

CHESTERFIELD COUNTY, SOUTH CAROLINA

**BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

JUNE 30, 2020



**CHESTERFIELD COUNTY, SOUTH CAROLINA
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 AND SUPPLEMENTARY INFORMATION
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To Chesterfield County Council
Chesterfield, South Carolina

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Chesterfield 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

Chesterfield County's 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. 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, each major fund, and the aggregate remaining fund information of Chesterfield County, South Carolina, as of June 30, 2020, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule - General Fund, Schedules of the County's Proportionate Share of the Net Pension Liability, Schedules of the County's Contributions, and Schedule of Changes in the County's Total OPEB Liability, 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.

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 combining and individual nonmajor fund financial statements and the supplementary information required by the State of South Carolina are presented for purposes of additional analysis and are not a required part of the financial statements.

This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the supplementary information required by the State of South Carolina are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Halliday, Schwartz & Co.

Spartanburg, South Carolina
November 25, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Chesterfield County, South Carolina ("the County"), we offer the readers of the County's financial statements this narrative overview and analysis of the financial activities of Chesterfield County, South Carolina for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the County's financial statements.

FINANCIAL HIGHLIGHTS

The following are key financial highlights for the fiscal year:

- Chesterfield County's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources as of June 30, 2020 by \$2,854,116 (net position). This negative net position is primarily due to the implementation of GASB No. 68 and GASB No. 75 related to Accounting and Financial Reporting for Pension and Other Post-Employment Benefits. For additional information, please refer to footnote 9 and 10 to the financial statements.
- Governmental activities have a negative unrestricted net position balance of \$29,682,638. This is primarily due to the implementation of GASB No. 68 and GASB No. 75 related to Accounting and Financial Reporting for Pension and Other Post-Employment Benefits. For additional information, please refer to footnote 9 and 10 to the financial statements.
- The County's net position increased by \$3,956,368 during the fiscal year, primarily due to an increase in grant monies received for economic development, an increase in the millage rate for operations, and a reduction in spending due to COVID-19.
- At the close of this fiscal year, the County's combined governmental funds reported ending fund balances of \$18,454,131, an increase of \$3,340,056 from the prior year. This is primarily due to an increase in grant monies received for economic development, an increase in the millage rate for operations, and a reduction in spending due to COVID-19.
- At June 30, 2020, unassigned fund balance for the General Fund was \$1,262,726, a decrease of \$65,731 from the prior year. This is primarily due to not having to utilize the capital reserve fund monies in the current year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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 the County include general government, public safety, public works, economic development, judicial administration, culture and recreation, rescue and fire protections, legislative oversight and other.

Fund Financial Statements

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

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

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

The County maintains twenty-two individual governmental funds. The General Fund, which is considered to be a major fund, accounts for all financial resources except those required to be accounted for in another fund. The Capital Reserve Fund, a capital project fund, which sets aside a portion of property tax collections for future use of capital asset purchases, is also considered to be a major fund. The Capital Projects Fund - Public Facilities Corporation accounts for the debt issuance and expenditures related to the renovations of the current courthouse, and is also considered to be a major fund. The County's remaining funds are presented as non-major funds.

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the general fund as required supplementary information.

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

Notes to 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.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents a combining balance sheet and combining statement of revenues, expenditures and changes in fund balance for the non-major governmental funds, a combining balance sheet for the agency funds, and several other schedules.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the statement of net position presents the difference between the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources and over time may serve as an indicator of its financial position. In the case of Chesterfield County, assets and deferred outflows of resources were less than liabilities and deferred inflows of resources by \$6,810,484 at the close of the most recent fiscal year.

The following table presents a summary of the statement of net position as of June 30, 2020:

**Table 1
Chesterfield County's Net Position**

	Governmental Activities		Total Percent Change
	2020	2019	2020-2019
Current and Other Assets	\$ 20,994,783	\$ 16,641,626	26.2%
Capital Assets	21,258,093	22,319,440	-4.8%
Total Assets	42,252,876	38,961,066	8.4%
Total Deferred Outflows of Resources	3,214,343	3,376,132	-4.8%
Total Assets and Deferred Outflows of Resources	\$ 45,467,219	\$ 42,337,198	7.4%
Current Liabilities	\$ 2,904,397	\$ 3,108,939	-6.6%
Non-Current Liabilities	42,052,480	42,777,061	-1.7%
Total Liabilities	44,956,877	45,886,000	-2.0%
Total Deferred Inflows of Resources	3,364,458	3,261,682	3.2%
Net Position			
Net Investment in Capital Assets	9,721,530	9,843,570	-1.2%
Restricted	17,106,992	13,699,189	24.9%
Unrestricted	(29,682,638)	(30,353,243)	2.2%
Total Net Position	(2,854,116)	(6,810,484)	58.1%
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 45,467,219	\$ 42,337,198	7.4%

The County's current and other assets at year-end increased \$4,353,157 or 26.2% primarily due to an increase in cash and cash equivalents, investments and delinquent taxes receivables due at year end. The increase in delinquent taxes receivable is mostly attributable to COVID-19, as the County saw an increase in unemployment, resulting in taxpayers unable to pay their taxes.

Capital assets, net of depreciation decreased \$1,061,347 or 4.8%. The decrease was primarily due to current year depreciation exceeding current year purchases. Due to the uncertainty that COVID-19 brought to the economy, the County prioritized and limited large purchases, as needed.

The County's long-term liabilities are comprised mainly of three components: general obligation bonds, installment purchase revenue (IPR) bonds and capital leases. Also included in long-term liabilities are the County's proportionate share of the Net OPEB Liability and the County's Total OPEB Liability. Long-term liabilities decreased \$724,581 or 1.7% from prior year, primarily due to payments being made, with no new large issuances of debt. More detailed information on the capital assets and long-term debt activity are provided in the notes to the financial statements.

The following table summarizes the change in net position of the County for the year ended June 30, 2020:

Table 2
Changes in Chesterfield County's Net Position

	Governmental Activities		Total Percent Change
	2020	2019	2020-2019
Revenues:			
Program Revenues:			
Charges for services	\$ 5,226,445	\$ 5,485,787	-4.7%
Operating grants and contributions	3,389,025	3,056,326	10.9%
Capital grants and contributions	17,140	220,000	-92.2%
General Revenues:			
Property taxes	13,772,404	12,648,759	8.9%
Other taxes	5,673,454	5,589,757	1.5%
Grants	1,878,886	1,799,116	4.4%
Gain/(Loss) on sale of capital assets	(5,730)	(80,362)	92.9%
Other	809,568	641,938	26.1%
Total Revenues	30,761,192	29,361,321	4.8%
Expenses:			
General government	4,796,479	4,168,382	15.1%
Public safety	10,292,372	9,560,909	7.7%
Public works	3,347,518	4,270,805	-21.6%
Economic development	322,610	333,462	-3.3%
Judicial administration	1,279,437	2,563,297	-50.1%
Culture and recreation	739,712	692,053	6.9%
Rescue and fire protection	1,683,178	1,597,022	5.4%
Non-departmental/other agencies	3,687,549	3,498,968	5.4%
Legislative oversight	343,012	395,073	-13.2%
Interest and other charges	312,957	373,077	-16.1%
Total Expenses	26,804,824	27,453,048	-2.4%
Change in net position	3,956,368	1,908,273	107.3%
Beginning net position	(6,810,484)	(8,718,757)	21.9%
Ending net position	\$ (2,854,116)	\$ (6,810,484)	58.1%

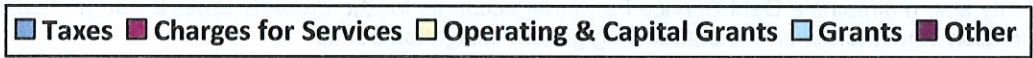
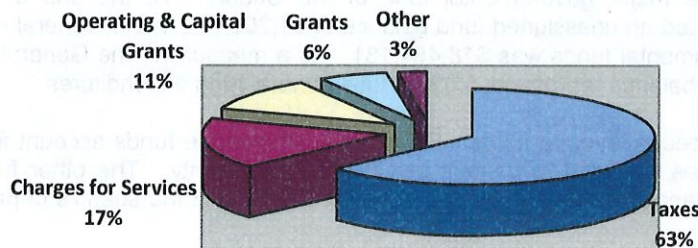
Governmental Activities

Governmental activities increased the County's net position by \$3,956,368 during the current fiscal year. This is primarily due to an increase in grant revenues for economic development and a reduction in spending due to COVID-19.

The costs for all governmental activities were \$26,804,824 for the fiscal year. Providing activities for public safety was the largest expense (\$10,292,372) to the County. The total cost to the County for providing general government administration was (\$4,796,479), which includes various administrative functions such as county administrator, assessor, auditor, and treasurer.

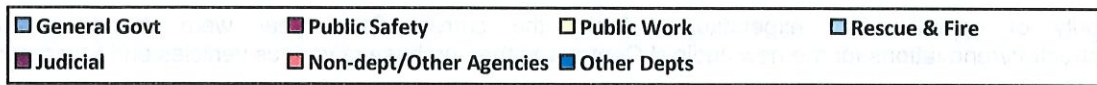
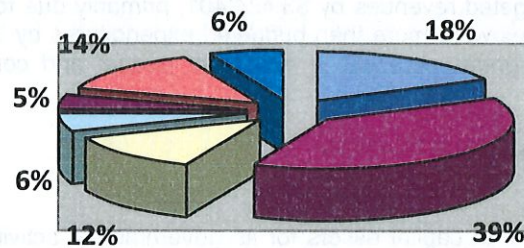
Total revenues increased by \$1,399,871 from the prior year, primarily due to an increase in grants received for economic development and an increase in the millage rate for County operations.

Revenues by Source: Governmental Activities



Total expenses decreased by \$648,224 or 2.4%, primarily due to a reduction in spending because of the economic uncertainties that came along with COVID-19.

Expenses by Category: Governmental Activities



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of its fiscal year.

The General Fund is the major governmental fund of the County. At the end of the fiscal year, Chesterfield County reported an unassigned fund balance of \$1,262,726 in the General Fund. Total fund balance for all the governmental funds was \$18,454,131. As a measure of the General Fund's liquidity, the total unassigned fund balance represents 5.6% of total general fund expenditures.

The County has fifteen special revenue funds. Eleven special revenue funds account for fire protection and rescue squad services provided to various sections of the County. The other funds account for revenues provided from various funding sources for grants, E-911, and the sheriff's department drug law enforcement activities.

During the year, the County also operated four capital project funds. Two of these funds, the Capital Reserve Fund and the Capital Equipment Fund, were determined to be major funds.

The County also maintains a Debt Service Fund that accounts for the property taxes levied and collected to pay principal and interest on the outstanding general obligation bonds.

GENERAL FUND BUDGETARY HIGHLIGHTS

A budgetary comparison schedule for the General Fund is provided in the Required Supplementary Information. The schedule shows the original adopted budget, the final budget, the actual results on GAAP basis, and the variance between budget and actual. After the original budget is approved, it may be revised for a variety of reasons such as unforeseen circumstances, new bond or loan proceeds, new grant awards, or other unanticipated revenues. The General Fund budget was not revised during the current fiscal year.

