



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

COUNTY COUNCIL

Joseph F. Flowers, M.D.
Art Williams
Gene Whetsell
Steven D, Murdaugh
Phillip M. Taylor, Sr.

COUNTY ADMINISTRATOR

J. Kevin Griffin

FINANCE DIRECTOR

Jon Carpenter

Prepared by:
Finance Department

COLLETON COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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INTRODUCTORY SECTION



December 10, 2019

To The Honorable Chairman & Honorable Members of County Council and the Citizens of Colleton County, South Carolina:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles ("GAAP") and audited in accordance with generally accepted accounting standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Colleton County for the fiscal year ended June 30, 2019.

This report consists of management's representations concerning the finances of Colleton County (the "County"). Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations management of the County has established a comprehensive internal control framework, that is designed both to protect the government's assets from loss, theft, or misuse and to compile enough reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the costs of internal controls should not outweigh their benefits, Colleton County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Mauldin & Jenkins LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2019 are free of material misstatement. The independent audit involves examining on a test basis, evidence supporting the amounts and disclosures in the financial statement presentation; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2019 are fairly presented in conformity with GAAP. The independent auditors report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The County was founded in 1682 through a land grant to Sir John Colleton by King Charles II, of England and was one of the original proprietary counties in the present-day Carolinas. It was officially formed in 1798 and is in the southeastern part of South Carolina bordering on the Atlantic Ocean. Its location in the Lowcountry region of South Carolina places it midway between Charleston, South Carolina and Savannah, Georgia on the I-95 corridor. The County occupies a large land area that is 1,056.48 square miles and has an estimated population of slightly less than 38,000.

The County is empowered to levy a property tax on both real and personal properties located within its boundaries. The County operates under the Council-Administrator form of government. Policy-making and legislative authority are vested in a governing council consisting of five members. In addition to policy-making and legislative authority that are vested with the Council, they also have the responsibility to pass ordinances, adopt the budget, appoint committees, and hire both the County Administrator and County Attorney. The County Administrator is responsible for the administration of all the departments of the County government which County Council has the authority to control. The powers and duties of the County Administrator include: 1) executing policies, directives and legislative actions of County Council; 2) directing operational and administrative activities of the County; 3) preparing annual budgets; 4) supervising the expenditure of funds; and 5) employing and discharging personnel. The five Council members are each elected from residence districts or at-large for four-year staggered terms, with three council members elected every two years, and two elected every two years. County elections occur in the fall of even-numbered years.

The County provides a full range of services including:

- (1) Public Safety (including law enforcement, county-wide emergency dispatch services and detention facilities);
- (2) Fire and Rescue (including emergency preparedness, emergency medical services and fire protection in the unincorporated areas of the County);
- (3) Animal and Environmental Control;
- (4) Public Works (including street and drainage maintenance);
- (5) Solid Waste Management (solid waste disposal and recycling);
- (6) Judicial Administration (including prosecuting and public defender legal services, criminal, civil, probate and family court administration);
- (7) Tax Collection and Dispersal;
- (8) Libraries;
- (9) Recreation;
- (10) Planning and Zoning Administration; and
- (11) Veterans Assistance.

The annual budget serves as the foundation for the County's financial planning and control. All departments of the County are required to submit requests for appropriations to administration during the spring of each year. The County Administrator uses these requests as the starting point for developing a proposed budget. The County Administrator then presents this proposed budget to the Council for review during May of each year. The Council is required to hold a public hearing on the proposed budget and to adopt a final budget prior to June 30th, the close of the County's fiscal year. The appropriated budget is prepared by fund and department. Budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is maintained by the Administrator at the fund level and may be amended as necessary during the fiscal year. Budget-to-actual comparisons are provided in the report for each individual department by governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the required supplementary information for governmental funds.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Economic Factors

