%	197.5%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.4%	54.1%	53.3%	52.9%	57.0%	59.9%	56.4%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year. The County implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available. The discount rate was lowered from 7.50% to 7.25% for the year ended June 30, 2018.

DORCHESTER COUNTY, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM

LAST SEVEN FISCAL YEARS

	Year Ended June 30,						
	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 4,648,204	3,992,484	3,548,050	2,940,508	2,746,160	2,399,007	\$ 2,316,115
Contributions in Relation to the Contractually Required Contribution							
Contributions from the County	4,394,839	3,739,119	3,294,685	2,940,508	2,746,160	2,399,007	2,316,115
Contributions from the State	253,365	253,365	253,365				
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	\$ -
Dorchester County's Covered Payroll	\$ 29,872,775	27,420,904	26,165,560	25,436,922	24,829,671	22,010,722	\$ 21,841,915
Contributions as a Percentage of Covered Payroll	15.56%	14.56%	13.56%	11.56%	11.06%	10.90%	10.60%

Notes to Schedule:

The County implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.

DORCHESTER COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF DORCHESTER COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
POLICE OFFICERS RETIREMENT SYSTEM**

LAST SEVEN FISCAL YEARS

	Year Ended June 30,						
	2020	2019	2018	2017	2016	2015	2014
Dorchester County's Proportion of the Net Pension Liability	1.07215%	1.02414%	0.92950%	0.87967%	0.81799%	0.83372%	0.83372%
Dorchester County's Proportionate Share of the Net Pension Liability	\$ 30,727,153	29,019,562	25,464,136	22,312,734	17,828,084	15,960,869	\$ 17,282,683
Dorchester County's Covered Payroll	\$ 15,526,072	14,172,111	12,482,162	11,214,684	10,128,315	10,027,025	\$ 9,285,854
Dorchester County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	197.9%	204.8%	204.0%	199.0%	176.0%	159.2%	186.1%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.7%	61.7%	60.9%	60.4%	64.6%	67.5%	63.0%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year. The County implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available. The discount rate was lowered from 7.50% to 7.25% for the year ended June 30, 2018.

**DORCHESTER COUNTY, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CONTRIBUTIONS
POLICE OFFICERS RETIREMENT SYSTEM**

LAST SEVEN FISCAL YEARS

	Year Ended June 30,						
	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 3,238,271	2,676,695	2,301,551	1,777,460	1,540,900	1,358,939	\$ 1,287,528
Contributions in Relation to the Contractually Required Contribution							
Contributions from the County	3,122,969	2,561,393	2,186,249	1,777,460	1,540,900	1,358,939	1,287,528
Contributions from the State	115,302	115,302	115,302	-	-	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	\$ -
Dorchester County's Covered Payroll	\$ 17,753,678	15,526,072	14,172,111	12,482,162	11,214,684	10,128,315	\$ 10,027,025
Contributions as a Percentage of Covered Payroll	18.24%	17.24%	16.24%	14.24%	13.74%	13.42%	12.84%

Notes to Schedule:

The County implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.

DORCHESTER COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

SCHEDULE OF CHANGES IN THE COUNTY'S NET OPEB LIABILITY AND RELATED RATIOS

LAST THREE FISCAL YEARS

	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
Total OPEB Liability:			
Service Cost	\$ 614,895	561,116	\$ 540,210
Interest	445,438	388,204	368,853
Differences Between Expected and Actual Experience	-	1,710,363	-
Changes of Assumptions	2,153,089	532,903	-
Implicit Rate Subsidy Fulfillment	(166,677)	(122,606)	(90,664)
Benefit Payments, Including Refunds of Member Contributions	(367,772)	(336,961)	(268,826)
Net Change in Total OPEB Liability	<u>2,678,973</u>	<u>2,733,019</u>	<u>549,573</u>
Total OPEB Liability - Beginning of Year	12,991,722	10,258,703	9,709,130
Total OPEB Liability - End of Year (a)	<u><u>\$ 15,670,695</u></u>	<u><u>12,991,722</u></u>	<u><u>\$ 10,258,703</u></u>
OPEB Plan Fiduciary Net Position:			
Net Investment Income	\$ 30,216	44,937	\$ 288
Administrative Expense	(964)	(889)	(678)
Net Change in OPEB Plan Fiduciary Net Position	<u>29,252</u>	<u>44,048</u>	<u>(390)</u>
OPEB Plan Fiduciary Net Position - Beginning of Year	2,606,159	2,562,111	2,562,501
OPEB Plan Fiduciary Net Position - End of Year (b)	<u><u>\$ 2,635,411</u></u>	<u><u>2,606,159</u></u>	<u><u>\$ 2,562,111</u></u>
Net OPEB Liability (Asset) - End of Year (a) - (b)	<u><u>\$ 13,035,284</u></u>	<u><u>10,385,563</u></u>	<u><u>\$ 7,696,592</u></u>
OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	16.82%	20.06%	24.97%
Covered Payroll	\$ 43,754,628	38,197,851	\$ 33,965,132
Net OPEB Liability as a Percentage of Covered Payroll	29.79%	27.19%	22.66%

Notes to Schedule:

The County adopted GASB #75 during the year ended June 30, 2018. Information is not available for prior years.

DORCHESTER COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

SCHEDULE OF THE COUNTY'S CONTRIBUTIONS

LAST THREE FISCAL YEARS

	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
Actuarially Determined Contribution	\$ 1,152,970	963,376	\$ 900,926
Contributions in Relation to the Actuarially Determined Contribution	<u>367,772</u>	<u>336,961</u>	<u>268,826</u>
Contribution Deficiency (Excess)	<u>\$ 785,198</u>	<u>626,415</u>	<u>\$ 632,100</u>
Covered Payroll	\$ 43,754,628	38,197,851	\$ 33,965,132
Contributions as a Percentage of Covered Payroll	0.84%	0.88%	0.79%

Notes to Schedule:

The County adopted GASB #75 during the year ended June 30, 2018. Information is not available for prior years.

Valuation Date: June 30, 2019

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Amortization Period	23 Years
Asset Valuation Method	Market Value
Discount Rate	2.21%
Inflation	2.5%
Healthcare Cost Trend Rates	6.5% initial, decreasing to an ultimate rate of 4.15%
Salary Increases	2.5%
Investment Rate of Return	1.5%
Coverage Elections	70% of eligible retirees will elect coverage, 17% of male spouses and 7% of female spouses will elect to receive coverage upon retirement
Active Participation / Marriage	80% of all active employees are assumed to be married with female spouses assumed to be 3 years younger
Retirement Rates	July 1, 2018 SCRS and PORS Valuations
Mortality	July 1, 2018 SCRS and PORS Valuations

Other Information:

Assumption changes:

The Discount Rate was decreased from 3.50% to 2.21%.

The actual return on assets was 1.16% compared to an expected return of 1.50%.

SUPPLEMENTARY INFORMATION

DORCHESTER COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2020

	CAPITAL PROJECT FUNDS	SPECIAL REVENUE FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS			
Cash and Investments	\$ -	7,371,754	\$ 7,371,754
Cash and Investments, Restricted	39,976,548	6,647,814	46,624,362
Receivables, Net:			
Taxes	-	172,727	172,727
Accounts	-	1,382,956	1,382,956
Other	-	449,746	449,746
Due From:			
Other Governments	-	1,172,951	1,172,951
Prepaid Items	-	28,149	28,149
TOTAL ASSETS	\$ 39,976,548	17,226,097	\$ 57,202,645
LIABILITIES			
Accounts Payable	\$ 298,451	225,856	\$ 524,307
Accrued Liabilities	-	338,238	338,238
Assets Held for Others	-	150,000	150,000
Due to Other Funds	1,599,541	4,289,779	5,889,320
Unearned Revenue	-	403,662	403,662
TOTAL LIABILITIES	1,897,992	5,407,535	7,305,527
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	-	977,403	977,403
TOTAL DEFERRED INFLOWS OF RESOURCES	-	977,403	977,403
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,897,992	6,384,938	8,282,930
FUND BALANCES			
Restricted for:			
Public Safety	-	2,802,751	2,802,751
Family Court	-	1,961,415	1,961,415
Victims' Advocate	-	17,715	17,715
Growth Management	-	65,500	65,500
Tourism	-	1,543,884	1,543,884
Health and Welfare	-	1,210,161	1,210,161
Capital Projects	-	3,225,772	3,225,772
Solid Waste Grants	-	1,675	1,675
Other Grants	-	36,585	36,585
Summers Corner Special Assessment District	-	2,122	2,122
Oakbrook Tax Increment Finance District	14,968,904	-	14,968,904
Parks and Recreation Improvements	18,133,682	-	18,133,682
Library Improvements	4,975,970	-	4,975,970
Committed for:			
Recreation	-	559,386	559,386
Economic Development	-	630,381	630,381
Capital Projects	-	408,736	408,736
Unassigned	-	(1,624,924)	(1,624,924)
TOTAL FUND BALANCES	38,078,556	10,841,159	48,919,715
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 39,976,548	17,226,097	\$ 57,202,645

DORCHESTER COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2020

	CAPITAL PROJECT FUNDS	SPECIAL REVENUE FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES			
Taxes	\$ -	12,020,858	\$ 12,020,858
Intergovernmental Revenues:			
Federal	-	1,596,002	1,596,002
State	-	4,307,547	4,307,547
Local	-	1,931,834	1,931,834
Fees and Service Charges:			
Cable Franchise Fees	-	403,277	403,277
Other Miscellaneous Fees	-	429,101	429,101
Judicial Fines and Assessments	-	252,028	252,028
Other Income	136,434	3,396,051	3,532,485
TOTAL REVENUE ALL SOURCES	136,434	24,336,698	24,473,132
EXPENDITURES			
Current:			
General Government	-	6,138,586	6,138,586
Public Safety	-	8,367,520	8,367,520
Health and Welfare	-	11,145	11,145
Recreation and Culture	-	1,359,024	1,359,024
Airport	-	34,780	34,780
Economic Development	-	878,223	878,223
Intergovernmental and Nonprofit Assistance	-	2,030,051	2,030,051
Nondepartmental	-	96,432	96,432
Capital Outlay	1,872,955	4,446,997	6,319,952
Debt Service:			
Principal Retirement	-	349,238	349,238
Interest and Fiscal Charges	663,858	36,496	700,354
TOTAL EXPENDITURES	2,536,813	23,748,492	26,285,305
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,400,379)	588,206	(1,812,173)
OTHER FINANCING SOURCES (USES)			
Premium on Bonds Issued	2,448,983	-	2,448,983
Issuance of General Obligation Bonds	25,000,000	-	25,000,000
Issuance of Limited Obligation Bonds (TIF)	14,465,000	-	14,465,000
Transfers In	-	1,573,780	1,573,780
Transfers Out	(1,435,048)	(321,029)	(1,756,077)
Sale of Capital Assets	-	151,600	151,600
TOTAL OTHER FINANCING SOURCES (USES)	40,478,935	1,404,351	41,883,286
NET CHANGES IN FUND BALANCES	38,078,556	1,992,557	40,071,113
FUND BALANCES, Beginning of Year	-	8,848,602	8,848,602
FUND BALANCES, End of Year	\$ 38,078,556	10,841,159	\$ 48,919,715

DORCHESTER COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECT FUNDS

JUNE 30, 2020

	OAKBROOK TIF FUND	PARKS AND RECREATIONAL FACILITIES FUND	LIBRARY FACILITIES FUND	TOTAL NONMAJOR CAPITAL PROJECT FUNDS
ASSETS				
Cash and Investments, Restricted	\$ 15,236,260	19,763,868	4,976,420	\$ 39,976,548
TOTAL ASSETS	\$ 15,236,260	19,763,868	4,976,420	\$ 39,976,548
LIABILITIES				
Accounts Payable	\$ -	298,451	-	\$ 298,451
Due to Other Funds	267,356	1,331,735	450	1,599,541
TOTAL LIABILITIES	267,356	1,630,186	450	1,897,992
FUND BALANCES				
Restricted for:				
Oakbrook Tax Increment Finance District	14,968,904	-	-	14,968,904
Parks and Recreation Improvements	-	18,133,682	-	18,133,682
Library Improvements	-	-	4,975,970	4,975,970
TOTAL FUND BALANCES	14,968,904	18,133,682	4,975,970	38,078,556
TOTAL LIABILITIES AND FUND BALANCES	\$ 15,236,260	19,763,868	4,976,420	\$ 39,976,548