Actual revenues exceeded budgeted revenues by \$3,424,401, primarily due to an increase in state and local grants. Actual expenditures were more than budgeted expenditures by \$978,340, primarily due to utilizing those state and local grants received in excess of budget and conservative spending after COVID-19 hit.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Chesterfield County's investment in capital assets for its governmental activities as of June 30, 2020, totaled \$21,258,093, net of accumulated depreciation. This investment in capital assets includes land, construction in progress, buildings and building improvements, and vehicles, furniture and equipment.

Majority of capital asset expenditures during the current fiscal year were related to the construction/renovations for the new Judicial Center and the purchase of various vehicles and equipment.

Net capital assets at June 30, 2020 and 2019 included:

	Governmental Activities		Total Percent
	2020	2019	Change 2020-2019
Land	\$ 1,653,148	\$ 1,628,148	1.5%
Construction in Progress	4,743,148	4,611,844	2.8%
Buildings and Improvements	11,781,095	11,915,598	-1.1%
Vehicles/Machinery/Equipment	3,080,702	4,163,850	-26.0%
	<u>\$ 21,258,093</u>	<u>\$ 22,319,440</u>	<u>-4.8%</u>

Additional information on the County's capital assets can be found in Note 4.

Long-Term Debt

The legal limit on the amount of general obligation bond indebtedness that a County can incur is 8% of their assessed value. At the end of the current fiscal year, the County had total long-term debt outstanding of \$11,799,748. General obligation bonds constitute 39.1% of long-term debt and are backed by the full faith and credit of the County. The next largest long-term debt for the County is comprised of two installment purchase revenue bonds (48.1%). The remaining long-term debt for the County is seven capital leases (12.8%).

	Governmental Activities		Total Percent
	2020	2019	Change 2020-2019
General obligation bonds	\$ 4,621,209	\$ 5,157,560	-10.4%
Installment purchase revenue bonds	5,680,000	6,116,000	-7.1%
Capital leases	1,498,539	2,154,010	-30.4%
	<u>\$ 11,799,748</u>	<u>\$ 13,427,570</u>	<u>-12.1%</u>

During fiscal year 2016, the County entered into an Installment Purchase and Use Agreement with the SCAGO Public Facilities Corporation for Chesterfield County (the Corporation). This 501(c)3 is a blended component unit of the County due to the specific charitable purpose of the Corporation to serve as a "support organization" for the capital projects of the County. Because of this, the installment purchase revenue bonds issued by the Corporation is blended with that of the County.

The County's long-term debt from bonds and capital leases decreased \$1,627,822 from the prior fiscal year. During fiscal year 2020, the County made payments on current long-term debt and only entered into one small capital lease (\$92,500) during the year. No new long-term bonds were issued during the fiscal year.

Other long-term obligations of the County include accrued compensated absences of \$514,188 and landfill closure and post closure costs of \$1,328,050.

Additional information on the County's long-term debt can be found in Note 6.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Local, national and international economic factors influence the County's revenues. Positive economic growth is correlated with increased revenues from property taxes, sales taxes, charges for services, as well as state and federal grants. Economic growth in the local economy may be measured by a variety of indicators such as employment growth, unemployment, new construction, and assessed valuation.

- In March 2020, the novel Coronavirus (COVID-19) pandemic brought uncertainty to the nation, resulting in an economic downturn. The County has felt the impact of this pandemic through an increase in delinquent taxes receivable and a correlating reduction in tax collections during fiscal year 2020. The County anticipates this trend to continue throughout fiscal year 2021 with the potential for even lower tax collections, as compared to fiscal year 2020.
- As of September 2020, the unemployment rate for Chesterfield County was 4.8%, which is more than double the rate from last September. Statewide unemployment was at 4.7%, while the nationwide average was 7.7%. These drastic increases in unemployment from the prior year are primarily due to the economic impact of COVID-19.
- In 2006, the South Carolina General Assembly enacted property tax reform legislation. The legislation imposed limitations on the millage rate increase and on increased in assessed valuations due to reassessment at 15%. For the tax year 2020, the County had millage rollbacks due to reassessment, resulting in a reduction of capital equipment millage by 0.07 mills and reduction in debt service of 2.5 mills (includes 2.25 mills reduction due to decreased payments).

County Council adopted a budget for fiscal year 2021, where budgeted expenditures are projected to be \$20,854,210, an increase of approximately \$787,981 or 4% over the fiscal year 2020 budgeted expenditures, as to approximately reflect fiscal year 2020 actual expenditures. The County has added no major new programs or initiatives to the fiscal year 2021 budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Chesterfield County, South Carolina'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 the County Administrator, Chesterfield County, 178 Mill Street, Chesterfield, SC 29709.

EXHIBIT A

CHESTERFIELD COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 12,777,579
Investments	5,057,495
Taxes receivable - net	1,861,974
Other receivables	475,473
Due from other governments	822,262
Capital assets - net of accumulated depreciation	<u>21,258,093</u>
	<u>42,252,876</u>
Deferred Outflows of Resources	
Deferred amounts related to pensions	2,165,788
Deferred amounts related to OPEB	<u>1,048,555</u>
	<u>3,214,343</u>
Liabilities	
Accounts payable and accrued expenses	905,249
Accrued interest payable	141,356
Non-current liabilities:	
Due within one year:	
General obligation bonds	548,869
Installment purchase revenue bonds	448,000
Capital leases	785,923
Landfill post-closure costs	75,000
Due in more than one year:	
General obligation bonds	4,072,340
Installment purchase revenue bonds	5,232,000
Capital leases	712,616
Compensated absences	514,188
Landfill post-closure costs	1,253,050
Net pension liability	17,356,130
Total OPEB liability	<u>12,912,156</u>
	<u>44,956,877</u>
Deferred Inflows of Resources	
Unearned revenue	118,349
Deferred amounts related to pensions	898,921
Deferred amounts related to OPEB	<u>2,347,188</u>
	<u>3,364,458</u>
Net Position	
Net investment in capital assets	9,721,530
Restricted for:	
Public safety	825,477
Public works	381,904
Economic development	1,201,809
Capital projects	13,959,499
Debt service	738,303
Unrestricted	<u>(29,682,638)</u>
	<u>\$ (2,854,116)</u>

The accompanying notes are an integral part of these statements.

CHESTERFIELD COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

<u>Functions/Programs</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
Primary government					
Governmental activities					
General government	\$ 4,796,479	\$ 654,263	\$ 143,144	\$ -	\$ (3,999,072)
Public safety	10,292,372	1,277,526	1,284,194	-	(7,730,652)
Public works	3,347,518	2,190,951	1,392,650	-	236,083
Economic development	322,610	-	173,438	17,140	(132,032)
Judicial administration	1,279,437	416,481	230,873	-	(632,083)
Culture and recreation	739,712	63,473	164,726	-	(511,513)
Rescue and fire protection	1,683,178	623,751	-	-	(1,059,427)
Non-departmental/other agencies	3,687,549	-	-	-	(3,687,549)
Legislative oversight	343,012	-	-	-	(343,012)
Interest and other charges	312,957	-	-	-	(312,957)
	<u>26,804,824</u>	<u>5,226,445</u>	<u>3,389,025</u>	<u>17,140</u>	<u>(18,172,214)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					\$ 11,129,351
Property taxes, levied for rural fire service					1,009,879
Property taxes, levied for debt service					1,633,174
Fees in lieu of taxes					2,333,580
Local option sales tax					3,339,874
Grants and contributions not restricted to specific programs					1,878,886
Unrestricted investment earnings					99,662
Gain (Loss) on sale of capital assets					(5,730)
Miscellaneous					709,906
Total general revenues					<u>22,128,582</u>
Change in Net Position					3,956,368
Net Position - Beginning of Year					<u>(6,810,484)</u>
Net Position - End of Year					<u>\$ (2,854,116)</u>

The accompanying notes are an integral part of these statements

**CHESTERFIELD COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	General Fund	Capital Reserve Fund	Capital Equipment Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets and Deferred Outflows of Resources					
Assets:					
Cash and cash equivalents	\$ 11,056,334	\$ -	\$ -	\$ 1,721,245	\$ 12,777,579
Investments	5,057,495	-	-	-	5,057,495
Taxes receivable - net	1,155,829	347,104	105,946	253,095	1,861,974
Due from other funds	50,029	12,357,490	827,844	1,158,461	14,393,824
Due from other governments	822,262	-	-	-	822,262
Other receivables	475,443	-	-	30	475,473
	<u>18,617,392</u>	<u>12,704,594</u>	<u>933,790</u>	<u>3,132,831</u>	<u>35,388,607</u>
	<u>\$ 18,617,392</u>	<u>\$ 12,704,594</u>	<u>\$ 933,790</u>	<u>\$ 3,132,831</u>	<u>\$ 35,388,607</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable and accrued expenses	\$ 400,294	\$ -	\$ 75	\$ 124,169	\$ 524,538
Accrued payroll	380,711	-	-	-	380,711
Due to other funds	14,343,795	-	-	50,029	14,393,824
	<u>15,124,800</u>	<u>-</u>	<u>75</u>	<u>174,198</u>	<u>15,299,073</u>
Deferred Inflows of Resources:					
Unearned revenue	1,080,379	266,886	81,432	206,706	1,635,403
	<u>1,080,379</u>	<u>266,886</u>	<u>81,432</u>	<u>206,706</u>	<u>1,635,403</u>
Fund Balances:					
Restricted					
Public safety	33,135	-	-	792,342	825,477
Public works	381,904	-	-	-	381,904
Economic development	647,972	-	-	553,837	1,201,809
Capital projects	-	12,437,708	852,283	669,508	13,959,499
Debt service	-	-	-	738,303	738,303
Assigned					
Public safety	41,985	-	-	-	41,985
Culture and recreation	44,491	-	-	-	44,491
Unassigned	1,262,726	-	-	(2,063)	1,260,663
	<u>2,412,213</u>	<u>12,437,708</u>	<u>852,283</u>	<u>2,751,927</u>	<u>18,454,131</u>
	<u>\$ 18,617,392</u>	<u>\$ 12,704,594</u>	<u>\$ 933,790</u>	<u>\$ 3,132,831</u>	<u>\$ 35,388,607</u>

The accompanying notes are an integral part of these statements.

**CHESTERFIELD COUNTY, SOUTH CAROLINA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2020**

Fund Balance - Total Governmental Funds	\$ 18,454,131
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	21,258,093
Uncollected delinquent tax revenue is not available in the current period and, therefore, are deferred in the funds.	1,517,054
Deferred outflows and inflows of resources are not available to use in the current period and, therefore, are not reported in the funds:	
Pension related deferred outflows	1,048,555
OPEB related deferred outflows	2,165,788
Pension related deferred inflows	(2,347,188)
OPEB related deferred inflows	(898,921)
Non-current liabilities, including bonds payable, are not due and payable in the current period and, therefore, not reported in the funds:	
Accrued interest payable	(141,356)
General obligation bonds	(4,621,209)
Installment purchase revenue bonds	(5,680,000)
Capital leases	(1,498,539)
Compensated absences	(514,188)
Landfill post-closure costs	(1,328,050)
Net pension liability	(17,356,130)
Total OPEB liability	<u>(12,912,156)</u>
Net Position of Governmental Activities in the Statement of Net Position	<u>\$ (2,854,116)</u>

The accompanying notes are an integral part of these statements.