The County's fiscal year 2019 assessable property tax base is \$179,990,630, which represented growth of 2.3% from 2018's assessable property tax base of \$176,013,020. This growth was due in part to several economic development projects announced in previous years that are now on the county tax rolls as well as the county continuing to see moderate growth in real property values especially in the City of Walterboro and Town of Edisto Beach. As reported by the U.S. Census Bureau, per capita income for the County in 2019 was forecasted at \$34,996, which continues to be lower than the per capita income of the State of South Carolina, which was reported at \$42,736. For 2019, per capita income did show growth of 1.85%, which is slightly slower growth than seen in the previous fiscal year. This continued steady growth in per capita income is supported by the County continuing to see low unemployment, with the unemployment rate at June 2019 at 4.0%, which represents a decrease from 4.2% unemployment as of June 2018. The unemployment rate for the County is still slightly higher than the State, which saw 3.5% at June 2019 and 3.6% at June 2018. The U.S. Census Bureau estimated the 2019 population for the County to be relatively unchanged at 37,660 as compared to the last several fiscal years. For 2019 this does represent roughly a 3% decrease in population from the last full census in 2010. Housing in the County continues to be dominated with owner occupied units with over 75% as compared to the State of South Carolina average of roughly 70% based on the most recently available data. Even though population has not changed significantly over the last several fiscal years, the County continues to experience significant business investment and job growth with the expansion of existing and addition of new industries to the County during the current and previous fiscal years. County population continues to be primarily located within the Walterboro City Census Division ("CCD") as well as near the other CCDs within the County, including the Hendersonville CCD and Cottageville CCD.

A large part of the County is served with easy access to Interstate 95 with five interchanges that include exits 42, 53, 57, 62 and 68. In addition to this major interstate artery, the County has direct access to both Highway 17 and Highway 17A that provide connection to the cities and towns of Charleston, Beaufort, Savannah, and Summerville. The City of Walterboro, which is the County seat as well as being home to the largest industrial and economic activity in the County is situated between exits 53 and 57 off Interstate 95 as well as has having easy access to the other highways noted above.

Economic Development Goals and Strategies

The County, in 2019, attracted one new manufacturer, Colonial Precast Concrete of Carolina. This is a stand-alone plant, affiliated with Colonial Precast Concrete, located in Placida, Florida. The new company will manufacture pre-stressed, hollow core concrete deck panels used as floor decks for commercial and residential high-rise building construction as well as for floor decks in construction of multi-story parking garages. The company announced its intentions, in September, to invest \$2.5 million and to create 55 new jobs, over five years. This project is also notable since it will be the first company to move into the newest county-owned industrial park, Colleton Venture Park, that is still under development.

As part of the County's ongoing economic development efforts, in 2017, the County supported the financing for the acquisition of the assets of the former Hampton and Branchville Railroad, recently renamed the Salkehatchie Railroad, that is managed by Palmetto Railways, a division of the South Carolina Department of Commerce. The Salkehatchie Railroad is a well-maintained, 40+ mile, industrial-grade, short-line railroad which transverses the County and connects to the lines of CSX Transportation in neighboring Hampton, South Carolina. It also connects to several prospective industrial sites within the County, including a 167-acre site at the location of the former SCE&G coal fired power plant located at the terminus of the rail line along the Edisto River in the County's unincorporated community of Canadys. The County is currently working to finalize a deal to recruit an aggregate distribution yard to the Canadys Station Site. This project has potential to create high-volume rail traffic on the Salkehatchie Railroad, which is necessary to service the railroad purchase financing. As part of the project, the County was successful with securing a \$1 million grant to refurbish the rail line and to re-establish railroad crossing signage in which work has already begun.

Besides the Canadys Station Site, the County continues to work on two other sites on the Salkehatchie Railroad. Near the end of last year, the County, through one of its non-profit development corporations, acquired 870 acres of the 1500-acre Colleton Mega Site (near I-95/Exit 57) and retaining the remainder of the property under a purchase option agreement. Along with our funding partners, the County is working on sewer line right-of-way acquisition and will soon embark on sewer line design. The County is also partnering with Southern Carolina Alliance and the South Carolina Department of Commerce to develop a 467-acre industrial site on the Salkehatchie Railroad, immediately accessible to I-95/Exit 62. The site is under option and is presently undergoing due diligence studies. The County also applied to, and was accepted by, the South Carolina Department of Commerce to enter this site into the new Locate SC pilot site certification program. The program will not only certify that all necessary site due diligence has been completed but will also provide enhanced marketing to industries and industrial site location consultants who are seeking ready-to-go rail-served industrial sites.