DORCHESTER COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR CAPITAL PROJECT FUNDS

YEAR ENDED JUNE 30, 2020

	OAKBROOK TIF FUND	PARKS AND RECREATIONAL FACILITIES FUND	LIBRARY FACILITIES FUND	TOTAL NONMAJOR CAPITAL PROJECT FUNDS
REVENUES				
Other Income	\$ 8,435	102,396	25,603	\$ 136,434
TOTAL REVENUE ALL SOURCES	8,435	102,396	25,603	136,434
EXPENDITURES				
Capital Outlay	54,795	1,808,565	9,595	1,872,955
Debt Service:				
Interest and Fiscal Charges	285,518	302,672	75,668	663,858
TOTAL EXPENDITURES	340,313	2,111,237	85,263	2,536,813
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(331,878)	(2,008,841)	(59,660)	(2,400,379)
OTHER FINANCING SOURCES (USES)				
Premium on Bonds Issued	835,782	1,290,561	322,640	2,448,983
Issuance of General Obligation Bonds	-	20,000,000	5,000,000	25,000,000
Issuance of Limited Obligation Bonds (TIF)	14,465,000	-	-	14,465,000
Transfers Out	-	(1,148,038)	(287,010)	(1,435,048)
TOTAL OTHER FINANCING SOURCES (USES)	15,300,782	20,142,523	5,035,630	40,478,935
NET CHANGES IN FUND BALANCES	14,968,904	18,133,682	4,975,970	38,078,556
FUND BALANCES, Beginning of Year	-	-	-	-
FUND BALANCES, End of Year	\$ 14,968,904	18,133,682	4,975,970	\$ 38,078,556

DORCHESTER COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2020

	GRANTS FUND	SHERIFF'S FUND	ECONOMIC DEVELOPMENT	HOSPITALITY TAX FUND
ASSETS				
Cash and Investments	\$ 3,136	-	4,104,890	1,327,200
Cash and Investments, Restricted	36,585	516,102	15,830	-
Receivables, Net:				
Taxes	-	-	-	-
Accounts	-	-	1,033,411	179,146
Other	-	-	-	-
Due From:				
Other Governments	909,874	-	-	-
Prepaid Items	123	-	-	1,578
TOTAL ASSETS	\$ 949,718	516,102	5,154,131	1,507,924
LIABILITIES				
Accounts Payable	\$ 87,536	-	3,000	3,907
Accrued Liabilities	20,612	-	-	1,902
Assets Held for Others	-	-	150,000	-
Due to Other Funds	1,396,756	-	1,546,060	-
Unearned Revenue	-	303,662	100,000	-
TOTAL LIABILITIES	1,504,904	303,662	1,799,060	5,809
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	721,777	-	132,791	-
TOTAL DEFERRED INFLOWS OF RESOURCES	721,777	-	132,791	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	2,226,681	303,662	1,931,851	5,809
FUND BALANCES				
Restricted for:				
Public Safety	-	322,308	-	-
Family Court	-	-	-	-
Victims' Advocate	-	-	-	-
Growth Management	-	-	-	-
Tourism	-	-	-	1,502,115
Health and Welfare	-	-	-	-
Capital Projects	-	-	3,222,280	-
Solid Waste Grants	1,675	-	-	-
Other Grants	36,585	-	-	-
Summers Corner Special Assessment District	-	-	-	-
Committed for:				
Recreation	-	-	-	-
Economic Development	-	-	-	-
Capital Projects	-	-	-	-
Unassigned	(1,315,223)	(109,868)	-	-
TOTAL FUND BALANCES	(1,276,963)	212,440	3,222,280	1,502,115
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 949,718	516,102	5,154,131	1,507,924

FAMILY COURT DSS	E-911	VICTIMS' ADVOCATE	FIRST CIRCUIT SOLICITOR	C-FUNDS
-	166,072	1,003	304,013	\$ -
266,343	-	12,010	-	-
-	-	-	-	-
-	82,067	-	-	-
-	-	9,672	-	-
40,601	-	-	56,963	-
-	163	-	11,687	-
306,944	248,302	22,685	372,663	\$ -
-	955	-	26,243	\$ -
718	1,778	4,970	72,573	-
-	-	-	-	-
-	-	-	360,897	42,656
-	-	-	-	-
718	2,733	4,970	459,713	42,656
-	-	-	-	-
-	-	-	-	-
718	2,733	4,970	459,713	42,656
-	245,569	-	-	-
306,226	-	-	-	-
-	-	17,715	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	(87,050)	(42,656)
306,226	245,569	17,715	(87,050)	(42,656)
306,944	248,302	22,685	372,663	\$ -

DORCHESTER COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2020

	PUBLIC DEFENDER	UPPER DORCHESTER ECONOMIC DEVELOPMENT	CHILDREN IN CRISIS	SENIOR CITIZENS CENTER
ASSETS				
Cash and Investments	\$ -	314,140	-	-
Cash and Investments, Restricted	-	-	-	1,180,531
Receivables, Net:				
Taxes	-	-	11,362	21,589
Accounts	-	-	-	19,612
Other	-	-	-	-
Due From:				
Other Governments	164,795	-	-	-
Prepaid Items	3,193	-	-	-
TOTAL ASSETS	\$ 167,988	314,140	11,362	1,221,732
LIABILITIES				
Accounts Payable	\$ 1,010	-	-	-
Accrued Liabilities	55,961	-	-	-
Assets Held for Others	-	-	-	-
Due to Other Funds	181,144	-	-	-
Unearned Revenue	-	-	-	-
TOTAL LIABILITIES	238,115	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	8,508	16,167
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	8,508	16,167
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	238,115	-	8,508	16,167
FUND BALANCES				
Restricted for:				
Public Safety	-	-	-	-
Family Court	-	-	-	-
Victims' Advocate	-	-	-	-
Growth Management	-	-	-	-
Tourism	-	-	-	-
Health and Welfare	-	-	2,854	1,205,565
Capital Projects	-	-	-	-
Solid Waste Grants	-	-	-	-
Other Grants	-	-	-	-
Summers Corner Special Assessment District	-	-	-	-
Committed for:				
Recreation	-	-	-	-
Economic Development	-	314,140	-	-
Capital Projects	-	-	-	-
Unassigned	(70,127)	-	-	-
TOTAL FUND BALANCES	(70,127)	314,140	2,854	1,205,565
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 167,988	314,140	11,362	1,221,732

RECREATION FUND	FIRE PROTECTION	FIRE IMPROVEMENTS	DORCHESTER COUNTY ECONOMIC DEVELOPMENT CORPORATION	OTHER SPECIAL REVENUE FUND	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
493,419	-	-	247,741	410,140	\$ 7,371,754
3,492	-	2,833,644	-	1,783,277	6,647,814
-	6,634	133,142	-	-	172,727
-	220	-	68,500	-	1,382,956
98,621	-	282,413	-	59,040	449,746
-	-	-	-	718	1,172,951
471	-	3,814	-	7,120	28,149
596,003	6,854	3,253,013	316,241	2,260,295	\$ 17,226,097
28,186	-	28,450	-	46,569	\$ 225,856
4,939	-	174,785	-	-	338,238
-	-	-	-	-	150,000
-	-	762,266	-	-	4,289,779
-	-	-	-	-	403,662
33,125	-	965,501	-	46,569	5,407,535
-	3,425	94,735	-	-	977,403
-	3,425	94,735	-	-	977,403
33,125	3,425	1,060,236	-	46,569	6,384,938
-	3,429	2,192,777	-	38,668	2,802,751
-	-	-	-	1,655,189	1,961,415
-	-	-	-	-	17,715
-	-	-	-	65,500	65,500
-	-	-	-	41,769	1,543,884
-	-	-	-	1,742	1,210,161
3,492	-	-	-	-	3,225,772
-	-	-	-	-	1,675
-	-	-	-	-	36,585
-	-	-	-	2,122	2,122
559,386	-	-	-	-	559,386
-	-	-	316,241	-	630,381
-	-	-	-	408,736	408,736
-	-	-	-	-	(1,624,924)
562,878	3,429	2,192,777	316,241	2,213,726	10,841,159
596,003	6,854	3,253,013	316,241	2,260,295	\$ 17,226,097

DORCHESTER COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2020

	GRANTS FUND	SHERIFF'S FUND	ECONOMIC DEVELOPMENT	HOSPITALITY TAX FUND
REVENUES				
Taxes	\$ -	-	940,746	1,143,657
Intergovernmental Revenues:				
Federal	481,270	(1,040)	696,068	-
State	73,299	-	630,140	-
Local	-	-	-	-
Fees and Service Charges:				
Cable Franchise Fees	-	-	-	-
Other Miscellaneous Fees	-	-	-	-
Judicial Fines and Assessments	-	81,675	-	-
Other Income	96,416	6,358	402,976	-
TOTAL REVENUE ALL SOURCES	650,985	86,993	2,669,930	1,143,657
EXPENDITURES				
Current:				
General Government	829,804	-	275	-
Public Safety	340,535	70,662	-	-
Health and Welfare	11,145	-	-	-
Recreation and Culture	23,886	-	-	205,957
Airport	34,780	-	-	-
Economic Development	-	-	434,371	-
Intergovernmental and Nonprofit Assistance	-	-	-	-
Nondepartmental	-	-	-	-
Capital Outlay	854,066	73,148	1,110,124	43,114
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
TOTAL EXPENDITURES	2,094,216	143,810	1,544,770	249,071
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,443,231)	(56,817)	1,125,160	894,586
OTHER FINANCING SOURCES (USES)				
Transfers In	318,407	-	1,138,583	-
Transfers Out	(6,607)	-	-	-
Sale of Capital Assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	311,800	-	1,138,583	-
NET CHANGES IN FUND BALANCES	(1,131,431)	(56,817)	2,263,743	894,586
FUND BALANCES, Beginning of Year	(145,532)	269,257	958,537	607,529
FUND BALANCES, End of Year	\$ (1,276,963)	212,440	3,222,280	1,502,115

FAMILY COURT DSS	E-911	VICTIMS' ADVOCATE	FIRST CIRCUIT SOLICITOR	C-FUNDS
-	-	-	-	\$ -
75,814	-	-	-	-
139	319,454	1,060	1,266,610	1,670,053
-	-	-	1,542,059	-
-	-	-	-	-
-	421,501	-	-	-
-	-	96,663	73,690	-
3,812	124,299	41	942	-
79,765	865,254	97,764	2,883,301	1,670,053
61,945	-	-	3,124,840	-
-	544,969	187,119	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	8,328	-	-	1,647,012
-	-	-	-	-
-	-	-	-	-
61,945	553,297	187,119	3,124,840	1,647,012
17,820	311,957	(89,355)	(241,539)	23,041
-	-	105,585	-	-
-	-	-	(38,513)	-
-	-	-	-	-
-	-	105,585	(38,513)	-
17,820	311,957	16,230	(280,052)	23,041
288,406	(66,388)	1,485	193,002	(65,697)
306,226	245,569	17,715	(87,050)	\$ (42,656)