CHESTERFIELD COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Capital Reserve Fund	Capital Equipment Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 8,622,491	\$ 2,949,221	\$ 938,599	\$ 2,406,006	\$ 14,916,317
Local option sales tax	3,339,874	-	-	-	3,339,874
Fees and fines	280,397	-	-	6,011	286,408
Licenses and permits	2,233,971	-	-	-	2,233,971
Intergovernmental	4,192,705	-	-	-	4,192,705
Charges for services	1,560,143	-	-	401,714	1,961,857
Investment earnings	95,308	-	-	4,354	99,662
Miscellaneous	486,813	-	-	59,242	546,055
Fire department dues	623,751	-	-	-	623,751
Grants	1,374,656	-	-	-	1,374,656
Contributions	12,760	-	-	72,465	85,225
	<u>22,822,869</u>	<u>2,949,221</u>	<u>938,599</u>	<u>2,949,792</u>	<u>29,660,481</u>
Expenditures					
Current:					
General government	3,894,779	-	-	-	3,894,779
Public safety	8,891,201	-	-	510,512	9,401,713
Public works	2,461,450	-	302,344	-	2,763,794
Economic development	428,159	-	-	-	428,159
Judicial administration	1,235,830	-	-	-	1,235,830
Culture and recreation	735,582	-	-	-	735,582
Rescue and fire protection	697,248	-	-	965,435	1,662,683
Grant programs	3,687,549	-	-	-	3,687,549
Legislative oversight	346,383	-	-	259,377	605,760
Debt Service:					
Principal	-	-	747,971	972,351	1,720,322
Interest and other charges	-	-	49,853	295,979	345,832
	<u>22,378,181</u>	<u>-</u>	<u>1,100,168</u>	<u>3,003,654</u>	<u>26,482,003</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>444,688</u>	<u>2,949,221</u>	<u>(161,569)</u>	<u>(53,862)</u>	<u>3,178,478</u>
Other Financing Sources (Uses)					
Proceeds from capital leases	-	-	92,500	-	92,500
Proceeds from sale of capital assets	786	-	68,292	-	69,078
Transfers in	11,979	-	-	50,782	62,761
Transfers out	(50,782)	-	-	(11,979)	(62,761)
	<u>(38,017)</u>	<u>-</u>	<u>160,792</u>	<u>38,803</u>	<u>161,578</u>
Net Change in Fund Balances	406,671	2,949,221	(777)	(15,059)	3,340,056
Fund Balances - Beginning of Year	<u>2,005,542</u>	<u>9,488,487</u>	<u>853,060</u>	<u>2,766,986</u>	<u>15,114,075</u>
Fund Balances - End of Year	<u>\$ 2,412,213</u>	<u>\$ 12,437,708</u>	<u>\$ 852,283</u>	<u>\$ 2,751,927</u>	<u>\$ 18,454,131</u>

The accompanying notes are an integral part of these statements.

CHESTERFIELD COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Net Change in Fund Balances - Total Governmental Funds: \$ 3,340,056

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

Governmental funds report capital outlay 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 depreciation expense of \$1,622,579 exceeded capital outlay of \$636,040. (986,539)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the difference between the proceeds received from the sale of assets and the gain or loss on the sale. (74,808)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Property taxes 1,189,667

Proceeds from debt issues are an other financing source in the funds, but a debt issue increases non-current liabilities in the Statement of Net Position. (92,500)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces non-current liabilities in the Statement of Net Position. 1,720,322

In the Statement of Activities, interest is accrued on outstanding debt, whereas in governmental funds, interest is recognized as an expenditure when due. 32,875

The cost of pension benefits earned net of employee contributions is reported in the Statement of Activities as an element of pension expense. The fund financial statements report pension contributions as expenditures. (886,969)

The cost of OPEB benefits earned net of employee contributions is reported in the Statement of Activities as an element of OPEB expense. The fund financial statements report OPEB contributions as expenditures. (123,212)

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:

Landfill post-closure costs (170,975)
 Compensated absences 8,451

Change in Net Position of Governmental Activities \$ 3,956,368

The accompanying notes are an integral part of these statements.

EXHIBIT E

CHESTERFIELD COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 16,458,469
Investments	5,060,653
	<u>\$ 21,519,122</u>
Liabilities	
Due to other governments	\$ 19,491,039
Due to taxpayers	240,538
Due to other claimants	1,787,545
	<u>\$ 21,519,122</u>

The accompanying notes are an integral part of these statements.

CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Chesterfield County, South Carolina (the County), is a political subdivision of the State of South Carolina. The County operates under the "Council-Administrator" form of government and is governed by an elected nine-member council. The council employs an administrator who is responsible for the day-to-day management of the County's operations.

The County has one blended component unit, the Chesterfield County Public Facilities Corporation (PFC), which is a not-for-profit 501(c)(3) organization incorporated for the specific charitable purpose of serving as a "support organization" for the capital projects of the County. The Corporation's board members are selected as follows: three shall be elected from among members of Chesterfield County Council and three are appointed by Chesterfield County Council. Because the Corporation exclusively benefits the County, the Corporation's financial information is blended with that of the County in these basic financial statements. Separate financial statement information for the Corporation is included in individual columns throughout the financial statements. The Corporation does not issue separate financial statements.

The County's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations).

Basis of Presentation

Financial statements for governments like that of Chesterfield County are presented from two perspectives, the government-wide perspective and the fund perspective.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the primary government and its component units. Net position is calculated based on information on all the County's assets, deferred outflows/inflows of resources, and liabilities, including capital assets and long-term debt. For the most part, the effect of inter-fund activity, if any, has been removed from these statements. In these statements, governmental activities, which are normally supported by taxes and intergovernmental revenues, are distinguished from any business-type activities in which the government may be engaged and which rely on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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, including depreciation of capital assets, are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items which are not properly included among program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental and fiduciary funds, groupings of accounts used to control resources that have been segregated for specific activities or objectives. Major individual governmental funds are reported as separate columns in the fund financial statements. The governmental fund balance sheet includes a reconciliation of the total fund balance for all governmental funds to total net position of governmental activities reported in the government-wide statement of net position. In addition, the governmental statement of revenues, expenditures, and changes in fund balances also includes a reconciliation of the changes in fund balances of the governmental funds to the government-wide statement of activities.

CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus and Basis of Accounting

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

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 considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. 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.

Property taxes, franchise taxes, licenses, 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 is received by the government.

The funds of the reporting entity are described below:

Governmental Funds

The following governmental funds are included in these financial statements:

General Fund - The general fund is the government's primary operating fund and is always classified as a major fund. It is used to account for all activities except those required to be accounted for in other funds.

Special Revenue Funds – Special revenue funds are used to account and report the proceeds for specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Debt Service Funds – The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned for the payment of general long-term debt principal and interest.

Capital Projects Funds – Capital project funds are used to account for the resources that are restricted, committed, or assigned for the acquisition and construction of major capital facilities. The Industrial Spec Building Construction Fund and the Capital Projects Fund - Public Facilities Corporation have been classified as major funds.

Fiduciary Funds (not included in the government-wide statements)

Agency Funds – Agency funds account for assets held by the County as an agent for other governmental units and courts in accordance with the Acts of the General Assembly of South Carolina. The County's only category of fiduciary funds is agency funds for education, clerk of court, magistrates, and property taxes.

CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenues, Exchange, and Nonexchange Transactions

In the government-wide financial statements, revenue is recognized when earned. Property taxes are recognized when levied. By referendum the County has adopted the provisions of State statutes which allow the collection of a one-percent sales tax on essentially all consumer goods sold at retail in the County. In addition, as a "small" county, Chesterfield County shares a portion of the one-percent sales tax collected in the "larger" counties which have elected to participate. The State collects the revenue and distributes it monthly to the County. By ordinance, the County has decreed that all monies received will be used to reduce *ad valorem* taxes. Revenue is recognized when credits are applied to the taxpayers' property tax bills. Sales tax revenue received in advance of these credit applications is deferred and held in an agency fund until earned. At June 30, 2020, the amount deferred was \$240,538.

Property taxes on licensed motor vehicles are collected on a monthly basis in the month in which individual motor vehicle licenses are renewed and revenue is recognized as collected. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Service and fee revenue is recognized as it is earned. In governmental funds, the recognition of property tax revenue not collected within sixty days is deferred since they are not available to finance current activities. Grants from other governments are recognized when qualifying expenditures are incurred. Other revenues are recorded when received in cash because they are generally not measurable until actually received.

Property taxes on real and personal property, other than licensed motor vehicles, are levied on July 1 based on the assessed value of property lists on the previous January 1. Assessed values are an approximation of market value. Periodic revaluation of all real property is made in accordance with state statutes. Property taxes are due January 15, after which penalties accrue. At March 15, delinquent costs accrue and uncollected taxes are assigned into execution for collection.

Unearned Revenue

The County reports unearned revenue on its statement of net position and governmental funds balance sheet. In both the government-wide and governmental fund statements, resources received that are "intended to finance" a future period are reported as unearned revenue. In subsequent periods, the liability for unearned revenue is removed from the statement of net position and governmental funds balance sheet and revenue is recognized.

Expenditures/Expenses

Expenditures are generally 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.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

Cash and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the primary government and its component units to invest in (1) obligations of the United States and its agencies, (2) general obligations of the State of South Carolina and its political subdivisions, (3) savings and loan associations if their deposits are insured by an agency of the federal government, (4) certificates of deposit which are collaterally secured by securities of the type described at (1) and (2) held by a third party, and (5) the State Treasurer's Investment Pool.

Investments are stated at fair value, which approximates costs.

CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Cash and Investments – Continued

The County Treasurer collects, receives, and holds funds belonging to the County (internal) and to external entities (e.g., other governments). Internal and external funds are not commingled. For the purposes of these financial statements the cash and investments belonging to the County funds are reported as cash and investments on the statements of net position and governmental fund balance sheets. The funds belonging to external entities are reported in an agency fund.

Receivables and Payables

Property tax receivables are shown net of all allowance for uncollectibles. The County reserves all property taxes that did not arise from the latest tax levy year. For collection purposes, taxes receivable are written off at the end of ten years in accordance with South Carolina law. All other levies are recognized as revenue on the government-wide financial statements, while all those not collected within sixty days are deferred on the governmental funds statements. The uncollectible reserve at June 30, 2020, was \$630,068.

Outstanding balances between funds are reported as "due to/from other funds".

All other receivables are reported at amounts management expects to collect and are considered delinquent when not collected within one year. All delinquent receivables are reserved.

Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items) and are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects that are constructed.

In accordance with U.S. generally accepted accounting principles, the County has elected to implement only prospective reporting of infrastructure assets. Accordingly, only infrastructures acquired or constructed after June 30, 2003, are included in capital assets.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: infrastructure assets-50 years; buildings-20 to 50 years; improvements-5 to 50 years; equipment-5 to 15 years.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of financial position includes separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an expenditure until then. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as revenue until that time. The County has deferred outflows/inflows of resources related to unearned revenue, pensions and other post-employment benefits.

CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Pension Plans

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of South Carolina Retirement Systems (SCRS) and additions to/deductions from the SCRS' fiduciary net position have been determined on the accrual basis of accounting, are reported by the SCRS in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments of the plan are reported at fair value.

Compensated Absences

The County permits employees to accumulate earned but unused vacation (up to thirty days) and sick pay benefits (up to ninety days). There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service from the County. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for that amount is reported in the governmental funds only if they have matured and are material.

Long - Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the lives of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond issue premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Fund Equity

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

Nonspendable - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact. The County has classified assets held for resale as being nonspendable because they are not expected to be converted to cash within the next current year.

Restricted - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation.

Committed - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Unassigned - amounts that are available for any purpose; positive amounts are reported only in the general fund. The unassigned classification also includes negative residual fund balances of any governmental fund that cannot be eliminated by the offsetting assigned fund balance amounts.

CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Equity - Continued

County Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by County Council through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of capital assets, construction, debt service, etc.).

Although the County has not formally adopted a fund balance spending policy, the County would typically use restricted funds balances first, followed by committed resources, and the assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these classified funds. Where applicable, these classifications are presented on the face of the governmental fund balance sheet.

Net Position

Net position represents the difference between assets, deferred outflows/inflows of resources and liabilities. Net position's 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 enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Restricted Sources

When both restricted and unrestricted resources are available, it is the County's policy to use restricted resources first, and then unrestricted resources as needed.

Use of Estimates

The preparation of the basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

An annual budget is adopted on a basis consistent with U.S. generally accepted accounting principles for the General Fund. Each year, all County departments submit requests for appropriations to the county finance director. After the department requests are submitted, the finance director prepares a draft budget. The proposed budget is presented to County Council for review and approval. County Council holds public hearings and adopts the budget no later than June 30. The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control is the departmental level.

Excess of Expenditures over Appropriations

The following departments presented in the budgetary comparison schedule had excess expenditures over appropriations:

Public Safety	\$	275,253
Public Works	\$	83,415
Culture and Recreation	\$	66,158
Grant Programs	\$	1,491,429
Legislative Oversight	\$	1,418

Deficit Fund Balance

The Alligator Fire District had a deficit fund balance as of June 30, 2020 of \$2,063.

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 – CASH AND INVESTMENTS

Cash

The County does not have a formal deposit policy for custodial credit risk, which is the risk that in the event of bank failure, the deposits may not be returned to the County.

As of June 30, 2020, the County had the following deposits:

	Carrying Amount	Bank Balance
Demand deposits	\$ 29,233,623	\$ 28,489,432

Of the County's bank balance, \$1,059,481 was covered by FDIC insurance and \$27,429,951 was collateralized by securities held by the pledging bank's trust department or agent in the County's name.

Investments

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

As of June 30, 2020, the County's investments consisted of the following:

Investment Type	Fair Value	Maturity	Rating
State Treasurer's Investment Pool	\$ 10,118,148	<60 days	Not Rated

The County Treasurer has invested, in accordance with their instructions, funds belonging to the Chesterfield County School District in the South Carolina State Treasurer's Investment Pool. The State Treasurer's Investment Pool is a 2a 7-like pool, which is not registered with the Securities and Exchange Commission (SEC), but has a policy that it will operate in a manner consistent with the SEC's Rule 2a 7 of the Investment Company Act of 1940.

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. Although the County does not have a formal investment policy, the County minimizes interest rate risk by investing operating funds in money market funds or similar investment pools and limiting the average maturity in accordance with the County's cash requirements.

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a nationally recognized statistical rating organization. The County's policy is to invest only in those securities allowed by state statute and that are highly rated. The State Treasurer's Investment Pool is not rated, but generally investments in the pool are collateralized by debt securities in corporate obligations, state or political subdivision obligations of investment grade or higher quality, and in federal agency securities.

Custodial credit risk for an investment is the risk that, in the event in the failure of the counterparty, the County 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 minimizes credit risk by limiting investments to the types of securities allowed by state statute.

Concentration of credit risk is the risk of loss attributable to the magnitude of the County's investment in a single issuer. The risk is mitigated by diversifying the investment portfolio so that the impact of potential losses from any one type of security or investor will be minimized. The County places no limits on the amount that may be invested in any one issuer.

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Reconciliation of cash and investments to the Government-wide Statement of Net Position:

	<u>Cash</u>	<u>Investments</u>
Unrestricted - cash & investments	\$ 12,777,579	\$ 5,057,495
Agency fund - cash & investments	16,458,469	5,060,653
Less: Petty cash	<u>(2,425)</u>	<u>-</u>
	<u>\$ 29,233,623</u>	<u>\$ 10,118,148</u>

NOTE 4 – CAPITAL ASSETS AND DEPRECIATION

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 1,628,148	\$ 25,000	\$ -	\$ 1,653,148
Construction in progress	4,611,844	131,304	-	4,743,148
	<u>6,239,992</u>	<u>156,304</u>	<u>-</u>	<u>6,396,296</u>
<i>Capital Assets Being Depreciated:</i>				
Buildings and improvements	17,594,711	212,501	-	17,807,212
Intangible assets	172,377	-	-	172,377
Vehicles/machinery/equipment	13,243,547	267,235	(500,977)	13,009,805
	<u>31,010,635</u>	<u>479,736</u>	<u>(500,977)</u>	<u>30,989,394</u>
<i>Accumulated Depreciation:</i>				
Buildings and improvements	(5,679,113)	(347,004)	-	(6,026,117)
Intangible assets	(172,377)	-	-	(172,377)
Vehicles/machinery/equipment	(9,079,697)	(1,275,575)	426,169	(9,929,103)
	<u>(14,931,187)</u>	<u>(1,622,579)</u>	<u>426,169</u>	<u>(16,127,597)</u>
Net Assets Being Depreciated	<u>16,079,448</u>	<u>(1,142,843)</u>	<u>(74,808)</u>	<u>14,861,797</u>
Net Capital Assets - Governmental Activities	<u>\$22,319,440</u>	<u>\$ (986,539)</u>	<u>\$ (74,808)</u>	<u>\$21,258,093</u>

Depreciation was charged to functions/programs as follows:

Governmental Activities:	
General government	\$ 197,960
Public safety	644,626
Public works	701,128
Culture and recreation	6,076
Judicial administration	52,294
Rescue and fire protection	20,495
	<u>\$ 1,622,579</u>

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 5 – SHORT-TERM DEBT

Short-term debt activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balances
Tax Anticipation Note	\$ -	\$ 2,000,000	\$ 2,000,000	\$ -
2019 GO Bond	-	625,000	625,000	-
	<u>\$ -</u>	<u>\$ 2,625,000</u>	<u>\$ 2,625,000</u>	<u>\$ -</u>

NOTE 6 – LONG-TERM DEBT

The following is a summary of long-term debt of the County for the year ended June 30, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental Activities:					
Non-Current Liabilities					
General obligation bonds	\$ 5,157,560	\$ -	\$ 536,351	\$ 4,621,209	\$ 548,869
Installment purchase revenue bonds	6,116,000	-	436,000	5,680,000	448,000
Capital leases	2,154,010	92,500	747,971	1,498,539	785,923
Compensated absences	522,639	-	8,451	514,188	-
Landfill post-closure costs	1,157,075	246,425	75,450	1,328,050	75,000
Total Non-Current Liabilities for Governmental Activities	<u>\$ 15,107,284</u>	<u>\$ 338,925</u>	<u>\$ 1,804,223</u>	<u>\$ 13,641,986</u>	<u>\$ 1,857,792</u>

General Obligation Bonds

The County issues general obligation bonds to provide funds for the acquisition, construction, and major improvement to its buildings and other facilities. The original amount of general obligation bonds issued in prior years was \$7,615,000. General obligation bonds are direct obligations and pledged with the full faith and credit of the County. These bonds are issued as multi-year (13 to 15 years) serial bonds with varying amounts of principal maturing each year. Payments on general obligation bonds are made by the debt service fund.

General obligations bonds currently outstanding are:

Description	Maturity Date	Interest Rates	Amounts
2013 GO Bond	05/01/2028	2.28%	\$ 4,548,000
2015 GO Bond	02/05/2023	2.22%	73,209
			<u>\$ 4,621,209</u>

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6 – LONG-TERM DEBT – CONTINUED

General Obligation Bonds - Continued

Annual debt service requirements to maturity for general obligations bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2021	\$ 548,869	\$ 105,319	\$ 654,188
2022	561,399	92,819	654,218
2023	573,941	80,035	653,976
2024	561,000	66,964	627,964
2025	574,000	54,173	628,173
2026-2029	1,802,000	82,785	1,884,785
	<u>\$ 4,621,209</u>	<u>\$ 482,095</u>	<u>\$ 5,103,304</u>

Installment Purchase Revenue Bonds

The Chesterfield County Public Facilities Corporation (the Corporation) Installment Purchase Revenue Bonds were issued pursuant to an Installment Purchase and Use Agreement and evidence proportionate interest of owners in certain rental payments to be made by the County under the terms of a Base Lease Agreement between the County and the Corporation dated December 1, 2015. The County leased certain real property and conveyed the improvements to the Corporation so that the Corporation may finance the cost of renovating, remodeling and improving the County's main administration building, the County's main animal shelter and the County's main Judicial Center, to be sold to the County pursuant to a Purchase and Use Agreement dated December 1, 2015. The Purchase and Use Agreement, which will obligate the County to make annual installment payments of the purchase price to the Corporation in amounts calculated to be sufficient to enable the Corporation to pay the principal and interest on the outstanding bonds and amounts budgeted as reserves for the repair and replacement of the facilities. The County's obligations under the Purchase and Use Agreement are from year to year only and do not constitute a mandatory payment obligation by the County in any fiscal year in which funds are not appropriated by the County to pay the installment payments due in such fiscal year. The County has no continuing obligation to appropriate funds to pay the installment payments under the Purchase and Use Agreement and may terminate its obligations under the Purchase and Use Agreement on an annual basis without penalty. However, the County would forfeit possession of the facilities for the remainder of the lease term.

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

On December 18, 2015, the Corporation issued a \$3,000,000 Installment Purchase Revenue Bond, Series 2015, due in annual installments with varying amounts of principal maturing each year, beginning December 1, 2016 through December 1, 2030, with an interest rate of 2.99%. On May 26, 2016, the Corporation issued a \$3,800,000 Installment Purchase Revenue Bond, Series 2016, due in annual installments with varying amounts of principal maturing each year, beginning December 1, 2016 through December 1, 2030, with an interest rate of 2.67%. Both bonds were issued to finance the costs of County renovations, as listed above.

Arbitrage is the difference between the yield on the issuer's tax exempt bonds and the investment income earned on the proceeds. Arbitrage restrictions imposed by the federal government prohibit an issuer from retaining arbitrage profits when investing bond proceeds at a yield that exceeds the yield on the bonds. Any excess arbitrage must be relayed to the U.S. Treasury. The Chesterfield County Public Facilities Corporation (the Corporation) Installment Purchase Revenue Bonds are subject to an arbitrage calculation. As of June 30, 2020, no arbitrage liability exists.