In addition to these rail-served sites, the County is continuing to develop other industrial sites located within both county-owned industrial parks, Colleton County Commerce Center and Colleton Venture Park. In fiscal year 2019, the remaining 38-acre site in the Colleton County Commerce Center was cleared. This site is still in the process of being made ready with matching funds grant from the South Carolina Department of Commerce's, Locate SC Site Enhancement Grant program. These grant funds will be used to remove the debris windrows, bring in fill dirt, grade and crown the site and install park access gates with work expected to commence during fiscal year 2020. At Colleton Venture Park, the County was also successful with securing another matching fund grant from the South Carolina Department of Commerce's Locate SC Site Readiness Grant program. These grant funds will be used to conduct a Phase 1 environmental study. The County is also working on plans to install water and sewer lines into Colleton Venture Park and has applied for companion grants to design and construct the lines that are expected to be awarded during fiscal year 2020.

To continue to attract employers to the area, the County continues to focus on work force development with both the Thunderbolt Career and Technology Center (Colleton County High School Vocational Education Center) as well as the Colleton Career Skills Center (adult technical education program). These two facilities are located on adjoining properties in the Lowcountry Regional Airport Park, provide all types of training including vocational and attainment of nationally recognized NCCER certifications for the purpose of filling local industry needs. Class offerings include the areas of welding, machine tool, CNC, industrial maintenance and commercial driver's license. To provide more training opportunities to area adults, the Colleton Career Skills Center is now offering certification training programs on the weekends.

Recreation and Culture

The County offers some of the best opportunities for residents and visitors to enjoy both indoor and outdoor activities. The County's recreation center known as the Ace Basin Sports Complex continues to be a prime venue in the area in hosting numerous baseball and softball tournaments as it continued to host thirty plus in 2019. In addition, August 2019 saw the official opening of the renovations that were completed at the recreation center that were funded in part through the capital projects sales tax referendum approved by voters in 2014. The renovations included an addition of a splash pad, state-of-the-art exercise facility and renovated gym and locker rooms which now allow the recreation center to increase its offerings of fitness classes and other adult and juvenile sport programs.

The County owned Dogwood Hills Golf Course and Restaurant with its nine-hole golf course that is open six days a week and its restaurant that offers lunch and dinner menu service three days a week in addition to facility rental, catering and a monthly Sunday lunch buffet continued to see their popularity with residents grow based on fiscal year revenue growth of 1.2% in their third full year of operation. In addition to Dogwood Hills Restaurant, the Colleton County Museum continues to grow in popularity with residents and visitors who enjoy the businesses providing lunch offerings at museum. The businesses providing this offering saw their sales volume grow at 9% during fiscal year 2019.

Colleton County Memorial Library continues to see increases in residents' visits with almost 100,000 in fiscal year 2019. In addition to the main library in Walterboro, the library has branches in both Edisto Beach and Cottageville that are open three days a week as well as continuing to operate the book mobile that provides service throughout the county. A big draw to all library locations continues to be both adult and juvenile programs that saw attendance of over 16,000 in the 621 programs provided during fiscal year 2019. In addition to these programs, a big draw with residents is accessing the thirty-six public computers which provided over 24,000 sessions.

In addition to all the opportunities sponsored by the County, the area boasts easy access to many of South Carolina's best eco-tourism spots, including the ACE Basin, the Walterboro Wildlife Sanctuary, Edisto State Park, Colleton State Park, and several other South Carolina Department of Natural Resources wildlife management areas.