DORCHESTER COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2020

	PUBLIC DEFENDER	UPPER DORCHESTER ECONOMIC DEVELOPMENT	CHILDREN IN CRISIS	SENIOR CITIZENS CENTER
REVENUES				
Taxes	\$ -	-	692,356	1,335,121
Intergovernmental Revenues:				
Federal	-	-	-	-
State	11,138	120,122	-	-
Local	-	-	-	-
Fees and Service Charges:				
Cable Franchise Fees	-	-	-	-
Other Miscellaneous Fees	-	-	-	-
Judicial Fines and Assessments	-	-	-	-
Other Income	2,040,020	355	-	5,309
TOTAL REVENUE ALL SOURCES	2,051,158	120,477	692,356	1,340,430
EXPENDITURES				
Current:				
General Government	2,085,447	-	-	-
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Recreation and Culture	-	-	-	-
Airport	-	-	-	-
Economic Development	-	273,501	-	-
Intergovernmental and Nonprofit Assistance	-	-	692,162	1,211,096
Nondepartmental	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
TOTAL EXPENDITURES	2,085,447	273,501	692,162	1,211,096
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(34,289)	(153,024)	194	129,334
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Sale of Capital Assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGES IN FUND BALANCES	(34,289)	(153,024)	194	129,334
FUND BALANCES, Beginning of Year	(35,838)	467,164	2,660	1,076,231
FUND BALANCES, End of Year	\$ (70,127)	314,140	2,854	1,205,565

RECREATION FUND	FIRE PROTECTION	FIRE IMPROVEMENTS	DORCHESTER COUNTY ECONOMIC DEVELOPMENT CORPORATION	OTHER SPECIAL REVENUE FUND	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
-	715,411	7,192,069	-	1,498	\$ 12,020,858
-	-	-	-	343,890	1,596,002
6,581	-	141,936	-	67,015	4,307,547
-	-	337,775	52,000	-	1,931,834
403,277	-	-	-	-	403,277
-	-	-	-	7,600	429,101
-	-	-	-	-	252,028
30,184	-	435,647	249,186	506	3,396,051
440,042	715,411	8,107,427	301,186	420,509	24,336,698
-	-	-	-	36,275	6,138,586
-	712,020	6,512,215	-	-	8,367,520
-	-	-	-	-	11,145
1,129,181	-	-	-	-	1,359,024
-	-	-	-	-	34,780
-	-	-	170,351	-	878,223
-	-	-	-	126,793	2,030,051
-	-	-	-	96,432	96,432
169,901	-	541,304	-	-	4,446,997
-	-	349,238	-	-	349,238
-	-	36,496	-	-	36,496
1,299,082	712,020	7,439,253	170,351	259,500	23,748,492
(859,040)	3,391	668,174	130,835	161,009	588,206
-	-	11,205	-	-	1,573,780
(84,068)	-	(191,841)	-	-	(321,029)
-	-	151,600	-	-	151,600
(84,068)	-	(29,036)	-	-	1,404,351
(943,108)	3,391	639,138	130,835	161,009	1,992,557
1,505,986	38	1,553,639	185,406	2,052,717	8,848,602
562,878	3,429	2,192,777	316,241	2,213,726	\$ 10,841,159

DORCHESTER COUNTY, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - COUNTY BONDS FUND

YEAR ENDED JUNE 30, 2020

	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
REVENUES			
Taxes	\$ 3,885,214	4,118,481	\$ 233,267
Other Income	95,000	120,183	25,183
TOTAL REVENUE ALL SOURCES	3,980,214	4,238,664	258,450
EXPENDITURES			
Debt Service:			
Principal Retirement	4,360,532	4,360,532	-
Interest and Fiscal Charges	1,688,144	1,688,109	35
TOTAL EXPENDITURES	6,048,676	6,048,641	35
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,068,462)	(1,809,977)	258,485
OTHER FINANCING SOURCES (USES)			
Premium on Bonds Issued	1,367,063	-	(1,367,063)
Transfers In	-	1,435,048	1,435,048
TOTAL OTHER FINANCING SOURCES (USES)	1,367,063	1,435,048	67,985
NET CHANGE IN FUND BALANCE	(701,399)	(374,929)	326,470
FUND BALANCE, Beginning of Year	6,228,316	6,228,316	-
FUND BALANCE, End of Year	\$ 5,526,917	5,853,387	\$ 326,470

Note: The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

Note: The final budget included a planned use of fund balance of \$701,399.

DORCHESTER COUNTY, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - HOSPITALITY TAX FUND

YEAR ENDED JUNE 30, 2020

	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
REVENUES			
Taxes	\$ 1,020,000	1,143,657	\$ 123,657
TOTAL REVENUE ALL SOURCES	1,020,000	1,143,657	123,657
EXPENDITURES			
Current:			
Recreation and Culture:			
Personnel Services	213,025	85,437	127,588
Professional Services	14,500	26,932	(12,432)
Rentals and Leases	-	33,453	(33,453)
Insurance	-	-	-
Communications	1,730	388	1,342
Printing and Binding	-	817	(817)
Travel	900	283	617
Supplies	12,200	40,453	(28,253)
Advertising	-	4,794	(4,794)
Books and Periodicals	-	600	(600)
Programs	-	12,000	(12,000)
Other	-	800	(800)
Contingencies	777,645	-	777,645
Total Recreation and Culture	1,020,000	205,957	814,043
Capital Outlay	-	43,114	(43,114)
TOTAL EXPENDITURES	1,020,000	249,071	770,929
NET CHANGE IN FUND BALANCE	-	894,586	894,586
FUND BALANCE, Beginning of Year	607,529	607,529	-
FUND BALANCE, End of Year	\$ 607,529	1,502,115	\$ 894,586

Note: The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

DORCHESTER COUNTY, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - E-911 FUND

YEAR ENDED JUNE 30, 2020

	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
REVENUES			
Intergovernmental Revenues:			
State	\$ 162,628	319,454	\$ 156,826
Fees and Service Charges:			
Other Miscellaneous Fees	451,884	421,501	(30,383)
Other Income	-	124,299	124,299
TOTAL REVENUE ALL SOURCES	614,512	865,254	250,742
EXPENDITURES			
Current:			
Public Safety:			
Personnel Services	74,652	39,505	35,147
Repairs and Maintenance	124,054	112,927	11,127
Communications	393,842	343,597	50,245
Other	9,764	48,940	(39,176)
Total Public Safety	602,312	544,969	57,343
Capital Outlay	12,200	8,328	3,872
TOTAL EXPENDITURES	614,512	553,297	61,215
NET CHANGE IN FUND BALANCE	-	311,957	311,957
FUND BALANCE, Beginning of Year	(66,388)	(66,388)	-
FUND BALANCE, End of Year	\$ (66,388)	245,569	\$ 311,957

Note: The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

DORCHESTER COUNTY, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - VICTIMS' ADVOCATE

YEAR ENDED JUNE 30, 2020

	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
REVENUES			
Intergovernmental Revenues:			
State	\$ 1,332	1,060	\$ (272)
Judicial Fines and Assessments	83,880	96,663	12,783
Other Income	75	41	(34)
TOTAL REVENUE ALL SOURCES	85,287	97,764	12,477
EXPENDITURES			
Current:			
Public Safety:			
Personnel Services	185,257	187,119	(1,862)
Total Public Safety	185,257	187,119	(1,862)
TOTAL EXPENDITURES	185,257	187,119	(1,862)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(99,970)	(89,355)	10,615
OTHER FINANCING SOURCES (USES)			
Transfers In	99,970	105,585	5,615
TOTAL OTHER FINANCING SOURCES (USES)	99,970	105,585	5,615
NET CHANGE IN FUND BALANCE	-	16,230	16,230
FUND BALANCE, Beginning of Year	1,485	1,485	-
FUND BALANCE, End of Year	\$ 1,485	17,715	\$ 16,230

Note: The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

DORCHESTER COUNTY, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - FIRST CIRCUIT SOLICITOR

YEAR ENDED JUNE 30, 2020

	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
REVENUES			
Intergovernmental Revenues:			
State	\$ 1,356,040	1,266,610	\$ (89,430)
Local	1,621,059	1,542,059	(79,000)
Judicial Fines and Assessments	73,690	73,690	-
Other Income	-	942	942
TOTAL REVENUE ALL SOURCES	3,050,789	2,883,301	(167,488)
EXPENDITURES			
Current:			
General Government:			
Personnel Services	2,766,589	2,808,548	(41,959)
Professional Services	19,000	19,350	(350)
Repairs and Maintenance	5,500	6,421	(921)
Rentals and Leases	56,000	41,277	14,723
Insurance	15,000	11,376	3,624
Communications	37,600	31,899	5,701
Printing and Binding	4,700	1,804	2,896
Intergovernmental	12,000	8,505	3,495
Travel	34,000	35,514	(1,514)
Supplies	39,400	35,745	3,655
Utilities	40,000	20,573	19,427
Books and Periodicals	20,000	19,796	204
Direct Assistance	-	82,500	(82,500)
Other	1,000	1,532	(532)
Total General Government	3,050,789	3,124,840	(74,051)
TOTAL EXPENDITURES	3,050,789	3,124,840	(74,051)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(241,539)	(241,539)
OTHER FINANCING SOURCES (USES)			
Transfers Out	-	(38,513)	(38,513)
TOTAL OTHER FINANCING SOURCES (USES)	-	(38,513)	(38,513)
NET CHANGE IN FUND BALANCE	-	(280,052)	(280,052)
FUND BALANCE, Beginning of Year	193,002	193,002	-
FUND BALANCE, End of Year	\$ 193,002	(87,050)	\$ (280,052)

Note: The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

DORCHESTER COUNTY, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - PUBLIC DEFENDER

YEAR ENDED JUNE 30, 2020

	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
REVENUES			
Intergovernmental Revenues:			
State	\$ -	11,138	\$ 11,138
Other Income	2,007,149	2,040,020	32,871
TOTAL REVENUE ALL SOURCES	2,007,149	2,051,158	44,009
EXPENDITURES			
Current:			
General Government:			
Personnel Services	1,952,579	2,039,110	(86,531)
Rentals and Leases	40,200	38,316	1,884
Insurance	10,000	4,251	5,749
Utilities	4,370	3,770	600
Total General Government	2,007,149	2,085,447	(78,298)
TOTAL EXPENDITURES	2,007,149	2,085,447	(78,298)
NET CHANGE IN FUND BALANCE	-	(34,289)	(34,289)
FUND BALANCES, Beginning of Year	(35,838)	(35,838)	-
FUND BALANCES, End of Year	\$ (35,838)	(70,127)	\$ (34,289)

Note: The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

DORCHESTER COUNTY, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - RECREATION FUND

YEAR ENDED JUNE 30, 2020

	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
REVENUES			
Intergovernmental Revenues:			
State	\$ 1,197	6,581	\$ 5,384
Fees and Service Charges:			
Cable Franchise Fees	368,000	403,277	35,277
Other Income	40,000	30,184	(9,816)
TOTAL REVENUE ALL SOURCES	409,197	440,042	30,845
EXPENDITURES			
Current:			
Recreation and Culture:			
Personnel Services	168,458	179,416	(10,958)
Professional Services	26,500	52,151	(25,651)
Repairs and Maintenance	39,271	22,989	16,282
Rentals and Leases	9,325	7,893	1,432
Communications	1,730	1,154	576
Printing and Binding	1,500	476	1,024
Travel	2,512	927	1,585
Supplies	15,500	78,445	(62,945)
Food	1,000	125	875
Medical and Medicine	50	-	50
Membership Dues	755	629	126
Utilities	4,920	3,395	1,525
Advertising	4,000	1,460	2,540
Direct Assistance	-	774,764	(774,764)
Other	133,676	5,357	128,319
Total Recreation and Culture	409,197	1,129,181	(719,984)
Capital Outlay	-	169,901	(169,901)
TOTAL EXPENDITURES	409,197	1,299,082	(889,885)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(859,040)	(859,040)
OTHER FINANCING SOURCES (USES)			
Transfers Out	-	(84,068)	(84,068)
TOTAL OTHER FINANCING SOURCES (USES)	-	(84,068)	(84,068)
NET CHANGE IN FUND BALANCE	-	(943,108)	(943,108)
FUND BALANCE, Beginning of Year	1,505,986	1,505,986	-
FUND BALANCE, End of Year	\$ 1,505,986	562,878	\$ (943,108)