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6 – LONG-TERM DEBT – CONTINUED

Installment Purchase Revenue Bonds - Continued

Annual debt service requirements for the Chesterfield County Public Facilities Corporation Installment Purchase Revenue Bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2021	\$ 448,000	\$ 159,742	\$ 607,742
2022	460,000	147,150	607,150
2023	473,000	134,219	607,219
2024	487,000	120,921	607,921
2025	500,000	107,227	607,227
2026-2030	2,721,000	316,930	3,037,930
2031	591,000	16,627	607,627
	<u>\$ 5,680,000</u>	<u>\$ 1,002,816</u>	<u>\$ 6,682,816</u>

Capital Leases

The County has entered into seven lease agreements as lessee to finance equipment, and collateralized by the equipment purchased. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Assets	Governmental Activities
Equipment	\$ 5,667,896
Less: Accumulated Depreciation	(4,131,964)
	<u>\$ 1,535,932</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020, are as follows:

Year Ended June 30	Amount
2021	\$ 821,177
2022	322,773
2023	322,773
2024	101,559
Total minimum lease payments	1,568,282
Less, amount representing interest	(69,743)
Present value of minimum lease payments	<u>\$ 1,498,539</u>

Payments for lease purchase agreements are made by the general fund, special revenue funds, capital project funds, and debt service fund.

CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 – LONG-TERM DEBT – CONTINUED

Landfill Closure and Post Closure Care Costs

The South Carolina Department of Health and Environmental Control (DHEC) requires landfill operators to provide for the inspection and maintenance of the physical characteristics of the site, as well as monitoring and maintenance of the groundwater and gas monitoring systems and the leachate collection and treatment system for a period of thirty years following the closing of the landfill. DHEC also requires that operators cover the landfill with a minimum cover of certain permeability. The County's liability for closure and post-closure care costs is based on landfill capacity used to date. The County's landfill has been closed and is considered to be at 100 percent of capacity. Remaining post-closure care costs are \$1,328,050 and the long-term liabilities in the statement of net position include that amount. Post-closure care costs are based on engineering estimates and are subject to change due to inflation, deflation, technology, and/or applicable laws and regulations and are reported in the General Fund.

Conduit Debt Obligations

From time to time, the County has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. These bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, nor the State of South Carolina, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. Such debt exceeded \$6,000,000 when originally issued.

Payments on general obligation bonds are made by the debt service fund. Governmental activities lease purchase agreements are paid for by the general fund, special revenue funds, capital project funds, and debt service fund. Compensated absences are liquidated by the general fund.

NOTE 7 – UNEARNED REVENUE

At June 30, 2020, unearned revenue consisted of the following:

Victims of Crime Escrow	\$ 23,504
Deferred Tax Revenue	1,517,054
Sheriff's Drug Escrow	94,845
	<hr/>
	\$ 1,635,403
	<hr/>

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 – INTERFUND RECEIVABLES AND PAYABLES

Due To/From Other Funds

Interfund balances arise because the County Treasurer utilizes a cash pool to maximize earnings. Interfund balances at June 30, 2020, were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Debt Service Fund	\$ 50,029
Capital Reserve	General Fund	12,357,490
Capital Projects Fund - PFC	General Fund	11,951
Emergency Preparedness	General Fund	128,335
E-911 Fund	General Fund	74,694
Industrial Site Fund	General Fund	553,837
Capital Equipment Fund	General Fund	827,844
Alligator Fire District	General Fund	21,853
Cash Fire District	General Fund	66,533
Cheraw Fire District	General Fund	91,081
Cheraw Rescue Squad	General Fund	62,361
Chesterfield Fire District	General Fund	46,145
Chesterfield Rescue Squad	General Fund	27,222
Harris Creek Fire District	General Fund	8,407
Jefferson Rescue Squad	General Fund	2,085
McBee Rescue Squad	General Fund	23,398
Pageland Rescue Squad	General Fund	25,364
Patrick Rescue Squad	General Fund	15,195
		<u>\$14,393,824</u>

Transfers To/From Other Funds

The following transfers were made during the year:

Transfers To	Transfers From	Amount
General Fund	Sheriff's Department	\$ 11,979
Lottery Fund	General Fund	5,782
Alligator Fire District	General Fund	15,000
Cash Fire District	General Fund	15,000
Harris Creek Fire District	General Fund	15,000
		<u>\$ 62,761</u>

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 – PENSION PLANS

South Carolina Retirement System

Plan Description

The County, as the employer, participates in the South Carolina Retirement System (SCRS) Plan - a cost-sharing multiple-employer defined benefit pension plan administered and managed by the South Carolina Public Employee Benefit Authority (PEBA), a state agency. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR that is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

Benefits Provided/Membership

SCRS provides retirement and other benefits for employees of the state, its public school districts, and political subdivisions. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws, and PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current year salary.

This plan covers general employees, teachers and individuals newly elected to the South Carolina General Assembly beginning with 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. 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.

An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member. 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.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 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.

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 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 employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00% for SCRS. The legislation also increased employer contribution rates to increase by a minimum of one percentage point each year through July 1, 2022. 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 is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018, to 20 years by fiscal year 2028.

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 – PENSION PLANS – CONTINUED

South Carolina Retirement System – Continued

Additionally, the board is prohibited from decreasing the SCRS contribution rates until the funded ratio is at least 85%. If the most recent actuarial valuation of the system for funding purposes shows a ratio of the actuarial value of the system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85%, then the board, effective on the following July 1st, 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%. If contribution rates decreased pursuant to this provision and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85%, then effective the following July 1st, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85%.

Required employee (both Class II and III) contribution rates for the year ended June 30, 2020 was 9.00%. Required employer contribution rates for the year ended June 30, 2020 was 15.41%. Both required employee and employer contribution rates are calculated on earnable compensation, as defined in Title 9 of the South Carolina Code of Laws. Employers also contribute an additional .15% of earnable compensation, if participating in the death benefit program.

Contributions to the Plan from the County were \$712,306, for the year ended June 30, 2020. For the State's year end June 30, 2019, the State General Assembly appropriated funds to cover 1% of the 2% contribution rate increase for all employers participating in the State retirement plans. For the year ended June 30, 2019, \$51,592 of contributions paid on behalf of the County by the General Assembly for SCRS was recognized as other operating revenues.

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

At June 30, 2020, the County reported a net pension liability of \$11,072,767 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability, net pension liability and sensitivity information are based on an actuarial valuation performed as of July 1, 2018. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end June 30, 2019, using generally accepted actuarial principles. The allocation of the County's proportionate share of the collective net pension liability and pension expense were calculated on the basis of the County's contributions actually remitted to the plan relative to the total contributions remitted to the plan for all participating employers, less employer contributions that are not representative of future contribution efforts, as of June 30, 2019. Based upon this information, the County's proportion of the collective net pension liability is 0.048492%, a decrease of 0.002154% since June 30, 2018, the prior measurement date.

For the year ended June 30, 2020, the County recognized pension expense of \$1,393,807. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 – PENSION PLANS – CONTINUED

South Carolina Retirement System – Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,611	\$ 79,545
Changes in assumptions	223,132	-
Net difference between projected and actual earnings on pension plan investments	98,031	-
Changes in proportion and differences between County contributions and proportionate share of contributions	38,402	468,329
County contributions subsequent to the measurement date	712,306	-
Total	\$ 1,079,482	\$ 547,874

Deferred outflows of resources of \$712,306 related to pensions in 2020, resulted from County contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2021	\$ (146,018)
2022	252,026
2023	109,352
2024	(34,662)
	<u>\$ 180,698</u>

Actuarial Assumptions

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 to 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 System was most recently issued for the period ending July 1, 2015.

The June 30, 2019 total pension liability, net pension liability, and sensitivity information determined by the July 1, 2018 valuation, which used the following actuarial assumptions and methods:

Actuarial cost method	Entry age normal
Inflation	2.25%
Salary increases	3.0% to 12.5% (varies by service and includes 2.25% inflation)
Benefit adjustments	lesser of 1% or \$500 annually
Investment rate of return	7.25% (includes 2.25% inflation)

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 – PENSION PLANS – CONTINUED

South Carolina Retirement System – 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), was developed using the Systems' mortality experience. The base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

The long-term expected rate of return on pension plan investments is based upon the 20 year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees. 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% assumed annual investment rate of return used in the calculation of the total pension liability includes 5.00% real rate of return and a 2.25% inflation component.

Asset Class	Target Allocation	Long-term Expected Portfolio Real Rate of Return
Global Equity	51%	3.61%
Real Assets	12%	0.69%
Opportunistic	8%	0.26%
Credit	15%	0.64%
Rate Sensitive	14%	0.21%
Total Expected Real Return	<u>100%</u>	<u>5.41%</u>
Inflation for Actuarial Purposes		<u>2.25%</u>
Total Expected Nominal Return		<u>7.66%</u>

Discount Rate

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

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

The following table presents the County's proportionate share of the collective net pension liability calculated using the discount rate of 7.25%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the collective net pension liability	\$ 13,949,370	\$ 11,072,767	\$ 8,672,076

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 – PENSION PLANS – CONTINUED

South Carolina Retirement System – Continued

Pension Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the plan, administered by PEBA, is available in the Systems' audited financial statements for the fiscal year ended June 30, 2019 (including the unmodified opinion on the financial statements). Information about the fiduciary net position of the System and additions to/deductions from the System's fiduciary net position have been determined on the accrual basis of accounting. Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of July 1, 2018. The additional information is publically available on PEBA's Retirement Benefits' website at www.peba.sc.gov.

South Carolina Police Officers Retirement System

Plan Description

The County, as the employer, participates in the South Carolina Police Officers Retirement System (PORS) Plan - a cost-sharing multiple-employer defined benefit pension plan administered and managed by the South Carolina Public Employee Benefit Authority (PEBA), a state agency. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

Benefits Provided/Membership

PORS provides retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions. 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. Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws, and PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws.

To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary.

An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. 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. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member. 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.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 – PENSION PLANS – CONTINUED

South Carolina Police Officers Retirement System – Continued

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, 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 PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.75% for PORS. The legislation also increased employer contribution rates to increase by a minimum of one percentage point each year through July 1, 2022. 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 PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018, to 20 years by fiscal year 2028.

Additionally, the board is prohibited from decreasing the PORS contribution rates until the funded ratio is at least 85%. If the most recent actuarial valuation of the system for funding purposes shows a ratio of the actuarial value of the system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85%, then the board, effective on the following July 1st, 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%. If contribution rates decreased pursuant to this provision and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85%, then effective the following July 1st, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85%.

Required employee (both Class II and III) contribution rates for the year ended June 30, 2020 was 9.75%. Required employer contribution rates for the year ended June 30, 2020 was 17.84%. Both required employee and employer contribution rates are calculated on earnable compensation, as defined in Title 9 of the South Carolina Code of Laws. Employers also contribute an additional .20% of earnable compensation, if participating in the incidental and/or accidental death benefit program, respectively.

Contributions to the Plan from the County were \$609,599, for the year ended June 30, 2020. For the State's year end June 30, 2019, the State General Assembly appropriated funds to cover 1% of the 2% contribution rate increase for all employers participating in the State retirement plans. For the year ended June 30, 2019, \$31,634 of contributions paid on behalf of the County by the General Assembly for PORS was recognized as other operating revenues.