Long-Term Financial Planning

The County closed fiscal year 2019 with continued strong financial performance and continues to hold the rating of Aa3 with Moody's Investor Services and AA- with Standard and Poor's Rating Services. Both ratings were reaffirmed in October 2018 that cited the County's stable operations and fund balance, growing tax base, manageable debt and pension burdens and strong liquidity and budgetary performance. Total fund balance as of June 30, 2019, in the General Fund was \$9,498,196 of which \$8,420,259 was unassigned as compared to total fund balance of \$9,213,371 of which \$8,158,084 was unassigned in 2018. These total fund balance figures represent 31% and 33% of total expenditures, respectively. The County budget ordinance requires the total general fund balance to be a minimum of 20% of total expenditures. As an additional reference point to the strength of the County's general fund balance position, The Government Finance Officers Association of the United States and Canada (GFOA) recommends at a minimum that a general-purpose government maintain an unrestricted fund balance of no less than two months operating expenditures as outlined in its September 2015 Appropriate Level of Unrestricted Fund Balance in the General Fund "Best Practice" bulletin and currently the County has over three months in its General Fund unassigned fund balance.

Pension Plans

Eligible employees of the County are participants in the South Carolina Retirement System ("SCRS") and the South Carolina Police Officer's Retirement System ("PORS"), both of which are cost sharing multiple employer defined benefit plans administered by the Public Employees Benefit Association ("PEBA"). SCRS and PORS provide retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits and survivor benefits to plan members and beneficiaries. The plans' provisions are established under Title 9 of the South Carolina Code of Laws. A comprehensive annual financial report containing financial statements and required supplementary information for the South Carolina Retirement System and the South Carolina Police Officers Retirement System are issued and publicly available by writing to PEBA, P.O. Box 11960, Columbia, South Carolina 29211-1960.

Risk Management

The County is exposed to various risks related to torts, theft of, damage to, and destruction of assets, errors and omission, injuries to employees and natural disasters. The County, along with other counties in the state, is insured under the Insurance Reserve Fund. The Insurance Reserve Fund functions as a governmental insurance operation with the mission to provide insurance specifically designed to meet the needs of governmental entities at the lowest possible cost. The Insurance Reserve Fund operates like an insurance company, by issuing policies, collecting premiums (based on actuarially calculated rates), and by paying claims from the accumulated premiums in accordance with the terms and conditions of the insurance policies it has issued. The Insurance Reserve Fund uses Towers Watson, as its consulting actuaries in determining rates, reserves, adequacy of loss reserves, and adequacy of policyholders' equity in making management recommendations to the State Fiscal Accountability Authority regarding the financial management of the Fund.

Awards and Acknowledgments

GFOA awards a Certificate of Achievement in Financial Reporting. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. Since 2014, the County has been awarded a Certificate of Achievement for Excellence in Financial Reporting award. A Certificate of Achievement is valid for a period of one year only. We believe our current report will conform to certificate of achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for a certificate.

The preparation of the comprehensive annual financial report would not have been possible without the assistance of the Finance Department staff, the Treasurer's office and several other county departments and staff. The hard work and dedication of these individuals significantly contributed to the completion of this document. Moreover, the support and leadership of the County Council have been instrumental in the development of this project.

Sincerely,



J. Kevin Griffin
County Administrator



Jon Carpenter
Finance Director



Government Finance Officers Association

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

Presented to

**Colleton County
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

COLLETON COUNTY VOTERS

COLLETON COUNTY GOVERNMENT

BOARD OF EDUCATION

SUPERINTENDENT OF EDUCATION

SCHOOL OPERATIONS

CONSTITUTIONAL & GENERAL ASSEMBLY CREATED OFFICES

AUDITOR

CLERK OF COURT

CORONER

SHERIFF

E-911

JAIL

TREASURER

COLLETON COUNTY COUNCIL

COUNTY ATTORNEY

CLERK TO COUNCIL

ALCOHOL & DRUG COMMISSION

LIBRARY BOARD

COUNTY ADMINISTRATOR

Chief Financial Officer

Accounts Payable/Payroll
Accounting/Audits
Debt Management
Fixed Assets/ Reporting

Administrative Services Director

Public Relations
Governmental Affairs
Insurance Services
Legal Liaison

County Engineer

Project Management
CTC

Procurement

GENERAL COUNTY OPERATIONS

JUDICIAL

PROBATE JUDGE

PUBLIC DEFENDER

SOLICITOR

CIRCUIT COURT

FAMILY COURT

MAGISTRATES

LEGISLATIVE DELEGATION

BOARD of ELECTIONS & VOTER REGISTRATION

VETERAN'S AFFAIRS OFFICE

COUNTY TRANSPORTATION COMMITTEE (CTC)