Note: The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

DORCHESTER COUNTY, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - FIRE IMPROVEMENTS FUND

YEAR ENDED JUNE 30, 2020

	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
REVENUES			
Taxes	\$ 6,631,033	7,192,069	\$ 561,036
Intergovernmental Revenues:			
State	32,466	141,936	109,470
Local	232,000	337,775	105,775
Other Income	34,000	435,647	401,647
TOTAL REVENUE ALL SOURCES	6,929,499	8,107,427	1,177,928
EXPENDITURES			
Current:			
Public Safety:			
Personnel Services	5,520,525	5,723,543	(203,018)
Professional Services	6,000	10,495	(4,495)
Repairs and Maintenance	68,000	117,082	(49,082)
Rentals and Leases	3,200	1,995	1,205
Insurance	118,966	117,851	1,115
Communications	82,540	83,167	(627)
Printing and Binding	500	505	(5)
Intergovernmental	1,000	1,495	(495)
Travel	8,000	6,747	1,253
Supplies	104,095	183,693	(79,598)
Food	3,000	1,338	1,662
Utilities	242,500	219,480	23,020
Books and Periodicals	11,000	14,271	(3,271)
Firemen's Assistance	40,000	13,777	26,223
Technical	9,000	8,688	312
Special Programs	3,000	2,789	211
Other	83,880	5,299	78,581
Total Public Safety	6,305,206	6,512,215	(207,009)
Capital Outlay	32,300	541,304	(509,004)
Debt Service:			
Principal Retirement	372,000	349,238	22,762
Interest and Fiscal Charges	36,496	36,496	-
TOTAL EXPENDITURES	6,746,002	7,439,253	(693,251)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	183,497	668,174	484,677
OTHER FINANCING SOURCES (USES)			
Transfers In	-	11,205	11,205
Transfers Out	(183,497)	(191,841)	(8,344)
Sale of Capital Assets	-	151,600	151,600
TOTAL OTHER FINANCING SOURCES (USES)	(183,497)	(29,036)	154,461
NET CHANGE IN FUND BALANCE	-	639,138	639,138
FUND BALANCE, Beginning of Year	1,553,639	1,553,639	-
FUND BALANCE, End of Year	\$ 1,553,639	2,192,777	\$ 639,138

Note: The budgets are presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

DORCHESTER COUNTY, SOUTH CAROLINA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

YEAR ENDED JUNE 30, 2020

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>End of Year</u>
ASSETS				
Cash and Investments	\$ 42,763,387	3,441,484	-	\$ 46,204,871
Taxes Receivable, Net	2,490,238	181,236	-	2,671,474
Due From Other Governments	215,966	-	-	215,966
TOTAL ASSETS	\$ 45,469,591	3,622,720	-	\$ 49,092,311
LIABILITIES				
Assets Held for Others	\$ 45,469,591	3,622,720	-	\$ 49,092,311
TOTAL LIABILITIES	\$ 45,469,591	3,622,720	-	\$ 49,092,311

DORCHESTER COUNTY, SOUTH CAROLINA

UNIFORM SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES (PER ACT 96)

YEAR ENDED JUNE 30, 2020

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected	\$ 773,543	1,559,642	-	\$ 2,333,185
Court fines and assessments remitted to State Treasurer	(598,643)	(733,233)	-	(1,331,876)
Total Court Fines and Assessments retained	174,900	826,409	-	1,001,309
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	20,771	16,606	-	37,377
Assessments retained	3,327	55,959	-	59,286
Total Surcharges and Assessments retained for victim services	\$ 24,098	72,565	-	\$ 96,663

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance	\$ -	1,485	\$ 1,485
Victim Service Revenue:			
Victim Service Fines Retained by City/County Treasurer	-	-	-
Victim Service Assessments Retained by City/County Treasurer	-	59,286	59,286
Victim Service Surcharges Retained by City/County Treasurer	-	37,377	37,377
Interest Earned	-	41	41
Grant Funds Received			
Grant from: South Carolina Public Employee Benefit Authority	-	1,060	1,060
General Funds Transferred to Victim Service Fund	-	105,585	105,585
Contribution Received from Victim Service Contracts:			
(1) Town of	-	-	-
(2) Town of	-	-	-
(3) City of	-	-	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	\$ -	204,834	\$ 204,834
Expenditures for Victim Service Program:	Municipal	County	Total
Salaries and Benefits	\$ -	187,119	\$ 187,119
Operating Expenditures	-	-	-
Victim Service Contract(s):			
(1) Beaufort County Sheriff's Office	-	-	-
(2) Entity's Name	-	-	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter:	-	-	-
(2) Rape Crisis Center:	-	-	-
(3) Other local direct crime victims service agency:	-	-	-
Transferred to General Fund	-	-	-
Total Expenditures from Victim Service Fund/Program (B)	-	187,119	187,119
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	-	17,715	17,715
Less: Prior Year Fund Deficit Repayment	-	-	-
Carryforward Funds – End of Year	\$ -	17,715	\$ 17,715



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STATISTICAL SECTION (UNAUDITED)

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

Contents

Financial Trends Information

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 Information

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

Debt Capacity Information

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

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

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 comprehensive annual financial reports or financial statements for the relevant year.

DORCHESTER COUNTY, SOUTH CAROLINA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(accrual basis of accounting)

UNAUDITED

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities:										
Net Investment In Capital Assets	\$ 80,117,436	84,846,841	83,934,721	68,135,305	77,061,370	90,697,922	92,073,636	103,976,571	37,657,298	\$ 42,547,231
Restricted	7,379,586	6,372,705	9,912,214	27,732,371	24,218,572	15,150,003	39,319,601	47,100,010	55,642,172	65,081,388
Unrestricted	26,424,079	26,077,081	27,149,247	28,604,995	(21,067,847)	(16,018,266)	(18,553,376)	(28,597,323)	(32,037,359)	(36,653,362)
Total Governmental Activities Net Position	\$ 113,921,101	117,296,627	120,996,182	124,472,671	80,212,095	89,829,659	112,839,861	122,479,258	61,262,111	\$ 70,975,257
Business-Type Activities:										
Net Investment In Capital Assets	\$ 82,729,805	94,195,771	94,439,140	103,133,248	110,857,746	116,970,205	131,954,008	141,719,993	154,321,376	\$ 166,214,018
Restricted	-	-	-	17,380,812	18,634,320	20,820,572	16,558,963	15,059,860	16,668,345	19,273,935
Unrestricted	43,017,250	38,211,350	38,897,165	18,763,927	12,980,509	15,020,086	11,918,603	14,476,316	12,909,408	9,575,021
Total Business-Type Activities Net Position	\$ 125,747,055	132,407,121	133,336,305	139,277,987	142,472,575	152,810,863	160,431,574	171,256,169	183,899,129	\$ 195,062,974
County										
Primary Government	\$ 162,847,241	179,042,612	178,373,861	171,268,553	187,919,116	207,668,127	224,027,644	245,696,564	191,978,674	\$ 208,761,249
Net Investment In Capital Assets	7,379,586	6,372,705	9,912,214	45,113,183	42,852,892	35,970,575	55,878,564	62,159,870	72,310,517	84,355,323
Restricted	69,441,329	64,288,431	66,046,412	47,368,922	(8,087,338)	(998,180)	(6,634,773)	(14,121,007)	(19,127,951)	(27,078,341)
Unrestricted	239,668,156	249,703,748	254,332,487	263,750,658	222,684,670	242,640,522	273,271,435	293,735,427	245,161,240	\$ 266,038,231
Total Primary Government Net Position	\$ 239,668,156	249,703,748	254,332,487	263,750,658	222,684,670	242,640,522	273,271,435	293,735,427	245,161,240	\$ 266,038,231

DORCHESTER COUNTY, SOUTH CAROLINA

Table 2

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(accrual basis of accounting)

UNAUDITED

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities										
General Government	\$ 20,016,378	18,291,138	21,911,552	19,861,442	22,424,729	23,886,033	26,662,840	28,454,911	29,925,262	\$ 35,887,658
Public Safety	28,723,843	29,391,010	31,130,513	34,866,977	32,719,023	35,601,493	39,232,125	41,367,732	42,088,535	47,227,872
Roads and Drainage	5,712,611	5,636,111	6,357,715	6,116,543	5,286,855	5,646,460	72,363,350	13,608,969	78,308,048	5,716,211
Health and Welfare	206,355	202,674	222,328	241,831	244,878	241,183	238,746	1,017,901	1,025,696	1,106,028
Recreation and Culture	265,554	28,223	118,776	35,234	110,993	237,200	514,668	313,874	310,336	1,399,509
Airport	199,098	189,454	189,107	275,423	454,663	453,120	496,346	468,790	478,903	603,309
Economic Development	976,421	877,687	4,603,409	849,935	2,356,220	1,899,177	2,021,210	1,705,412	4,235,715	1,579,658
Intergovernmental and nonprofit	2,819,834	3,196,521	3,871,376	3,974,127	3,878,048	3,828,998	3,937,430	3,351,743	4,618,709	5,401,085
Disaster Recovery	-	-	-	-	-	-	1,682,909	485,816	375,362	2,721,745
Nondepartmental	-	-	-	-	-	-	512,367	-	-	-
Interest and fiscal charges	1,133,029	1,210,415	1,415,801	1,492,345	1,534,015	1,506,366	5,029,018	4,834,904	4,859,879	5,458,252
Total Government Activities Expenses	60,053,123	59,023,233	69,820,577	67,713,857	69,009,424	73,300,030	152,691,009	95,610,052	166,226,445	107,101,327
Business-Type Activities										
Water and Sewer	15,467,603	16,575,397	16,822,748	17,828,038	17,912,760	18,230,792	19,636,330	20,509,356	22,607,782	25,368,652
Stormwater	1,328,895	1,363,335	1,436,570	1,395,018	1,465,142	1,492,067	1,934,984	2,004,758	2,093,198	2,319,156
Solid Waste	4,869,123	4,776,820	4,938,151	5,699,231	5,494,895	5,619,162	6,210,952	5,885,165	5,938,070	6,343,772
Total Business-Type Activities Expenses	21,665,621	22,715,552	23,197,469	24,922,287	24,872,797	25,342,021	27,782,266	28,399,279	30,639,050	34,031,580
Total Primary Government Expenses	\$ 81,718,744	81,738,785	93,018,046	92,636,144	93,882,221	98,642,051	180,473,275	124,009,331	196,865,495	\$ 141,132,907
Program Revenues										
Governmental Activities										
Charges for Services:										
General Government	\$ 4,827,628	13,618,989	15,417,364	15,201,871	17,082,183	18,700,504	7,110,898	8,055,719	8,327,296	\$ 8,792,117
Public Safety	5,631,308	1,771,733	1,613,412	1,313,635	1,863,387	1,989,904	7,141,414	7,381,311	6,590,055	8,195,488
Roads and Drainage	27,678	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	402	130	-	-
Recreation and Culture	-	241,848	244,706	325,711	333,555	351,474	8,002	8,480	7,462	7,927
Airport	8,077	-	4,800	-	-	8,894	-	-	-	-
Economic Development	13,800	5,275	4,800	-	10,600	400	-	-	-	-
Operating Grants and Contributions	3,868,556	3,901,811	4,226,485	3,904,055	4,319,845	5,235,052	18,877,510	15,656,681	7,193,336	8,057,070
Capital Grants and Contributions	3,594,251	2,404,556	7,675,100	923,109	2,409,443	1,912,033	9,178,339	5,910,328	6,739,077	10,092,216
Total Governmental Activities Program Revenue:	17,971,298	21,944,212	29,181,867	21,668,381	26,019,013	28,198,261	42,316,565	37,012,649	28,857,226	35,144,818
Business-Type Activities										
Charges For Services:										
Water and Sewer	17,184,591	18,620,545	21,317,601	21,576,438	25,749,039	23,985,721	24,185,944	25,673,345	26,892,036	29,069,859
Stormwater	2,544,175	2,109,013	1,485,120	1,530,622	1,605,836	1,599,545	1,932,013	2,295,949	2,572,321	2,862,790
Solid Waste	6,066,503	5,897,575	5,820,192	5,845,499	6,370,972	5,792,244	6,439,056	6,770,996	6,601,900	7,062,872
Operating Grants and Contributions	48,596	52,141	48,439	607,177	105,592	105,673	191,334	65,497	93,572	87,384
Capital Grants and Contributions	4,667,949	4,692,662	4,514,257	2,520,598	3,219,529	5,405,082	4,029,514	5,670,979	4,339,194	6,441,904
Total Business-Type Activities Program Revenue:	30,511,814	31,371,936	33,185,609	32,080,334	37,050,968	36,888,265	36,777,861	40,476,766	40,499,023	45,524,809
Total Primary Government Program Revenue:	\$ 48,483,112	53,316,148	62,367,476	53,748,715	63,069,981	65,086,526	79,094,426	77,489,415	69,356,249	\$ 80,669,627