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

At June 30, 2020, the County reported a net pension liability of \$6,283,363 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability, net pension liability and sensitivity information are based on an actuarial valuation performed as of July 1, 2018. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end June 30, 2019, using generally accepted actuarial principles. The allocation of the County's proportional share of the collective net pension liability and pension expense were calculated on the basis of the County's contributions actually remitted to the plan relative to the total contributions remitted to the plan for all participating employers, less employer contributions that are not representative of future contribution efforts, as of June 30, 2019. Based upon this information, the County's proportion of the collective net pension liability is 0.219243%, a decrease of 0.010793% since June 30, 2018, the prior measurement date.

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 – PENSION PLANS – CONTINUED

South Carolina Police Officers Retirement System – Continued

For the year ended June 30, 2020, the County recognized pension expense of \$898,294. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 129,199	\$ 46,439
Changes in assumptions	249,167	-
Net difference between projected and actual earnings on pension plan investments	79,669	-
Changes in proportion and differences between County contributions and proportionate share of contributions	18,672	304,608
County contributions subsequent to the measurement date	609,599	-
Total	\$ 1,086,306	\$ 351,047

Deferred outflows of resources of \$609,599 related to pensions in 2020, resulted from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	June 30	
2021	\$	(188,043)
2022		28,189
2023		46,227
2024		(12,033)
	\$	(125,660)

Actuarial Assumptions

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 to 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 System was most recently issued for the period ending July 1, 2015.

The June 30, 2019 total pension liability, net pension liability, and sensitivity information is determined by the July 1, 2018 valuation, which used the following actuarial assumptions and methods:

Actuarial cost method	Entry age normal
Inflation	2.25%
Salary increases	3.5% to 9.5% (varies by service and includes 2.25% inflation)
Benefit adjustments	lesser of 1% or \$500 annually
Investment rate of return	7.25% (includes 2.25% inflation)

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 – PENSION PLANS – CONTINUED

South Carolina Police Officers Retirement System – 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), was developed using the Systems’ mortality experience. The base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

The long-term expected rate of return on pension plan investments is based upon the 20 year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectation and market based inputs. Expected-returns are net of investment fees. 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% assumed annual investment rate of return used in the calculation of the total pension liability includes 5.00% real rate of return and a 2.25% inflation component.

Asset Class	Target Allocation	Long-term Expected Portfolio Real Rate of Return
Global Equity	51%	3.61%
Real Assets	12%	0.69%
Opportunistic	8%	0.26%
Credit	15%	0.64%
Rate Sensitive	14%	0.21%
Total Expected Real Return	<u>100%</u>	5.41%
Inflation for Actuarial Purposes		<u>2.25%</u>
Total Expected Nominal Return		<u>7.66%</u>

Discount Rate

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

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

The following table presents the County’s proportionate share of the collective net pension liability calculated using the discount rate of 7.25%, as well as what the County’s net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County’s proportionate share of the collective net pension liability	\$ 8,515,447	\$ 6,283,363	\$ 4,454,723

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 – PENSION PLANS – CONTINUED

South Carolina Police Officers Retirement System – Continued

Pension Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the plan, administered by PEBA, is available in the Systems' audited financial statements for the fiscal year ended June 30, 2019 (including the unmodified opinion on the financial statements). Information about the fiduciary net position of the System and additions to/deductions from the System's fiduciary net position have been determined on the accrual basis of accounting. Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of July 1, 2018. The additional information is publically available through PEBA's Retirement Benefits' website at www.peba.sc.gov.

Reconciliation of pension-related items to the Government-wide Statement of Net Position:

	SCRS	PORS	Total
Net pension liability	\$ 11,072,767	\$ 6,283,363	\$ 17,356,130
Deferred outflows related to pensions	\$ 1,079,482	\$ 1,086,306	\$ 2,165,788
Deferred inflows related to pensions	\$ 547,874	\$ 351,047	\$ 898,921

NOTE 10 – POST RETIREMENT HEALTHCARE BENEFITS

Plan Description

Chesterfield County maintains a single-employer defined benefit plan to provide certain post-retirement healthcare benefits, in accordance with County ordinances, to all employees hired before July 1, 2009, that retire from service with at least ten years of service. Employees must meet one or more of the SCRS eligibility requirements, such as age, length of service, and hire date. Benefits are effective at the date of retirement or when the employee is eligible for retirement benefits. The County does not issue separate audited financial statements for this plan.

Benefits Provided/Funding Policy

The County currently pays 100% of employer's share of premiums towards eligible retirees' health insurance premiums to the State of South Carolina Insurance Benefits Program. The County has chosen to fund the healthcare benefits on a pay-as-you-go basis through an annual appropriation. For the year ended June 30, 2020, the County paid \$273,451 to provide these benefits to eligible retirees. Membership in the plan as of June 30, 2018, the date of the last actuarial valuation was:

Inactive plan members or beneficiaries receiving benefits	62
Active plan members	<u>254</u>
Total plan members	<u>316</u>

Total OPEB Liability

The County's total OPEB liability of \$12,912,156 was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2018.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods including the measurement date, unless otherwise specified:

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10 – POST RETIREMENT HEALTHCARE BENEFITS – CONTINUED

Actuarial Cost Method:	Individual Entry-Age
Discount Rate:	3.13%, as of June 30, 2019
Inflation:	2.25%
Salary Increases:	3.50% to 9.50% for PORS and 3.00% to 7.00% for SCRS, including inflation
Healthcare Costs Trends:	6.40% decreasing to an ultimate rate of 4.15% over 15 yrs; ultimate trend rate includes a 0.15% adjustment for the exise tax
Retiree Participation Rates:	90% for fully funded; 60% for partially-funded; 15% for unfunded; unfunded retirees were assumed to discontinue coverage at age 65.

The discount rate was based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2019, which was a decrease of 0.49% from the prior year.

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study used for the valuations of the SCRS. The experience report on the SCRS was most recently issued as of July 1, 2015, and are required to be completed at least once in each five-year period by S.C. state statute.

Changes in the Total OPEB Liability

Balance as of June 30, 2019	\$ 11,598,717
Changes During the Year:	
Service Cost	313,608
Interest on Total OPEB Liability	420,600
Difference between expected and actual experience of the Total OPEB Liability	(20,761)
Changes of Assumptions	873,443
Benefit Payments	<u>(273,451)</u>
Balance as of June 30, 2020	<u>\$ 12,912,156</u>

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

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate of 1% lower (2.13%) or 1% higher (4.13%) than the current discount rate:

	1% Decrease 2.13%	Current Discount Rate Assumption 3.13%	1% Increase 4.13%
Total OPEB Liability	\$ 15,002,861	\$ 12,912,156	\$ 11,218,677

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10 – POST RETIREMENT HEALTHCARE BENEFITS – CONTINUED

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a healthcare cost trend rates of 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Trend Rate
Total OPEB Liability	\$ 10,827,806	\$ 12,912,156	\$ 15,574,692

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

For the year ended June 30, 2020, the County recognized OPEB expense of \$406,238. At June 30, 2020, the County's contributions subsequent to the measurement date of \$283,026 are reported as deferred outflows of resources, and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2021. The County reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,536	\$ 1,396,888
Changes in assumptions	759,993	950,300
County contributions subsequent to the measurement date	283,026	-
Total	\$ 1,048,555	\$ 2,347,188

NOTE 11 – TAX ABATEMENTS

The County enters into property tax abatement agreements with local businesses under Title 4, Chapter 12 and Title 12, Chapter 44 of the Code of Laws of South Carolina of 1976, as amended (the "Act"). Under the Act, localities may grant property tax abatements for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the County.

For the fiscal year ended June 30, 2019, the County abated property taxes totaling \$5,252,108 under this law, including the following tax abatement agreements that each exceeded 10 percent of the total amount abated:

- An ad valorem property tax abatement to Schaeffler Group USA, Inc. for investing at least \$65 million into the County and creating new jobs. The agreement states the fee payment will be determined using an assessment ratio of 6%, a fixed millage rate, and a fair market value estimate of original cost less allowable depreciation for personal property under SC law. For fiscal year 2020, the total abated taxes amounted to \$1,992,643.
- An ad valorem property tax abatement to Wal Mart Stores, Inc. for investing at least \$45 million into the County and creating new jobs. The agreement states the fee payment will be determined using an assessment ratio of 6%, a fixed millage rate, and a fair market value estimate of original cost less allowable depreciation for personal property under SC law. For fiscal year 2020, the total abated taxes amounted to \$772,633.

CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – TAX ABATEMENTS – CONTINUED

- An ad valorem property tax abatement to Nestle Waters North America, Inc. for investing at least \$45 million into the County and creating new jobs. The agreement states the fee payment will be determined using an assessment ratio of 6%, a fixed millage rate, and a fair market value estimate of original cost less allowable depreciation for personal property under SC law. For fiscal year 2020, the total abated taxes amounted to \$648,282.

NOTE 12 – 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; injuries to employees; and natural disasters. The County maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Grants

Amounts received or receivable from grant programs are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Litigation

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

NOTE 14 – SUBSEQUENT EVENTS

Subsequent to June 30, 2020, County Council authorized the following transactions:

- Issuance of a \$626,000 General Obligation Bond, with an interest rate of 0.90%, and a maturity date of March 1, 2021.
- Enter into a lease-purchase contract for \$289,192, with an interest rate of 1.68%, and a maturity date of September 10, 2025 to purchase various equipment and vehicles.

County Council is also in the process of refunding the County's long-term General Obligation Bonds and Installment Purchase Revenue Bonds. No specific details were available as of November 25, 2020.