DELEGATION SECRETARY

ANIMAL & ENVIRONMENTAL CONTROL

- Adoptions
- Pickup and Protection
- Ordinance Enforcement
- Emergency

FACILITIES MGMT

- Building Maintenance
- Custodial Services
- Landings
- Grounds Maintenance

ECONOMIC DEVELOPMENT

- Industrial Parks
- Project Recruiting
- Expansion & Retention
- Workforce Dev.
- Partnerships

FIRE/ RESCUE

- Fire Response Services
- Ambulatory Services
- Rescue Services
- Fire Prevention
- Emergency Management

TECHNOLOGY

- IS Plan
- IS Operations & Installations
- LAN/WAN Maintenance
- IP Phone System
- GIS System

MUSEUM

- Operations
- Community Activities
- Farmers Market
- Commercial Kitchen
- Fundraising

PLANNING & DEVELOPMENT

- Land Use Planning/ Administration
- Flood Plain Administration
- Building Inspection
- Nuisance Enforcement

Human Resources

- Risk Management
- Personnel
- Benefits

ROADS & BRIDGES

- Road Repair Maintenance
- Paved Road Repairs

SOLID WASTE

- Transfer Station
- Convenience Centers
- C&D Landfill

TAX ASSESSOR

- Land Use/Tax Determinations
- Re-Appraisal

FLEET MGMT

- Vehicle Repair Maintenance
- Vehicle Purchasing
- Project Management

DELINQUENT TAX

- Delinquent Property Tax Collection
- Mobile Home Decal

Register of Deeds

- Plats
- Deeds
- Recording

Recreation

- Parks
- Active Recreation
- Fitness
- Golf Course



COLLETON COUNTY
SOUTH CAROLINA

COLLETON COUNTY, SOUTH CAROLINA

LIST OF PRINCIPAL OFFICIALS JUNE 30, 2019

County Administrator J. Kevin Griffin

Chairman..... Joseph F. Flowers, M.D.

Council Member Art Williams

Council Member Phillip M. Taylor Sr.

Council Member Gene Whetsell

Council Member Steven D. Murdaugh

Finance Director Jon Carpenter

Auditor..... Jeff Slocum

Clerk of Court Patricia Grant

Treasurer.....Becky S. Hill

Sheriff..... R.A. Strickland

Coroner Richard M. Harvey

Probate Judge Ashley H. Amundson

Chief Magistrate Elbert O. Duffie, III

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**Colleton County Council
of Colleton County
Walterboro, South Carolina**

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Colleton County Commission on Alcohol and Drug Abuse, which represents 2% of the assets, 5% of the net position and 5% of the revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Colleton County Commission on Alcohol and Drug Abuse, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2019, 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 (on pages 15 through 28), the Budgetary Comparison Schedule of the General Fund (on page 84), the Schedules of the Proportionate Share of the Net Pension Liability (on pages 85 through 87), the Schedules of Pension Contributions (on pages 88 through 91), and the Schedules of Changes in Total OPEB Liability and Related Ratios (on pages 92 through 94) 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 introductory section, combining and individual nonmajor fund financial statements and schedules, statement of changes in assets and liabilities – agency funds, the individual financial statements and schedules of the County's discretely presented component units, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Uniform Schedule or Court Fines, Assessments, and Surcharges (per ACT 96) is presented for purposes of additional analysis as required by the State of South Carolina, and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Columbia, South Carolina
December 10, 2019

COLLETON COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2019

As management of Colleton County, South Carolina, (the "County") we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2019. Please read this information in conjunction with the detail statements and notes to the financial statements to achieve a better understanding of the County's financial performance for the fiscal year.