(continued)

DORCHESTER COUNTY, SOUTH CAROLINA

Table 2

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(accrual basis of accounting)

UNAUDITED

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense) Revenue	\$ (42,081,825)	(37,079,021)	(40,638,710)	(46,045,476)	(42,990,411)	(45,101,769)	(110,374,444)	(58,597,403)	(137,369,219)	\$ (71,956,509)
Governmental Activities	8,846,193	8,656,384	9,988,140	7,158,047	12,178,171	11,546,244	8,995,595	12,077,487	9,859,973	11,493,229
Business-Type Activities	\$ (33,235,632)	(28,422,637)	(30,650,570)	(38,887,429)	(30,812,240)	(33,555,525)	(101,378,849)	(46,519,916)	(127,509,246)	\$ (60,463,280)
Total Primary Government Net Expense	\$ 37,810,569	36,458,591	40,558,572	42,364,911	42,063,705	45,560,948	47,453,185	48,856,004	51,607,166	\$ 58,071,717
General Revenues and Other Changes in Net Position										
Governmental activities										
Property Taxes	555,720	362,772	367,059	327,164	333,555	351,474	634,424	735,830	1,395,542	1,950,211
Franchise Fees and Hospitality Taxes							16,224,030	16,836,769	17,414,494	18,338,806
Sales and Use Tax	4,244,334	1,973,604	4,208,779	5,530,885	-	7,407,563	5,297,537	5,466,870	5,517,465	5,778,417
Grants and contributions not restricted to specific program:	147,287	-	-	-	3,884,508	-	487,488	884,631	1,648,617	2,083,866
Unrestricted revenue from use of money and property										282,240
Gain on disposition of assets					75,603	-	-	-	-	-
Miscellaneous	148	85,802	-	-	175,302	-	66,008	1,270,117	354,918	882,153
Investment Income						96,882	-	-	-	-
Transfers	1,450,585	1,573,778	(636,765)	1,299,005	1,334,230	1,302,466	3,178,869	895,273	(1,786,130)	683,848
Total Governmental Activities	44,208,643	40,454,547	44,497,645	49,521,965	47,866,903	54,719,333	73,341,541	74,945,494	76,152,072	88,071,258
Business-Type Activities										
Unrestricted revenue from use of money and property	164,645	112,743	-	-	-	-	103,170	128,211	220,068	252,180
Miscellaneous									667,000	22,433
Investment Income	43,421	45,496	86,410	30,247	50,328	94,510	-	-	-	-
Gain on disposition of assets	(1,450,585)	(1,573,778)	636,765	(1,299,005)	(1,334,230)	(1,302,466)	(3,178,869)	(895,273)	109,789	79,851
Transfers									1,786,130	(683,848)
Total Business-Type Activities	(1,242,519)	(1,415,539)	834,854	(1,216,365)	(1,283,902)	(1,207,956)	(3,007,998)	(279,907)	2,782,987	(329,384)
Total primary government	\$ 42,966,124	39,039,008	45,332,499	48,305,600	46,583,001	53,511,377	70,333,543	74,665,587	78,935,059	\$ 87,741,874
Change in Net Position										
Governmental Activities	\$ 2,126,818	3,375,526	3,858,935	3,476,489	4,876,492	9,617,564	(37,032,903)	16,348,091	(61,217,147)	\$ 16,114,749
Business-Type Activities	7,603,674	7,240,845	10,822,994	5,941,682	10,894,269	10,338,288	5,987,597	11,797,580	12,642,960	11,163,845
Total Primary Government	\$ 9,730,492	10,616,371	14,681,929	9,418,171	15,770,761	19,955,852	(31,045,306)	28,145,671	(48,574,187)	\$ 27,278,594

DORCHESTER COUNTY, SOUTH CAROLINA
FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

UNAUDITED

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ 291,055	270,837	291,602	295,392	545,846	175,150	218,763	510,299	611,510	\$ 2,146,331
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	3,767,568	3,780,688	3,799,711	1,304,804	3,965,900	3,988,014	3,154,772	5,825,950	5,310,010	3,740,193
Assigned	1,649,658	2,337,233	2,554,765	1,544,094	566,542	1,167,793	1,202,514	1,915,702	1,453,270	1,266,877
Unassigned	13,258,918	12,681,078	14,445,084	15,138,578	17,140,840	19,174,747	22,800,202	21,552,775	23,063,282	24,386,779
Total General Fund	\$ 18,967,199	19,069,836	21,091,162	18,282,868	22,219,128	24,505,704	27,376,251	29,804,726	30,438,072	\$ 31,540,180
All Other Governmental Funds										
Nonspendable	\$ 142,650	105,150	105,150	4,583	251,532	4,042	174,415	152,046	-	\$ -
Restricted	11,825,798	7,488,836	28,733,579	27,732,371	24,218,572	15,161,003	34,510,714	42,659,166	64,212,565	110,584,391
Committed	9,071,599	15,126,341	9,475,595	8,970,109	7,400,381	8,943,633	6,288,134	4,669,456	5,965,146	5,722,264
Assigned	1,640,133	-	323,308	-	-	-	-	-	-	-
Unassigned	(1,102,198)	(307,818)	(435,900)	(2,123,327)	(1,989,176)	(250,581)	(257,213)	(1,228,919)	(709,187)	(1,624,924)
Total All Other Governmental Funds	\$ 21,577,982	22,412,509	38,201,732	34,583,736	29,881,309	23,858,097	40,716,050	46,251,749	69,468,524	\$ 114,681,731

DORCHESTER COUNTY, SOUTH CAROLINA

Table 4

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

UNAUDITED

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Property Taxes	\$ 38,095,316	38,576,035	40,595,172	42,306,300	42,206,478	45,603,856	63,325,356	65,715,121	69,382,696	\$ 77,667,174
Licenses, Fines and Permits	3,712,414	3,536,872	3,735,393	3,922,050	4,789,935	4,538,839	4,336,157	3,042,700	3,086,240	4,180,763
Charges for Services	6,093,668	6,426,454	6,795,920	6,921,012	7,527,433	8,380,831	9,362,446	11,064,462	10,995,193	11,019,596
Inergovernmental	9,467,596	10,829,324	16,763,652	9,700,574	15,315,012	13,195,675	25,601,351	22,312,579	18,522,033	19,856,440
Other Income	364,307	1,711,674	2,261,812	1,400,609	2,271,365	3,419,154	6,072,083	5,561,463	5,632,799	5,750,688
Total Revenues	57,733,301	61,080,359	70,151,949	64,250,545	72,110,223	75,135,355	108,697,393	107,696,325	107,618,961	118,474,661
Expenditures										
General Government	18,802,048	18,579,997	23,009,713	19,441,018	21,920,805	22,479,433	27,276,393	25,757,179	28,641,970	27,836,154
Public Safety	26,142,414	27,209,316	29,025,905	32,650,690	30,162,858	33,225,811	34,991,866	35,311,816	36,893,632	40,955,191
Public Works	2,216,668	2,115,283	2,783,891	2,439,988	2,112,544	2,348,247	2,252,331	2,469,416	3,357,025	2,853,959
Health and Welfare	199,254	201,362	221,016	240,519	244,222	241,183	228,921	987,643	990,399	1,060,578
Culture and Recreation	265,554	28,223	118,776	35,234	110,675	236,896	111,186	342,646	294,022	1,359,024
Inergovernmental and nonprofit assistance	2,779,396	3,157,070	3,832,118	3,934,869	3,836,042	3,786,196	3,895,399	3,309,661	4,576,932	5,325,765
Disaster Recovery	-	-	-	-	-	-	1,682,909	485,816	375,362	2,721,745
Non-Departmental	530,390	667,029	481,074	1,736,818	1,062,342	758,228	512,367	956,487	860,071	972,040
Capital Outlay	5,166,063	7,471,886	9,009,636	7,451,746	17,156,290	12,188,154	20,719,795	20,844,025	13,606,299	19,697,562
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal	1,913,909	2,532,756	2,293,868	3,075,557	2,971,114	3,669,800	8,945,476	8,931,777	9,288,982	11,225,943
Interest and Fiscal Charges	1,140,697	1,316,827	1,413,767	1,497,337	1,524,646	1,529,555	5,046,459	4,834,393	4,806,051	5,449,659
Payment to Refund Bond Escrow	-	-	-	-	-	-	-	-	-	3,231,478
Total Expenditures	59,156,393	63,279,749	72,189,764	72,503,776	81,101,538	80,463,503	105,663,102	104,230,859	106,922,223	119,457,620
Excess of Revenues Over (Under) Expenditures	(1,423,092)	(2,199,390)	(2,037,815)	(8,253,231)	(8,991,315)	(5,328,148)	3,034,291	3,465,466	696,738	(982,959)
Other Financing Sources (Uses)										
Transfers In	9,003,379	5,887,277	5,387,996	6,694,307	3,190,512	4,326,084	5,597,755	7,188,271	22,810,874	9,179,866
Transfers Out	(7,552,794)	(4,313,499)	(6,024,761)	(5,395,302)	(1,856,282)	(2,845,382)	(2,418,886)	(6,292,998)	(20,774,731)	(5,466,435)
Sale of Capital Assets	296,269	87,378	276,510	489,101	336,863	58,638	257,253	90,199	168,754	256,119
Insurance proceeds	1,237,000	72,932	17,166	38,835	-	52,172	348,177	221,236	205,107	154,464
Capital lease proceeds	2,882,554	52,466	1,315,762	-	2,514,055	-	-	3,292,000	-	1,260,277
Issuance of Bonds	5,000,000	1,350,000	28,617,065	-	4,040,000	-	-	-	19,030,000	39,465,000
Payments to refund general obligation bond	(2,568,664)	-	(9,741,374)	-	-	-	-	-	-	-
Premium on issuance of debt	-	-	-	-	-	-	-	-	1,713,379	2,448,983
Total Other Financing Sources (Uses)	7,061,981	3,136,554	19,848,364	1,826,941	8,225,148	1,591,512	3,784,299	4,498,708	23,153,383	47,298,274
Net Change in Fund Balances	\$ 5,638,889	937,164	17,810,549	(6,426,290)	(766,167)	(3,736,636)	6,818,590	7,964,174	23,850,121	\$ 46,315,315
Debt Service as a Percentage of Noncapital Expenditures	5.66%	6.90%	5.87%	7.03%	7.03%	7.62%	15.03%	14.91%	18.17%	15.76%

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

UNAUDITED

Fiscal Year Ended June 30	Property Tax	Sales Tax	Hospitality Tax	Total
2011	\$ 37,810,569	9,817,880	-	\$ 47,628,449
2012	36,458,591	10,356,875	-	46,815,466
2013	40,558,572	10,867,238	-	51,425,810
2014	42,364,911	11,945,213	-	54,310,124
2015	42,063,705	13,045,978	-	55,109,683
2016	45,560,948	15,128,857	-	60,689,805
2017	47,101,326	16,224,030	-	63,325,356
2018	49,041,116	16,674,005	-	65,715,121
2019	51,425,426	17,349,741	607,529	69,382,696
2020	\$ 58,121,506	18,402,011	1,143,657	\$ 77,667,174

Source: Dorchester County Treasurer

DORCHESTER COUNTY, SOUTH CAROLINA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	Real Property ^		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
2011	\$ 232,088,420	152,708,580	43,201,312	70,919,359	6,934,100	\$ 491,983,571	0.0919	\$ 9,871,241,362	4.98%
2012	235,014,120	156,073,470	47,741,503	68,831,015	6,520,490	501,139,618	0.0919	10,057,534,031	4.98%
2013	237,450,480	157,859,970	52,980,226	70,068,167	8,122,640	510,236,203	0.0919	10,230,961,301	4.99%
2014	242,871,661	158,149,880	56,144,419	69,325,461	7,664,610	518,826,811	0.0941	10,424,958,992	4.98%
2015	249,383,731	156,629,160	61,233,413	69,539,321	7,501,820	529,283,805	0.0943	10,648,393,908	4.97%
2016	247,764,800	166,034,160	65,689,382	71,866,290	7,836,140	543,518,492	0.0988	10,856,593,273	5.01%
2017	258,088,630	169,548,000	69,126,712	77,304,139	7,116,040	566,951,441	0.0994	11,303,806,612	5.02%
2018	270,589,850	171,123,720	67,487,536	79,501,975	5,646,770	583,056,311	0.0994	11,643,814,763	5.01%
2019	284,748,990	178,374,370	66,846,342	84,257,983	6,191,700	608,035,985	0.0994	12,154,523,924	5.00%
2020	\$ 323,292,040	199,137,250	69,733,292	95,581,721	6,076,670	\$ 681,667,633	0.1005	\$ 13,640,165,782	5.00%

^ Real Property Assessments do not include exemptions.