Management has evaluated subsequent events through November 25, 2020, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

CHESTERFIELD COUNTY, SOUTH CAROLINA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2020

	Budget		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 9,059,538	\$ 9,059,538	\$ 8,622,491	\$ (437,047)
Local option sales tax	2,700,000	2,700,000	3,339,874	639,874
Fees and fines	325,715	325,715	280,397	(45,318)
Licenses and permits	1,790,000	1,790,000	2,233,971	443,971
Intergovernmental	3,324,294	3,324,294	4,192,705	868,411
Charges for services	1,274,170	1,274,170	1,560,143	285,973
Investment earnings	72,000	72,000	95,308	23,308
Miscellaneous	201,025	201,025	486,813	285,788
Fire department dues	614,980	614,980	623,751	8,771
Grants Contributions	21,746	21,746	1,374,656	1,352,910
	15,000	15,000	12,760	(2,240)
Total Revenues	19,398,468	19,398,468	22,822,869	3,424,401
Expenditures				
General Government				
Register of deeds	170,111	182,785	152,914	29,871
Voter registration	223,161	223,161	236,245	(13,084)
County administrator	653,780	653,780	646,180	7,600
Assessor	437,692	425,263	386,976	38,287
Auditor	240,787	240,787	236,436	4,351
Treasurer / delinquent tax collections	549,956	549,956	604,903	(54,947)
Building codes	288,181	288,181	280,734	7,447
Public buildings	1,157,015	1,157,015	1,185,891	(28,876)
Data processing	208,142	208,142	164,500	43,642
	3,928,825	3,929,070	3,894,779	34,291
Public Safety				
Victim's advocate Sheriff	65,773	65,773	61,778	3,995
Detention center	3,308,979	3,308,979	3,325,640	(16,661)
Coroner	1,802,963	1,802,963	1,825,415	(22,452)
Ambulance	154,418	154,418	226,654	(72,236)
School resource officers	1,250,000	1,250,000	1,250,000	-
Town of McBee officers	372,170	372,170	552,899	(180,729)
Civil processors	116,475	116,475	117,034	(559)
Jefferson law enforcement	22,780	22,780	23,102	(322)
Grant: JAG narcotics	119,379	119,379	109,401	9,978
Telecommunicators	50,168	50,168	-	50,168
Animal shelter	684,433	684,433	635,836	48,597
Emergency preparedness	461,271	461,271	583,029	(121,758)
	207,139	207,139	180,413	26,726
	8,615,948	8,615,948	8,891,201	(275,253)
Public Works				
Road department	1,864,586	1,864,586	1,846,433	18,153
Landfill	512,042	513,449	615,017	(101,568)
	2,376,628	2,378,035	2,461,450	(83,415)

SCHEDULE 1 - CONTINUED

CHESTERFIELD COUNTY, SOUTH CAROLINA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2020

	Budget		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Economic Development	1,205,074	1,205,074	428,159	776,915
Judicial Administration				
Clerk of court	374,706	374,706	349,609	25,097
Probate court	252,275	252,275	246,278	5,997
Magistrates	477,050	477,050	441,912	35,138
Family court	207,194	207,194	187,902	19,292
Solicitor	-	-	10,129	(10,129)
	<u>1,311,225</u>	<u>1,311,225</u>	<u>1,235,830</u>	<u>75,395</u>
Culture and Recreation				
Veterans' affairs	104,040	104,040	102,875	1,165
Library	565,384	565,384	632,707	(67,323)
	<u>669,424</u>	<u>669,424</u>	<u>735,582</u>	<u>(66,158)</u>
Rescue and Fire Protection	749,980	749,980	697,248	52,732
Grant Programs				
Other agencies	2,079,374	2,079,374	2,754,418	(675,044)
Other pass through funds	116,746	116,746	933,131	(816,385)
	<u>2,196,120</u>	<u>2,196,120</u>	<u>3,687,549</u>	<u>(1,491,429)</u>
Legislative Oversight				
County council members and attorney	302,553	302,553	304,424	(1,871)
Delegation	42,412	42,412	41,959	453
	<u>344,965</u>	<u>344,965</u>	<u>346,383</u>	<u>(1,418)</u>
Total Expenditures	<u>21,398,189</u>	<u>21,399,841</u>	<u>22,378,181</u>	<u>(978,340)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,999,721)</u>	<u>(2,001,373)</u>	<u>444,688</u>	<u>2,446,061</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	10,000	10,000	786	(9,214)
Transfers in	1,969,373	1,971,025	11,979	(1,959,046)
Transfers out	-	-	(50,782)	(50,782)
	<u>1,979,373</u>	<u>1,981,025</u>	<u>(38,017)</u>	<u>(2,019,042)</u>
Net Change in Fund Balance	<u>\$ (20,348)</u>	<u>\$ (20,348)</u>	<u>406,671</u>	<u>\$ 427,019</u>
Fund Balance - Beginning of Year			<u>2,005,542</u>	
Fund Balance - End of Year			<u>\$ 2,412,213</u>	

SCHEDULE 2

CHESTERFIELD COUNTY, SOUTH CAROLINA
 SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE
 OF THE COLLECTIVE NET PENSION LIABILITY
 SOUTH CAROLINA RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS*

	2020	2019	2018	2017	2016	2015
County's Proportion of the Collective Net Pension Liability	0.048492%	0.050646%	0.051441%	0.052231%	0.044875%	0.046159%
County's Proportionate Share of the Collective Net Pension Liability	\$ 11,072,767	\$ 11,348,215	\$ 11,580,196	\$ 11,156,465	\$ 8,510,760	\$ 7,947,050
County's Covered Payroll	\$ 5,120,639	\$ 5,247,623	\$ 5,195,004	\$ 5,040,222	\$ 4,267,195	\$ 4,190,233
County's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Payroll	216.24%	216.25%	222.91%	221.35%	199.45%	189.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.40%	54.10%	53.30%	52.90%	57.00%	59.90%

Note to Schedule:
 June 30, 2015 was the first year of GASB 68 implementation, therefore 10-year data is not available yet.

* The amounts presented were determined as of the prior fiscal year ending June 30.

SCHEDULE 3

CHESTERFIELD COUNTY, SOUTH CAROLINA
 SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
 SOUTH CAROLINA RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015
Statutorily Required Contributions	\$ 712,306	\$ 693,973	\$ 659,986	\$ 600,542	\$ 557,449	\$ 458,627
Contributions in Relation to the Statutorially Required Contributions	712,306	693,973	659,986	600,542	557,449	458,627
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's Covered Payroll	\$ 4,909,368	\$ 5,120,639	\$ 5,247,623	\$ 5,195,004	\$ 5,040,222	\$ 4,267,195
Contributions as a Percentage of Covered Payroll	14.51%	13.55%	12.58%	11.56%	11.06%	10.75%

Note to Schedule:
 June 30, 2015 was the first year of GASB 68 implementation, therefore 10-year data is not available yet.

SCHEDULE 4

CHESTERFIELD COUNTY, SOUTH CAROLINA
 SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE
 OF THE COLLECTIVE NET PENSION LIABILITY
 SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS*

	2020	2019	2018	2017	2016	2015
County's Proportion of the Collective Net Pension Liability	0.219243%	0.230036%	0.232520%	0.241300%	0.235090%	0.218510%
County's Proportionate Share of the Collective Net Pension Liability	\$ 6,283,363	\$ 6,518,167	\$ 6,369,917	\$ 6,120,412	\$ 5,123,756	\$ 4,183,254
County's Covered Payroll	\$ 3,180,025	\$ 3,185,197	\$ 3,128,197	\$ 3,065,478	\$ 2,854,805	\$ 2,628,525
County's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Payroll	197.59%	204.64%	203.63%	199.66%	179.48%	159.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.70%	61.70%	60.90%	60.40%	64.60%	67.50%

Note to Schedule:
 June 30, 2015 was the first year of GASB 68 implementation, therefore 10-year data is not available yet.

* The amounts presented were determined as of the prior fiscal year ending June 30.

SCHEDULE 5

CHESTERFIELD COUNTY, SOUTH CAROLINA
 SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
 SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015
Statutorially Required Contributions	\$ 609,599	\$ 516,602	\$ 485,642	\$ 445,455	\$ 421,197	\$ 390,557
Contributions in Relation to the Statutorially Required Contributions	609,599	516,602	485,642	445,455	421,197	390,557
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's Covered Payroll	\$ 3,515,534	\$ 3,180,025	\$ 3,185,197	\$ 3,128,197	\$ 3,065,478	\$ 2,854,805
Contributions as a Percentage of Covered Payroll	17.34%	16.25%	15.25%	14.24%	13.74%	13.68%

Note to Schedule:
 June 30, 2015 was the first year of GASB 68 implementation, therefore 10-year data is not available yet.

SCHEDULE 6

**CHESTERFIELD COUNTY, SOUTH CAROLINA
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY
AND RELATED RATIOS
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 313,608	\$ 326,995	\$ 392,819
Interest on total OPEB liability	420,600	469,540	409,962
Changes in benefit terms	-	-	-
Effect of economic/demographic gains or (losses)	(20,761)	(1,862,714)	9,097
Effect of assumption changes or inputs	873,443	(203,381)	(1,314,397)
Benefit payments	<u>(273,451)</u>	<u>(315,076)</u>	<u>(314,999)</u>
 Net Change in Total OPEB Liability	 1,313,439	 (1,584,636)	 (817,518)
 Total OPEB Liability - Beginning of Year	 <u>11,598,717</u>	 <u>13,183,353</u>	 <u>14,000,871</u>
 Total OPEB Liability - End of Year	 <u><u>\$ 12,912,156</u></u>	 <u><u>\$ 11,598,717</u></u>	 <u><u>\$ 13,183,353</u></u>
 Covered Payroll	 \$ 7,411,069	 \$ 7,952,315	 \$ 7,229,129
 Total OPEB Liability as a % of Covered Payroll	 174.23%	 145.85%	 182.36%

Note to Schedule:

There are no assets accumulated in a trust to pay the related benefits.

June 30, 2018 was the first year of GASB 75 implementation, therefore 10-year data is not available yet.

OTHER SUPPLEMENTARY INFORMATION

CHESTERFIELD COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Emergency Preparedness	Lottery Fund	E-911 Fund	Sheriff's Department	Total Fire Districts & Rescue Squads	Total Special Revenue Funds	Industrial Site Fund	Capital Projects Fund-Public Facilities Corporation	Debt Service Fund	Total Nonmajor Governmental Funds			
\$	-	\$	133,951	\$	164,209	\$	298,160	\$	663,185	\$	759,900	\$	1,721,245
	-		-		91,493		91,493		-		161,602		253,095
	128,335		74,694		389,644		592,673		11,951		-		1,158,461
	-		30		-		30		-		-		30
	128,335		208,675		481,137		982,356		675,136		921,502		3,132,831
\$	128,335	\$	208,675	\$	164,209	\$	982,356	\$	675,136	\$	921,502	\$	3,132,831
\$	-	\$	768	\$	-	\$	117,773	\$	5,628	\$	50,029	\$	124,169
	-		-		-		-		-		50,029		50,029
	-		768		117,773		118,541		5,628		50,029		174,198
	-		-		73,536		73,536		-		133,170		206,706
	-		-		73,536		73,536		-		133,170		206,706
128,335	-	207,907	164,209	291,891	792,342	553,837	738,303	669,508	-	738,303	-	738,303	
-	-	-	-	-	-	-	(2,063)	-	-	-	-	(2,063)	
-	-	207,907	164,209	289,828	790,279	553,837	738,303	669,508	738,303	2,751,927	-	2,751,927	
\$	128,335	\$	208,675	\$	164,209	\$	982,356	\$	675,136	\$	921,502	\$	3,132,831

Assets and Deferred Outflows of Resources

Assets:
Cash and cash equivalents
Taxes receivable - net
Due from other funds
Other receivables

Liabilities, Deferred Inflows of Resources, and Fund Balances

Liabilities:
Accounts payable and accrued expenses
Due to other funds

Deferred Inflows of Resources:
Unearned revenue

Fund balances:

Restricted
Public safety
Economic development
Capital projects
Assigned
Debt service
Unassigned