Financial Highlights

- The assets of the County exceed its liabilities at the close of the most recent fiscal year by \$34,610,818 (net position). The County's net position decreased by (\$1,846,217) due to early extinguishment of long-term debt and completion and ongoing work on several of the projects that are funded through the voter approved Capital Projects Sales Tax.
- At the close of the current fiscal year the County's governmental funds reported combined ending fund balances of \$31,890,258, a decrease of (\$9,666,086). This decrease was due to the total one-time expenditures of \$15,381,984 in the capital projects fund that led to a decrease of (\$7,841,945) in the capital projects fund balance.
- Fiscal year 2019 general fund revenues were \$31,448,668 and general fund expenditures were \$30,604,144 with net other financing uses of \$555,699. This resulted in the County's general fund balance to increase by \$284,825 from \$9,213,371 at the beginning of fiscal year 2019 to \$9,498,196 as of June 30, 2019. The increase in fund balance was driven by growth in revenues, primarily in Property Taxes and the Local Option Sales Tax that were partially offset by expenditure increases in the functions of Public Safety and Solid Waste.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements, which are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

Government-wide Financial Statements – Government-wide financial statements are designed to provide readers with a broad overview of the financial position of the County and are similar to financial statements issued in the private sector. They include a statement of net position and a statement of activities. These statements appear on pages 29 and 30 of this report.

Component Units, which are other governmental units over which the County can exercise influence and/or may be obligated to provide financial subsidy, are presented as a separate column in the government-wide statements and as combining statements of activities in the fund financial statements. The focus of the statements is clearly on the primary government and the presentation allows the reader to address the relative relationship with the component units to the primary government. The non-major component units to the primary government are the Colleton County Memorial Library, the Colleton County Fire and Rescue Commission, and the Alcohol and Drug Commission.

The statement of net position shows the County's assets less its liabilities at June 30, 2019. The difference between these assets and liabilities is reported as net position. Changes in net position over time may be helpful in indicating an improving or deteriorating financial position.

The statement of activities follows the statement of net position and presents information showing how the net position changed during the fiscal year. The statement presents all underlying events, which give rise to the change, regardless of the timing of related cash flows. Some included items, such as accounts payable or earned but unused vacation leave, will produce changes in cash in a future fiscal period. This report includes all major and non-major funds of the County.

Both statements attempt to 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 County has no business-type activities. Governmental activities reported in the statements include general government, judicial, public safety, roads and bridges, solid waste, recreation and culture, health and human services, economic development and intergovernmental.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the County can be divided into two categories: governmental and fiduciary.

Governmental Funds – Governmental funds, presented on pages 31 – 34, essentially account for the same functions as those reported under the government-wide statement of net position and statement of activities. However, this set of financial statements focuses on events that produce near-term inflows and outflows of available resources as well as on the balance available at the end of the fiscal year and is a narrower focus than the government-wide financial statements. Such information may be useful in evaluating the County's near-term financing requirements and available resources.

By comparing functions between the two sets of statements for governmental funds and governmental activities, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison.

Governmental funds individually presented in the County's statements include three major funds, the General Fund, the Capital Projects Fund and the Capital Sales Tax Debt Service Fund. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Colleton County's own programs. The basic fiduciary fund financial statements can be found on page 35 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in both the government-wide and fund financial statements. Notes to the financial statements are presented on pages 36 – 83 of this report.

Other Information – In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information concerning the County's budget on page 84. Also included is the schedule of funding progress for the OPEB health plan on pages 85 – 91. Historical pension information is located on pages 92 – 94 for the County and its components units.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information and other budgetary schedules. Combining and individual fund statements and schedules can be found on pages 95 – 100 of this report.

Component unit financial statements are presented for the Memorial Library and the Fire and Rescue Commission on pages 117 – 126 of this report.

Government-wide Financial Analysis

As noted earlier, over time net position may serve as a useful indicator of a government's financial position. The government-wide statements encompass all the funds of the county, not just the general operational fund. The County's total assets exceeded liabilities by \$34,610,818 at June 30, 2019, as compared to \$36,457,035 at June 30, 2018.