Source: Dorchester County Auditor

**DORCHESTER COUNTY, SOUTH CAROLINA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**

LAST TEN FISCAL YEARS

UNAUDITED

		County									
Fiscal Year	General	Capital	Debt	TTC	Library	Children in Crisis	Senior Center	Fire	Fire Capital	Total Direct Rate	
2011	0.0502	0.0070	0.0043	0.0035	0.0050	0.0010	0.0019	0.0150	0.0040	0.0919	
2012	0.0502	0.0070	0.0043	0.0035	0.0050	0.0010	0.0019	0.0150	0.0040	0.0919	
2013	0.0502	0.0070	0.0043	0.0035	0.0050	0.0010	0.0019	0.0150	0.0040	0.0919	
2014	0.0502	0.0070	0.0065	0.0035	0.0050	0.0010	0.0019	0.0150	0.0040	0.0941	
2015	0.0502	0.0070	0.0065	0.0035	0.0052	0.0010	0.0019	0.0150	0.0040	0.0943	
2016	0.0550	0.0070	0.0062	0.0035	0.0052	0.0010	0.0019	0.0150	0.0040	0.0988	
2017	0.0550	0.0070	0.0062	0.0035	0.0058	0.0010	0.0019	0.0150	0.0040	0.0994	
2018	0.0550	0.0070	0.0062	0.0035	0.0058	0.0010	0.0019	0.0150	0.0040	0.0994	
2019	0.0561	0.0070	0.0062	0.0035	0.0058	0.0010	0.0019	0.0150	0.0040	0.1005	
2020	0.0549	0.0068	0.0059	0.0033	0.0055	0.0010	0.0019	0.0172	0.0040	0.1005	

Source: Dorchester County Auditor

Note: Millage rates above are per \$100 of assessed value

(Continued)

DORCHESTER COUNTY, SOUTH CAROLINA
 PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

UNAUDITED

Overlapping Rates (Continued)

Fiscal Year	School Districts										Total Direct & Overlapping Rates
	DD2 Op	DD2 Debt	Voc Oper	DD4 Op	DD4 Debt	Voc Oper	Total School District Millage				
2011	0.1686	0.0360	0.0093	0.2387	0.0280	0.0093	0.4899			0.5818	
2012	0.1686	0.0360	0.0093	0.2302	0.0280	0.0093	0.4814			0.5733	
2013	0.1686	0.0360	0.0093	0.2200	0.0280	0.0093	0.4712			0.5631	
2014	0.1686	0.0460	0.0093	0.2200	0.0280	0.0093	0.4812			0.5753	
2015	0.1686	0.0530	0.0093	0.2200	0.0280	0.0093	0.4882			0.5825	
2016	0.1699	0.0530	0.0093	0.2150	0.0280	0.0093	0.4845			0.5833	
2017	0.1699	0.0530	0.0093	0.2150	0.0280	0.0093	0.4845			0.5839	
2018	0.1736	0.0530	0.0093	0.2150	0.0280	0.0093	0.4882			0.5876	
2019	0.1736	0.0530	0.0093	0.2150	0.0280	0.0093	0.4882			0.5887	
2020	0.1836	0.0530	0.0092	0.2100	0.0280	0.0092	0.4930			0.5935	

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

UNAUDITED

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Dominion Energy (Formerly SCE&G)	\$ 20,453,690	1	3.00%	\$ 11,217,880	1	2.28%
Showa Denko Carbon Inc.	19,035,810	2	2.79%	4,887,270	5	0.99%
Robert Bosch LLC	10,833,440	3	1.59%	10,283,800	2	2.09%
Argos Cement LLC	6,897,080	4	1.01%			
Norfolk Southern Railway Co	4,575,500	5	0.67%			
Giant Cement Co	3,373,170	6	0.49%	6,420,070	3	1.30%
Latitude at Wescott Investments	1,867,500	7	0.27%			
Time Warner Cable Southeast LLC	1,763,100	8	0.26%			
Trident Medical Center LLC	1,733,960	9	0.25%	1,331,920	9	0.27%
Time Warner Cable Southeast LLC	1,639,210	10	0.24%			
LaFarge Building Materials, Inc.				5,449,440	4	1.11%
Charleston-J CHAS MSA				3,229,870	6	0.66%
Bellsouth Telecommunications				2,711,770	7	0.55%
Kapstone Charleston Kraft LLC				1,612,400	8	0.33%
Edisto Electric Coop Inc.				1,261,270	10	0.26%
Total	<u>\$ 72,172,460</u>		<u>10.59%</u>	<u>\$ 48,405,690</u>		<u>9.84%</u>

Source: Dorchester County Auditor

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN TAX LEVY YEARS

UNAUDITED

Tax Levy Year Ended June 30	Total Tax Levy for Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount (2)	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 30,256,990	\$ 28,679,540	94.8%	\$ 1,839,683	\$ 30,519,223	100.9%
2011	30,820,087	29,434,165	95.5%	1,591,794	31,025,959	100.7%
2012	31,379,527	30,165,665	96.1%	1,761,348	31,927,012	101.7%
2013	33,049,268	31,925,907	96.6%	1,417,765	33,343,672	100.9%
2014	33,715,378	32,667,544	96.9%	1,355,541	34,023,085	100.9%
2015	37,067,961	35,609,309	96.1%	1,475,835	37,085,144	100.0%
2016	38,666,088	37,127,741	96.0%	1,630,268	38,758,009	100.2%
2017	39,764,440	38,514,748	96.9%	1,454,441	39,969,189	100.5%
2018	42,136,894	40,613,787	96.4%	1,618,017	42,231,804	100.2%
2019	\$ 46,080,732	\$ 44,733,958	97.1%	\$ -	\$ 44,733,958	97.1%

(1) The levy for any given fiscal year is based on the assessed values from the tax rolls of the preceding calendar year. The taxes included in this table are for general operations, capital improvements and County bonds.

(2) All vehicle collections are shown in the fiscal year collected, regardless of levy year. The only taxes shown as collections in subsequent years are taxes collected on real property.

Source: Dorchester County Auditor and Dorchester County Treasurer

DORCHESTER COUNTY, SOUTH CAROLINA

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year	Governmental Activities			Business Type Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Financing Lease - Notes Payable	Limited Obligation Bonds	Water/Sewer Revenue Bonds	Water/Sewer Capital Leases	Water/Sewer Notes Payable	Water/Sewer Revenue Bonds			
2011	\$ 24,499,111	3,363,027	-	71,459,479	-	-	71,459,479	\$ 101,660,497	2.19%	\$ 726
2012	24,105,236	2,875,599	-	69,155,341	245,589	-	69,155,341	98,480,058	2.07%	691
2013	41,648,342	3,343,729	-	70,489,753	187,712	-	70,489,753	117,514,010	2.43%	809
2014	39,707,418	2,675,628	-	68,480,771	127,549	-	68,480,771	112,568,061	3.08%	758
2015	41,784,084	4,452,463	-	64,915,270	65,035	-	64,915,270	112,511,041	2.92%	738
2016	39,498,844	3,324,866	-	61,468,766	-	-	61,468,766	105,288,622	2.60%	685
2017	121,400,675 *	2,186,364	-	54,182,091	-	5,223,007	54,182,091	183,673,846	4.30%	1,174
2018	113,353,516 *	4,612,416	-	53,143,388	-	4,761,701	53,143,388	176,233,256	3.83%	1,097
2019	121,034,180 *	3,506,654	-	49,798,827	-	5,007,197	49,798,827	179,346,858	3.90%	1,116
2020	\$ 137,167,188 *	3,701,520	15,297,630	46,270,134	-	6,883,313	46,270,134	\$ 209,319,785	4.20%	\$ 1,255

(1) See Table 14 for personal income and population data.

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

* The Dorchester County Transportation Authority was reported in prior years as a discretely presented component unit, however based on their governance, it was determined that they would be reported as part of the primary government's governmental activities in FY2017. Therefore, their outstanding principal on referendum approved General Obligation Bonds is reflected in the above figure.

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2011	\$ 24,499,111	(654,422)	\$ 25,153,533	0.25%	\$ 180
2012	24,105,236	(411,399)	24,516,635	0.24%	172
2013	41,648,342	261,026	41,387,316	0.40%	285
2014	39,707,418	297,745	39,409,673	0.38%	265
2015	41,784,084	451,185	41,332,899	0.39%	271
2016	39,498,844	92,031	39,406,813	0.36%	256
2017	121,400,675 *	3,140,297	118,260,378	1.05%	756
2018	113,353,516 *	3,519,132	109,834,384	0.94%	684
2019	121,034,180 *	5,428,877	115,605,303	0.95%	720
2020	\$ 137,167,188 *	3,608,316	\$ 133,558,872	0.98%	\$ 801

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

- (1) See Table 6 for property value data.
- (2) Population data can be found on Table 15.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

YEAR ENDED JUNE 30, 2020

UNAUDITED

	<u>Governmental Activities Debt</u>	<u>Applicable to County Taxpayers</u>	<u>Taxpayers Share of Debt</u>
Direct			
County	\$ 156,166,338 ¹	100%	\$ 156,166,338
Overlapping			
School District #2	321,752,797	100%	321,752,797
School District #4	12,915,861	100%	12,915,861
Town of Summerville	28,603,320	78%	22,310,590
City of North Charleston	237,416,894	14%	33,238,365
Total Overlapping Debt	<u>600,688,872</u>		<u>390,217,613</u>
Total Direct and Overlapping Debt	<u>\$ 756,855,210</u>		<u>\$ 546,383,951</u>

Source: Contact with each entity in the county, requesting information.

¹Net debt outstanding for the County is all general long-term debt (excluding accrued vacation benefits).