CHESTERFIELD COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Emergency Preparedness		E-911 Fund	Sheriff's Department		Total Fire Districts & Rescue Squads	Total Special Revenue Funds	Industrial Site Fund	Capital Projects Fund-Public Facilities Corporation		Total Nonmajor Governmental Funds
	Lottery Fund			Fund	Department				Fund	Debt Service Fund	
Revenues											
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 874,462	\$ -	\$ 874,462	\$ -	\$ -	\$ 1,531,544	\$ 2,406,006
Fees and fines	-	-	-	6,011	-	6,011	-	-	-	-	6,011
Charges for services	-	-	401,714	-	-	-	401,714	-	-	-	401,714
Investment earnings	-	-	768	21	-	-	789	-	-	3,565	4,354
Miscellaneous	-	-	-	59,180	62	-	59,242	-	-	-	59,242
Contributions	72,465	-	-	-	-	-	72,465	-	-	-	72,465
	<u>72,465</u>	<u>-</u>	<u>402,482</u>	<u>65,212</u>	<u>874,524</u>	<u>1,414,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,535,109</u>	<u>2,949,792</u>
Expenditures											
Current:											
Public safety	35,900	-	415,638	58,974	-	-	510,512	-	-	-	510,512
Rescue and fire protection	-	-	-	-	965,435	-	965,435	-	-	-	965,435
Legislative oversight	-	-	-	-	-	-	-	-	259,377	-	259,377
Debt Service:											
Principal	-	-	-	-	23,351	-	23,351	-	-	949,000	972,351
Interest and other charges	-	-	-	-	2,144	-	2,144	-	-	293,835	295,979
	<u>35,900</u>	<u>-</u>	<u>415,638</u>	<u>58,974</u>	<u>990,930</u>	<u>1,501,442</u>	<u>-</u>	<u>-</u>	<u>259,377</u>	<u>1,242,835</u>	<u>3,003,654</u>
Excess (Deficiency) of Revenues Over Expenditures	36,565	-	(13,156)	6,238	(116,406)	(86,759)	-	-	(259,377)	292,274	(53,862)
Other Financing Sources (Uses)											
Transfers in	-	5,782	-	-	45,000	-	50,782	-	-	-	50,782
Transfers out	-	-	-	(11,979)	-	-	(11,979)	-	-	-	(11,979)
	<u>-</u>	<u>5,782</u>	<u>-</u>	<u>(11,979)</u>	<u>45,000</u>	<u>38,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,803</u>
Net Change in Fund Balances	36,565	5,782	(13,156)	(5,741)	(71,406)	(47,956)	-	-	(259,377)	292,274	(15,059)
Fund Balances - Beginning of Year	91,770	(5,782)	221,063	169,950	361,234	838,235	553,837	446,029	928,885	2,766,986	
Fund Balances - End of Year	\$ 128,335	\$ -	\$ 207,907	\$ 164,209	\$ 289,828	\$ 790,279	\$ 553,837	\$ 738,303	\$ 669,508	\$ 2,751,927	

**CHESTERFIELD COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
FIRE DISTRICTS & RESCUE SQUADS
JUNE 30, 2020**

Fire District	Cash Fire District	Cheraw Fire District	Chesterfield Fire District	Harris Creek Fire District	Cheraw Rescue Squad	Chesterfield Rescue Squad	Jefferson Rescue Squad	McBee Rescue Squad	Pageland Rescue Squad	Patrick Rescue Squad	Total
\$ 28,790	\$ 4,828	\$ 55,697	\$ -	\$ 2,178	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,493
21,853	66,533	91,081	46,145	8,407	62,361	27,222	2,085	23,398	25,364	15,195	389,644
<u>\$ 50,643</u>	<u>\$ 71,361</u>	<u>\$ 146,778</u>	<u>\$ 46,145</u>	<u>\$ 10,585</u>	<u>\$ 62,361</u>	<u>\$ 27,222</u>	<u>\$ 2,085</u>	<u>\$ 23,398</u>	<u>\$ 25,364</u>	<u>\$ 15,195</u>	<u>\$ 481,137</u>
\$ 29,307	\$ 19	\$ 88,447	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 117,773
29,307	19	88,447	-	-	-	-	-	-	-	-	117,773
23,399	3,608	44,797	-	1,732	-	-	-	-	-	-	73,536
23,399	3,608	44,797	-	1,732	-	-	-	-	-	-	73,536
-	67,734	13,534	46,145	8,853	62,361	27,222	2,085	23,398	25,364	15,195	291,891
(2,063)	-	-	-	-	-	-	-	-	-	-	(2,063)
<u>(2,063)</u>	<u>67,734</u>	<u>13,534</u>	<u>46,145</u>	<u>8,853</u>	<u>62,361</u>	<u>27,222</u>	<u>2,085</u>	<u>23,398</u>	<u>25,364</u>	<u>15,195</u>	<u>289,828</u>
\$ 50,643	\$ 71,361	\$ 146,778	\$ 46,145	\$ 10,585	\$ 62,361	\$ 27,222	\$ 2,085	\$ 23,398	\$ 25,364	\$ 15,195	\$ 481,137

Assets and Deferred Outflows of Resources

Assets:
Taxes receivable - net
Due from other funds

Liabilities, Deferred Inflows of Resources, and Fund Balances

Liabilities:
Accounts payable
and accrued expenses

Deferred Inflows of Resources:
Unearned revenue

Fund Balances:
Restricted
Public safety
Unassigned

**CHESTERFIELD COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FIRE DISTRICTS & RESCUE SQUADS
FOR THE YEAR ENDED JUNE 30, 2020**

	Alligator Fire District	Cash Fire District	Cheraw Fire District	Chesterfield Fire District	Harris Creek Fire District	Cheraw Rescue Squad	Chesterfield Rescue Squad	Jefferson Rescue Squad	McBee Rescue Squad	Pageland Rescue Squad	Patrick Rescue Squad	Total
Revenues												
Property taxes	\$ 242,030	\$ 34,278	\$ 388,845	\$ 53,101	\$ 19,390	\$ 22,803	\$ 22,803	\$ 22,803	\$ 22,803	\$ 22,803	\$ 22,803	\$ 874,462
Miscellaneous	-	62	-	-	-	-	-	-	-	-	-	62
	<u>242,030</u>	<u>34,340</u>	<u>388,845</u>	<u>53,101</u>	<u>19,390</u>	<u>22,803</u>	<u>22,803</u>	<u>22,803</u>	<u>22,803</u>	<u>22,803</u>	<u>22,803</u>	<u>874,524</u>
Expenditures												
Current:												
Rescue and fire protection	256,063	28,474	422,994	125,000	28,224	3,097	25,213	21,594	28,237	12,987	13,552	965,435
Debt Service:												
Principal	-	23,351	-	-	-	-	-	-	-	-	-	23,351
Interest and other charges	-	2,144	-	-	-	-	-	-	-	-	-	2,144
	<u>256,063</u>	<u>53,969</u>	<u>422,994</u>	<u>125,000</u>	<u>28,224</u>	<u>3,097</u>	<u>25,213</u>	<u>21,594</u>	<u>28,237</u>	<u>12,987</u>	<u>13,552</u>	<u>990,930</u>
Excess (Deficiency) of Revenues Over Expenditures	(14,033)	(19,629)	(34,149)	(71,899)	(8,834)	19,706	(2,410)	1,209	(5,434)	9,816	9,251	(116,406)
Other Financing Sources (Uses)												
Transfers in	15,000	15,000	-	-	15,000	-	-	-	-	-	-	45,000
	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,000</u>
Net Change in Fund Balances	967	(4,629)	(34,149)	(71,899)	6,166	19,706	(2,410)	1,209	(5,434)	9,816	9,251	(71,406)
Fund Balances - Beginning of Year	(3,030)	72,363	47,683	118,044	2,687	42,655	29,632	876	28,832	15,548	5,944	361,234
Fund Balances - End of Year	<u>\$ (2,063)</u>	<u>\$ 67,734</u>	<u>\$ 13,534</u>	<u>\$ 46,145</u>	<u>\$ 8,853</u>	<u>\$ 62,361</u>	<u>\$ 27,222</u>	<u>\$ 2,085</u>	<u>\$ 23,398</u>	<u>\$ 25,364</u>	<u>\$ 15,195</u>	<u>\$ 289,828</u>

**CHESTERFIELD COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 JUNE 30, 2020**

	<u>Clerk of Court</u>	<u>Magistrates</u>	<u>Treasurer's Office</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 230,387	\$ 115,002	\$ 16,113,080	\$ 16,458,469
Investments	-	-	5,060,653	5,060,653
	<u>\$ 230,387</u>	<u>\$ 115,002</u>	<u>\$ 21,173,733</u>	<u>\$ 21,519,122</u>
Liabilities				
Due to other governments	-	-	\$ 19,491,039	\$ 19,491,039
Due to taxpayers	-	-	240,538	240,538
Due to other claimants	230,387	115,002	1,442,156	1,787,545
	<u>\$ 230,387</u>	<u>\$ 115,002</u>	<u>\$ 21,173,733</u>	<u>\$ 21,519,122</u>

SUPPLEMENTARY INFORMATION REQUIRED BY THE STATE OF SOUTH CAROLINA

**CHESTERFIELD COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES AND EXPENDITURES BY FUNDING SOURCE
LIBRARY
FOR THE YEAR ENDED JUNE 30, 2020**

Source of Funds	Beginning Balance	Revenues	Expenditures	Ending Balance
Local Sources:				
County or tax appropriation	\$ -	\$ 452,293	\$ 452,293	\$ -
Fees, fines, and other local revenue	52,412	63,473	71,394	44,491
Gifts & Donations	-	-	-	-
Other Local	-	-	-	-
	<u>52,412</u>	<u>515,766</u>	<u>523,687</u>	<u>44,491</u>
State Sources:				
* State aid	-	105,599	105,599	-
* Education Lottery	(5,782)	-	(5,782)	-
* Other state	-	3,421	3,421	-
	<u>(5,782)</u>	<u>109,020</u>	<u>103,238</u>	<u>-</u>
Total All Sources of Funds	<u>\$ 46,630</u>	<u>\$ 624,786</u>	<u>\$ 626,925</u>	<u>\$ 44,491</u>

* Indicates funds administered through the South Carolina State Library.

**CHESTERFIELD COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF COURT FINES, ASSESSMENTS, AND SURCHARGES
FOR THE YEAR ENDED JUNE 30, 2020**

	Total Collections	Amount Retained by County Treasurer	Amount Remitted to State Treasurer	Amount Allocated to Victims' Services
Clerk of Court:				
Fines and fees	\$ 338,088	\$ 147,589	\$ 190,499	\$ -
Assessments	3,022	-	2,001	1,021
Surcharges	17,647	-	6,443	11,204
	<u>\$ 358,757</u>	<u>\$ 147,589</u>	<u>\$ 198,943</u>	<u>\$ 12,225</u>

Magistrates Court:				
Fines and fees	\$ 180,923	\$ 178,770	\$ 2,153	\$ -
Assessments	165,175	-	138,064	27,111
Surcharges	62,730	-	56,531	6,199
	<u>\$ 408,828</u>	<u>\$ 178,770</u>	<u>\$ 196,748</u>	<u>\$ 33,310</u>

Victim's Advocate				
Amount reserved for victim's advocate, beginning of year				\$ 24,099
Plus: Amount allocated to victim's advocate				45,535
Less: Amounts spent for victim's advocate from assessments and surcharges:				
Salaries and benefits		\$ 57,149		
Operating expenditures		4,637		
Unearned revenue		<u>(2,470)</u>		
				(59,316)
Amount reserved for victim's advocate, end of year				<u>\$ 10,318</u>