DORCHESTER COUNTY, SOUTH CAROLINA

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

UNAUDITED

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 39,358,686	40,091,169	40,818,896	41,710,796	42,448,581	43,583,540	45,115,800	45,930,967	48,642,879	\$ 54,533,411
Total net debt applicable to limit	19,499,111	19,209,594	36,924,158	39,319,601	37,425,357	35,334,768	32,829,521	30,670,000	44,455,000	40,325,000
Legal debt margin	\$ 19,859,575	20,881,575	3,894,738	2,391,195	5,023,224	8,248,772	12,286,279	15,260,967	4,187,879	\$ 14,208,411
Total net debt applicable to the limit as a percentage of debt limit	49.54%	47.91%	90.46%	94.27%	88.17%	81.07%	72.77%	66.77%	91.39%	73.95%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value	\$ 681,667,633
Debt limit (8% of total assessed value)	54,533,411
Debt applicable to limit: General obligation bonds	40,325,000
Legal debt margin	\$ 14,208,411

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year	Water and Sewer Revenue Bonds						Coverage	
	Charges and Other Revenues	(1)	Less: Operating Expenses	(2)	Net Available Revenue	Debt Service		
						Principal		Interest
2011	\$ 16,320,361		8,765,226		7,555,135	2,563,697	\$ 2,586,756	1.47
2012	17,419,761		9,030,163		8,389,598	2,759,547	3,092,121	1.43
2013	17,779,769		10,637,441		7,142,328	2,831,719	2,009,248	1.48
2014	19,166,155		11,504,750		7,661,405	3,347,615	1,964,249	1.44
2015	19,651,915		11,447,522		8,204,393	3,524,459	1,784,886	1.55
2016	20,766,525		11,369,472		9,397,053	3,648,119	1,847,550	1.71
2017	21,750,557		12,357,589		9,392,968	3,724,461	1,797,625	1.70
2018	22,360,182		13,038,421		9,321,761	3,259,383	2,127,654	1.73
2019	23,240,536		14,870,350		8,370,186	3,069,154	1,959,591	1.66
2020	\$ 25,366,220		17,246,735		8,119,485	3,253,286	\$ 1,840,957	1.59

- (1) Total operating revenues plus interest income
- (2) Total operating expenses less depreciation

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year	(1) Population	(2) Personal Income	(2) Per Capita Personal Income	(3) Unemployment Rate
2011	140,072	\$ 4,636,663,344	\$ 33,102	9.0%
2012	142,466	4,760,073,992	33,412	7.8%
2013	145,310	4,832,865,290	33,259	6.6%
2014	148,499	3,657,975,867	24,633	5.8%
2015	152,536	3,847,415,528	25,223	5.5%
2016	153,773	4,042,384,624	26,288	4.4%
2017	156,456	4,273,908,552	27,317	3.4%
2018	160,647	4,596,753,258	28,614	2.5%
2019	161,775	4,873,957,200	30,128	2.8%
2020	166,780	\$ 4,978,883,340	\$ 29,853	8.7%

Source:

- (1) South Carolina Revenue and Fiscal Affairs Office
- (2) U.S. Department of Commerce, Bureau of the Census
- (3) U.S. Bureau of Labor and Statistics

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

UNAUDITED

Employer	2020			2011		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Robert Bosch Corporation	1,620	1	33.88%	2,400	1	39.41%
iQor	510	2	10.67%	460	5	7.55%
Scout Boats, Inc.	383	3	8.01%	180	9	2.96%
ZF (Formerly WABCO)	325	4	6.80%			0.00%
Sportsman Boats Manufacturing	320	5	6.69%			0.00%
Showa Denko Carbon, Inc.	269	6	5.63%	230	6	3.78%
Key West Boats, Inc.	242	7	5.06%			0.00%
KapStone Paper and Packaging Corp.	242	7	5.06%	130	10	2.13%
Knight's Companies	231	8	4.83%	220	7	3.61%
KION Linde Material Handling NA	215	9	4.50%	200	8	3.28%
The Bid Group/Comact USA	215	9	4.50%			0.00%
Giant Cement Holdings, Inc.	209	10	4.37%	1,050	2	17.24%
InterContinental Hotels Group				650	3	10.67%
CAT Reman Powertrain Services				570	4	9.36%
Total	4,781		100.00%	6,090		100.00%

Source: Dorchester County Economic Development

DORCHESTER COUNTY, SOUTH CAROLINA

Table 17

FULL TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

UNAUDITED

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Administrator	4.5	4.0	4.0	6.0	7.0	8.0	8.0	7.0	7.0	8.0
Animal Control	0.0	0.0	0.0	0.0	0.0	5.0	6.0	0.0	0.0	0.0
Assessor	20.0	20.0	20.0	20.0	20.0	20.0	20.5	21.5	22.0	22.0
Attorney	0.0	0.0	0.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0
Auditor	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	13.0	14.0
Building Services	9.0	9.0	9.0	9.0	9.0	10.0	10.0	10.0	10.0	12.0
Business Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.5	13.0	15.0
Codes Enforcement	7.0	7.0	7.0	7.0	7.0	0.0	0.0	0.0	0.0	0.0
County Council	9.0	9.5	8.5	8.5	8.0	8.0	8.0	8.0	8.0	8.0
Delinquent Tax Collector	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.0
Elections and Voter Registration	6.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Facilities & Grounds Maintenance	29.0	29.0	30.5	31.5	31.5	31.5	31.5	33.5	33.0	33.0
Finance	8.0	8.0	8.0	8.0	7.0	7.5	7.5	0.0	0.0	0.0
Fleet Services	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	12.0	12.0
Human Resources	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0
Information Technology	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Planning & Zoning	5.0	7.0	7.0	7.0	8.0	10.0	10.0	7.0	7.0	8.0
Purchasing	3.0	3.0	3.0	3.0	3.0	2.5	2.5	0.0	0.0	0.0
Register of Deeds	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Risk Management & Safety	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Treasurer	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5
Judicial										
Clerk of Court	11.0	11.0	11.0	11.0	11.0	11.0	10.5	10.5	10.5	10.5
Family Court	11.0	11.0	11.5	11.5	11.5	11.5	12.5	12.5	12.5	12.5
Magistrates	24.0	19.0	19.5	19.5	20.0	20.0	20.0	19.5	19.5	19.5
Master-in-Equity	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Probate Court	6.5	6.5	6.5	6.5	6.5	7.0	7.0	7.5	7.5	8.0
Public Safety										
Communications Support	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Coroner	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.5	5.5
Detention	71.5	70.5	70.0	70.0	74.0	102.0	102.0	102.0	102.0	102.0

(Continued)

DORCHESTER COUNTY, SOUTH CAROLINA

Table 17

FULL TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

UNAUDITED

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
E911	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Emergency Management	2.5	2.0	2.5	2.5	3.0	3.0	3.0	3.0	3.0	3.0
Emergency Medical Services	66.0	66.0	66.0	74.0	74.0	90.0	90.0	90.5	94.5	98.5
Fire Department	1.0	12.0	26.5	26.5	26.5	26.5	49.5	49.5	82.0	94.0
Sheriff	163.0	175.0	181.0	187.5	187.5	195.0	197.0	196.5	208.5	213.0
Victims Advocate	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Public Works										
Airport Operations	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Road Maintenance	46.0	48.0	48.0	48.0	47.0	47.0	47.0	47.0	44.0	45.0
Health and Welfare										
Neighborhood Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.0	10.0	10.0
Veteran's Affairs	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Economic Development										
Economic Development	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0
Culture and Recreation										
Hospitality Tax - Administrator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Recreation	0.0	0.0	0.0	1.0	1.0	1.0	1.0	2.0	2.5	2.5
Water & Sewer										
Water & Sewer	69.0	77.0	78.0	78.0	79.0	80.0	84.5	89.0	92.0	96.0
Stormwater Utility										
Stormwater Utility	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	21.0	23.0
Solid Waste										
Solid Waste	36.0	36.0	36.0	36.0	37.0	38.0	38.0	38.5	38.5	38.5
Total	719.00	747.00	771.00	792.50	799.00	855.00	886.50	900.00	950.00	985.50

Source: Dorchester County Business Services - Budget & Revenue Division

DORCHESTER COUNTY, SOUTH CAROLINA

Table 18

OPERATING INDICATORS

LAST TEN FISCAL YEARS

UNAUDITED

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General										
Number of building permits	346	320	398	383	564	479	502	417	473	753
Coroner										
Calls for service*	539	503	639	729	813	907	892	856	863	1,046
Sheriff										
Calls for service*	115,073	143,007	138,992	138,137	133,489	113,747	105,398	101,100	105,596	106,882
EMS										
Calls for service	14,189	14,697	15,308	15,840	17,595	19,038	19,901	20,033	21,352	21,836
Fire										
Number of calls answered	-	-	425	1,576	1,498	1,434	1,561	4,568	4,749	4,658
Number of inspections conducted	-	-	38	142	216	328	527	1,251	1,295	1,162
Number of investigations conducted	-	-	6	7	9	8	11	18	17	32
Number of customers										
Retail - Water	7,832	7,972	8,148	8,292	8,478	8,655	9,090	9,539	9,821	10,135
Retail - Sewer	22,109	22,701	23,254	23,894	24,518	25,204	26,087	26,969	28,040	28,657
Sales/Usage in Millions of Gallons										
Retail Average Monthly Water Usage	1.86	1.95	1.87	2.34	2.27	2.43	2.65	2.87	2.37	3.12
Wholesale Average Monthly Water Usage	-	-	-	-	-	-	-	-	-	-
Total Average Monthly Water Usage	1.86	1.95	1.87	2.34	2.27	2.43	2.65	2.87	2.37	3.12
Retail Gallons Sold - Water **	597	624	604	607	635	644	688	690	712	790
Wholesale Gallons Sold - Water	-	-	-	-	-	-	-	-	-	-
Total Gallons Sold - Water	597	624	604	607	635	644	688	690	712	790
Retail Gallons Sold - Sewer **	3,327	3,654	3,093	3,059	3,277	3,016	3,118	3,138	3,330	3,647
Wholesale Gallons Sold - Sewer	-	-	-	-	-	-	-	-	-	-
Total Gallons Sold - Sewer	3,327	3,654	3,093	3,059	3,277	3,016	3,118	3,138	3,330	3,647

* These figures are as of December 1, 2020

** Figures in 1 million gallons

Source:

Dorchester County Building Services, Dorchester County Emergency Medical Services, Dorchester County Sheriff's Office, Dorchester County Fire-Rescue, and Dorchester County Water & Sewer

Dorchester County Coroner and Sheriff's Office data based on calendar year as this is how crime is reported nationally.

Dorchester County Fire-Rescue Department was not established until 2013, therefore information is not available prior to this year.

All sewer usage is commercial only - do not calculate residential sewer usage.

DORCHESTER COUNTY, SOUTH CAROLINA

Table 19

CAPITAL ASSET STATISTICS

LAST TEN FISCAL YEARS

UNAUDITED

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public safety										
EMS stations	7	7	7	7	7	7	7	7	7	7
Fire stations	0	11	11	11	12	12	14	16	17	17
Sheriff vehicles	157	149	168	167	168	176	178	190	204	211
Sheriff stations (including substations)	2	2	2	2	2	2	2	2	2	2
Highways & Streets										
County maintained paved roads (miles)	349	353	362	365	365	372	374	375	382	384
County maintained unpaved roads (miles)	89	85	77	76	76	70	70	69	57	56
Recreation										
Parks open to the public	2	2	2	2	2	2	2	3	3	4
Parklands open to the public	77.9	77.9	77.9	77.9	77.9	77.9	77.9	77.9	77.9	131.2
Parklands owned by the County for future development	400.4	400.4	491.5	491.5	491.5	491.5	495.5	613.0	620.0	620.0

Source:

EMS information provided by the County Emergency Medical Services Department

Fire information provided by the County Fire Department. DCFR was not established until 2013, therefore information is not available prior to this year.

Police information provided by the County Sheriff's Office.

Recreation information provided by County Recreation in terms of acreage. County Recreation was not established until 2011, therefore information is not available prior to this year.



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COMPLIANCE SECTION

DORCHESTER COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2020

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Share Expenditures
U.S. DEPARTMENT OF COMMERCE			
Direct Program:			
Investments for Public Works and Economic Development Facilities / Public Works Program	11.300	04-01-07223	\$ 612,232
TOTAL US DEPARTMENT OF COMMERCE			
U.S. DEPARTMENT OF JUSTICE			
Direct Programs:			
State Criminal Alien Assistance Program (SCAAP)	16.606	2019-AP-BX-1094	10,159
State Criminal Alien Assistance Program (SCAAP)	16.606	2020-AP-BX-1052	15,946
Total State Criminal Alien Assistance Grant Program			<u>26,105</u>
Direct Programs:			
Bulletproof Vest Partnership Program (BVP)	16.607	BVP 2018	9,379
Edward Byrne Memorial Justice Assistance Grant Program:			
Direct Program:			
Sheriff's Office Specialized Entry Team (SET) Enhancement	16.738	2018-DJ-BX-0664	28,181
Sheriff's Office Specialized Entry Team (SET) Enhancement	16.738	2019-DJ-BX-0207	28,779
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>56,960</u>
Passed-through the South Carolina Department of Public Safety:			
Solicitor's Victim Assistance Program	16.575	I-V-18-057	42,744
Solicitor's Victim Assistance Program	16.575	I-V-19-034	111,304
Total Solicitor's Victim Assistance Program			<u>154,048</u>
Direct Programs:			
Equitable Sharing Program	16.922	N/A	92,302
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>338,794</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Passed-through the South Carolina Department of Transportation:			
Highway Planning and Construction Cluster:			
Safe, Accountable, Flexible, and Efficient Transportation Equity Act:			
A Legacy for Users	20.205	IGA-11-07-A12	3,190,091
A Legacy for Users	20.205	IGA-11-07-A12	767,908
PW - Sawmill Branch Trail Extension	20.205	LPA-12-14	28,288
PW - Eagle Chandler Bridge Creek Trail	20.205	LPA-10-15	21,518
Total Highway Planning and Construction Cluster			<u>4,007,805</u>
Direct Programs:			
Airport Improvement Program - St. George Airport	20.106	3-45-0052-006-2017	236,246
Airport Improvement Program - Summerville Airport	20.106	3-45-0062-017-2019	244,800
Total Airport Improvement Program			<u>481,046</u>
Passed-through the South Carolina Department of Public Safety:			
Highway Safety Cluster:			
Sheriff's Highway Safety Traffic Division Enhancement Unit - 3rd Year	20.600	PT-2019-HS-13-19	41,395
Sheriff's Highway Safety Traffic Division Enhancement Unit - 1st Year	20.600	PT-2020-HS-13-20	53,794
Sheriff's Host Agency	20.600	2JC20001	1,635
Total Highway Safety Cluster			<u>96,824</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>4,585,675</u>
MUSEUMS FOR AMERICA			
Passed-through the South Carolina State Library:			
Library Services & Technology Act - Summer Reading Resource Grant	45.310	N/A	1,000
Library Services & Technology Act - Large Competitive Grant	45.310	N/A	1,000
TOTAL MUSEUMS FOR AMERICA			<u>\$ 2,000</u>

(Continued)

DORCHESTER COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2020

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Share Expenditures
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			
Passed-through the South Carolina Department of Social Services:			
Child Support Enforcement	93.563	N/A	\$ 451,422
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			<u>451,422</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Direct Programs:			
Assistance to Firefighters Grant	97.044	EMW-2017-FO-03526	201,553
Assistance to Firefighters SAFER Grant	97.083	EMW-2017-FH-00487	129,495
Assistance to Firefighters SAFER Grant	97.083	EMW-2018-FH-00126	40,496
		Total Assistance to Firefighters SAFER	<u>169,991</u>
Passed-through the South Carolina Department of Natural Resources:			
Flood Mitigation Assistance - RL	97.029	SCDNR FY 2019-34	325,146
Flood Mitigation Assistance - SRL	97.029	SCDNR FY 2019-35	174,735
		Total Flood Mitigation Assistance	<u>499,881</u>
Passed-through the South Carolina Emergency Management Division:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters) - South Carolina - Major Disasters and Related Determinations	97.036	FEMA-4464-DR-SC	743,356
Passed-through the South Carolina Emergency Management Division:			
Emergency Management Performance Grants:			
EMD - LEMPG 2018 Emergency Management	97.042	18EMPG01	1,432
EMD - LEMPG 2019 Emergency Management	97.042	19EMPG01	52,435
Total Emergency Management Performance Grants		Total EMD Performance Grants	<u>53,867</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>1,668,648</u>
TOTAL FEDERAL EXPENDITURES			<u>\$ 7,658,771</u>

Note: There were no federal awards disbursed to subrecipients during the year ended June 30, 2020

DORCHESTER COUNTY, SOUTH CAROLINA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2020

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Dorchester County (the "County") under programs of the federal government for the year ended June 30, 2020. 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*. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

Note 2. Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3. Indirect Costs

The County elected not to use the de minimis indirect cost rate of 10%.



**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***

INDEPENDENT AUDITOR'S REPORT

To the Members of County Council
Dorchester County, South Carolina
St. George, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Dorchester County, South Carolina (the "County") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 17, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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*.

County's Response to the Finding

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Greene Finney, LLP".

Greene Finney, LLP
Mauldin, South Carolina
December 17, 2020



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

To the Members of County Council
Dorchester County, South Carolina
St. George, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Dorchester 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 each of the County's major federal programs for the year ended June 30, 2020. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs 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 a 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 each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each 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 each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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.

Greene Finney, LLP

Greene Finney, LLP
Mauldin, South Carolina
December 17, 2020

DORCHESTER COUNTY, SOUTH CAROLINA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2020

2019-001: BANK ACCOUNT RECONCILIATIONS AND MONITORING OF COLLATERALIZATION

**Condition, Context
and Effect:**

During the audit process, we identified several deficiencies in internal controls related to the County's cash accounts, as follows:

- 1) The County's main operating bank account reconciliation as of June 30, 2019 was not properly reconciled in a timely manner. The book balance per the initial reconciliation differed from the balance per the general ledger by approximately \$239,000, and it did not include a detailed listing of outstanding checks which totaled approximately \$2,327,000.
- 2) The Water-Sewer Clearing Account included approximately \$831,000 in items that had not been transmitted or processed as of June 30, 2019, resulting in a significant portion of these credit card transactions still being reflected in accounts receivable rather than cash as of June 30, 2019.
- 3) The payroll checking account was not properly reconciled as of June 30, 2019, as the book balance per the reconciliation differed from the general ledger by approximately \$28,000.
- 4) We noted four County Treasurer accounts that were not recorded or reflected in the County's financial system, including the Delinquent Tax Centralized Collections Account, the Loomis Armored Car Account, the Miscellaneous Transfers Account and the FLC Centralized Collections Account. The balances of these accounts totaled approximately \$1,499,000. These accounts were recorded during the audit.
- 5) We noted several bank account reconciliations were not signed or dated by either the preparer or the reviewer.
- 6) We noted the County did not have a process in place to monitor its depository balances held in various banks for collateralization purposes. As a result, they were unsure as to whether or not the balances were adequately collateralized as required by South Carolina statute. The County requested collateral statements for all depository balances, and no instances of noncompliance were identified. However, the County should have controls in place to ensure compliance with the State statute.

Criteria:

The County should be appropriately preparing bank reconciliations and monitoring its depository balances and collateralization requirements as part of its system of internal controls.

Cause:

The County has had turnover and absences in financial positions, in addition to not being aware of applicable State statutes regarding collateralization requirements.

Status:

The County has appropriately corrected items (3), (5) and (6) above during 2020. However, the County has not adequately addressed items (1), (2) and (4) as of June 30, 2020. There is a finding in the Schedule of Findings and Questioned Costs, Section II, Current Year Financial Statement Findings identified as 2020-001.

DORCHESTER COUNTY, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u> X </u> Yes	<u> </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None Reported
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) (Uniform Guidance)?	<u> </u> Yes	<u> X </u> No
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction Cluster

Dollar threshold used to distinguish between type A and type B programs:	<u> \$ 750,000 </u>
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Auditee qualified as low-risk auditee?	<u> X </u> Yes	<u> </u> No
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DORCHESTER COUNTY, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2020

Section II – Current Year Financial Statement Findings

2020-001: BANK ACCOUNT RECONCILIATIONS AND RECORDING OF TRANSACTIONS

**Condition, Context
and Effect:**

Though the County made significant progress in addressing the weaknesses in internal control related to the bank account reconciliation process noted in the prior year audit, there were certain issues that were not fully resolved during the year ended June 30, 2020.

- 1) The County identified an investment account held by the County Treasurer’s Office that was not recorded or reflected in the County’s financial system until early November 2020; this account for an agency fund had a balance of approximately \$5,047,000 as of June 30, 2019.
- 2) The County Treasurer’s Office did not provide supporting documentation for disbursements of funds to the Business Services department in a timely manner throughout the year. As a result, the County did not record all transactions timely or accurately for the County Operations account, the Water & Sewer Clearing account or the Treasurer’s Clearing account for the greater part of fiscal 2020; this situation continued into the fall of fiscal year 2021. We noted approximately \$204,000,000 in fiscal 2020 disbursements from the Treasurer’s Clearing account that were not timely recorded on the general ledger as of June 30, 2020. Following extensive research and investigation by County personnel, these items were identified and were appropriately recorded in October and November 2020 back to June 30, 2020. In addition, the County did not timely make transfers in the appropriate funds, in the correct amounts, or in the correct period.
- 3) We noted two material errors (\$2,200,000 and \$889,113) in the recorded balances for two accounts. These errors were corrected when brought to the County’s attention.

Criteria:

The County should appropriately and timely record all transactions and prepare accurate and timely bank reconciliations as part of its system of internal controls.

Cause:

The County hired a staff accountant in the Business Services Department during 2020 to specifically address the reconciling of all County’s bank accounts. However, the County was not able to adequately address and correct all of the issues as of June 30, 2020. The separation of duties within the County places responsibility on the County Treasurer’s Office to provide the necessary information to Business Services so that Business Services can then complete the bank reconciliations. They have made tremendous progress subsequent to June 30, 2020.

Recommendation:

We recommend the County continue to improve on its processes and procedures as noted above, including ensuring effective and transparent communication between the County Treasurer’s Office and Business Services department, in order to ensure that all transactions are recorded timely and appropriately in the general ledger accounts and to allow for the timely and accurate preparation of bank reconciliations for all cash and investment accounts.

Response:

Bank reconciliations were realigned as a responsibility of the Business Services Department and a new staff accountant was hired January 2020. The Treasurer’s Office continues to work diligently to provide support to Business Services Department, staff accountant specifically, on a daily basis to respond to requests or questions in order to ensure accuracy of bank reconciliations. The County will ensure all documentation is provided to the Business Services Department in a timely manner going forward.

The County has recorded the investment account discovered to have been omitted on the general ledger as of June 30, 2020, as noted above.

DORCHESTER COUNTY, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2020

Section II – Current Year Financial Statement Findings (Continued)

2020-001: BANK ACCOUNT RECONCILIATIONS AND RECORDING OF TRANSACTIONS (CONTINUED)

Response (Continued): The Treasurer’s Clearing account is now being reconciled in a more timely manner, and the Treasurer’s Office will work with the Business Services Department to ensure they have all information needed in order to reconcile the account in a timely manner going forward.

Water and Sewer Clearing account was provided to the Business Services Department in October 2020 after which Treasurer completed reconciliations for July 2019 through May 2020 while resolving many issues with this account. Delays were a result of inaccurate account numbers provided to Treasurer’s Office for entry; errors were also identified and corrected with Water & Sewer’s vendor wherein deposits were not accurately reflected in the bank account. These items were corrected in Period 13. Procedures are in place and training has been provided to Water and Sewer staff to ensure accuracy of entries based on information received from the department.

Section III – Findings and Questioned Costs – Major Federal Awards Programs Audit

No matters to report.

Corrective Action Plan

Year Ended June 30,2020

Section II – Current Year Financial Statement Findings

Finding: 2020-001

Contact Person: Cindy Chitty, County Treasurer
843-563-0177
cchitty@dorchestercountysc.gov

Corrective Action: Bank reconciliations were realigned as a responsibility of the Business Services Department and a new staff accountant was hired January 2020. The Treasurer's Office continues to work diligently to provide support to Business Services Department, staff accountant specifically, on a daily basis to respond to requests or questions in order to ensure accuracy of bank reconciliations. The County will ensure all documentation is provided to the Business Services Department in a timely manner going forward.

The County has recorded the investment account discovered to have been omitted on the general ledger as of June 30, 2020, as noted above.

The Treasurer's Clearing account is now being reconciled in a more timely manner, and the Treasurer's Office will work with the Business Services Department to ensure they have all information needed in order to reconcile the account in a timely manner going forward.

Water and Sewer Clearing account was provided to the Business Services Department in October 2020 after which Treasurer completed reconciliations for July 2019 through May 2020 while resolving many issues with this account. Delays were a result of inaccurate account numbers provided to Treasurer's Office for entry; errors were also identified and corrected with Water & Sewer's vendor wherein deposits were not accurately reflected in the bank account. These items were corrected in Period 13. Procedures are in place and training has been provided to Water and Sewer staff to ensure accuracy of entries based on information received from the department.

Proposed Completion

Date: June 30, 2021