COLLETON COUNTY, SOUTH CAROLINA NET POSITION

	Governmental Activities	
	2019	2018
Assets		
Current and other assets	\$ 37,951,889	\$ 48,525,062
Capital assets	60,259,774	56,666,148
Total assets	<u>98,211,663</u>	<u>105,191,210</u>
Deferred Outflows of Resources	<u>5,414,910</u>	<u>6,550,868</u>
Liabilities		
Long-term liabilities	63,228,281	69,274,631
Other liabilities	4,282,330	5,226,634
Total liabilities	<u>67,510,611</u>	<u>74,501,265</u>
Deferred Inflows of Resources	<u>1,505,144</u>	<u>783,779</u>
Net Position		
Net investment in capital assets	40,730,332	35,243,087
Fund balance		
Restricted	7,998,775	14,691,101
Unrestricted	<u>(14,118,289)</u>	<u>(13,477,153)</u>
Total net position	<u>\$ 34,610,818</u>	<u>\$ 36,457,035</u>

By far the largest portion of the County net position \$40,730,332 (118%) represents its investment in capital assets (e.g. land, buildings, machinery, and equipment) for governmental activities, less any related debt used to acquire those assets that is still outstanding at June 30, 2019, as compared to \$35,243,087 (96%) at June 30, 2018. The increase of \$5,487,245 was due to the completion of several county projects that are funded with Capital Project Sales Tax funds that were approved by voter referendum in 2014. County projects included the consolidated Law Enforcement Center, renovations to Hampton Street Auditorium and renovations to the County Recreation Center (completion in early fiscal year 2020). In addition, other large capital expenditures funded with either the 2019 vehicle and equipment capital lease funds or available County funds included the purchase of law enforcement vehicles, heavy equipment for roads and bridges and solid waste and replacement of the countywide CAD/911 system. Although the County's investment in capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate those liabilities. At June 30, 2019, the County had a net position restricted for debt service in the amount of \$5,598,323, which was a decrease of (\$1,542,577) from June 30, 2018. This decrease was due to the early payoff of the 2017 three-year vehicles/equipment capital lease as well as the note payable that had been issued during the construction of the industrial spec building that was sold during fiscal year 2019.

The restricted portion of net position of \$7,998,775 (23%) represents the balances of net position that have restricted resources and are not available to fund other commitments. The restricted net position relates to solid waste landfill post-closure, debt service, economic development, emergency and law enforcement services, and other revenue sources that are earmarked for specific County functions. The decrease of (\$5,985,317) from June 30, 2018, was a result of the decrease discussed above in restricted funds for debt service as well as decrease in funds restricted for economic development that were related to the industrial spec building that was sold and had been held for resale in previous fiscal years.

The remaining net position represents a deficit balance of (\$14,118,289) (-41%) in unrestricted net position which is a decrease of (\$641,136) from June 30, 2018. The overall decrease in net position was due in primarily to the decrease in our current assets, particularly in our cash and cash equivalents which decreased by (\$7,845,817) from June 30, 2018. This decrease was the result of on-hand Capital Projects Sales Tax funds that were expended on several of the approved voter approved projects.

Governmental Activities. The County's total net position decreased (\$1,846,217) in 2019 compared to a decrease of (\$2,777,291) in 2018, not including the prior period adjustment related to the adoption of GASB 75. Key elements of this change in net position are as shown in the following table:

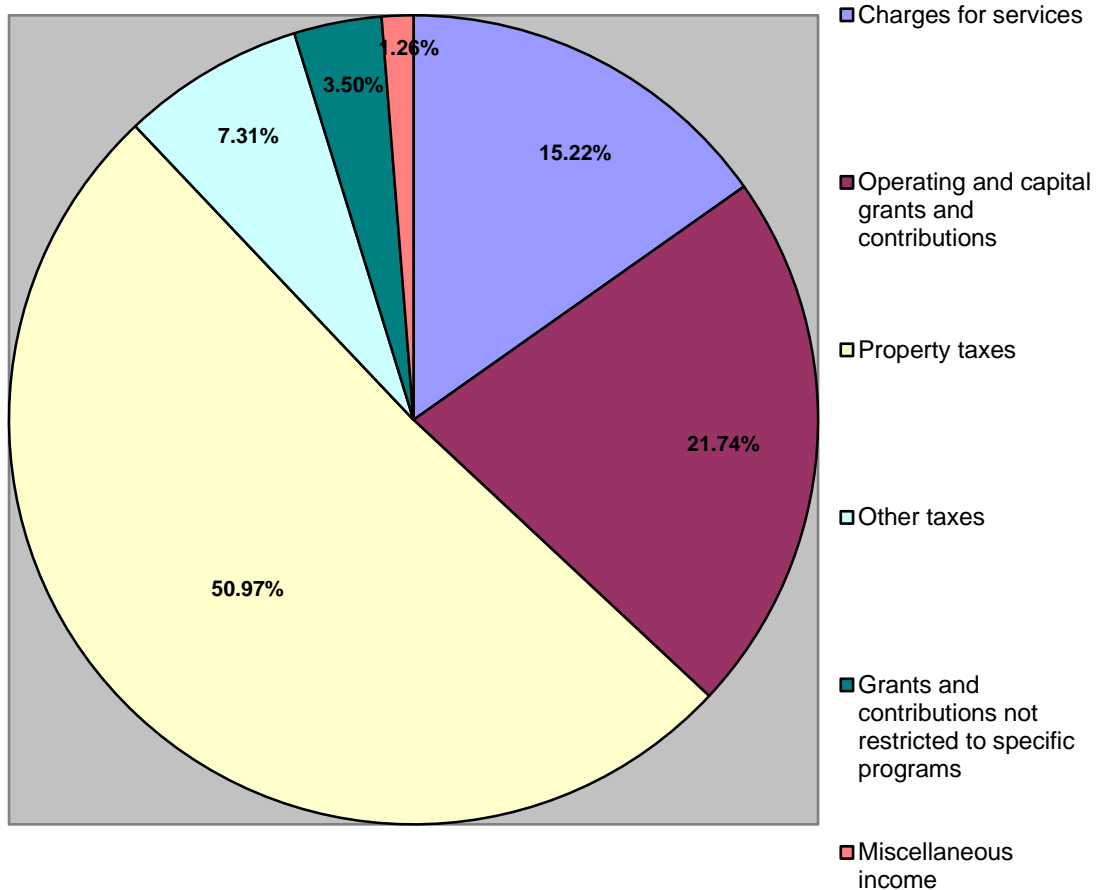
COLLETON COUNTY, SOUTH CAROLINA CHANGES IN NET POSITION

	<u>2019</u>	<u>2018</u>
Revenues		
Program Revenues		
Charges for services	\$ 7,874,506	\$ 7,879,558
Operating and capital grants and contributions	11,263,468	10,111,884
General Revenues		
Property taxes	26,404,695	25,615,202
Other taxes	3,786,734	3,704,278
Grants and contributions not restricted to specific programs	1,810,480	2,577,176
Miscellaneous income	661,876	638,280
Total Revenues	<u>51,801,759</u>	<u>50,526,378</u>
Expenses		
Governmental Activities:		
General government	9,253,826	8,428,469
Judicial	6,194,472	6,498,833
Public safety	14,133,924	13,309,631
Roads and bridges	4,699,060	3,398,079
Solid waste	3,903,706	3,215,275
Recreation and culture	4,813,076	3,825,059
Health and human services	2,249,725	2,392,808
Economic development	7,777,710	11,530,792
Interest and fiscal charges	622,477	704,723
Total Expenses	<u>53,647,976</u>	<u>53,303,669</u>
Change in Net Position	(1,846,217)	(2,777,291)
Net Position, beginning of year	36,457,035	40,314,349
Prior period adjustment	-	(1,080,023)
Net Position, end of year	<u>\$ 34,610,818</u>	<u>\$ 36,457,035</u>

During the current fiscal year, net position for governmental activities decreased (\$1,846,217) from the prior fiscal year for an ending balance of \$34,610,818. Overall revenues were primarily unchanged, due to a reduction in operating grants and contributions based on the receipt of one-time pass-thru economic development grants in fiscal year 2018. Property taxes and other taxes did increase by \$871,949 or 3% due to an increase in operating millage and an increase in the taxpayer assessed values. Total expenditures did increase by \$344,307 and was primarily in functions of public safety, solid waste and recreation offset by decrease in economic development. The increases in public safety and solid waste are discussed in detail below under the Governmental Funds section. The increase in recreation was due to one-time capital expenditures related to the recreation center renovation project

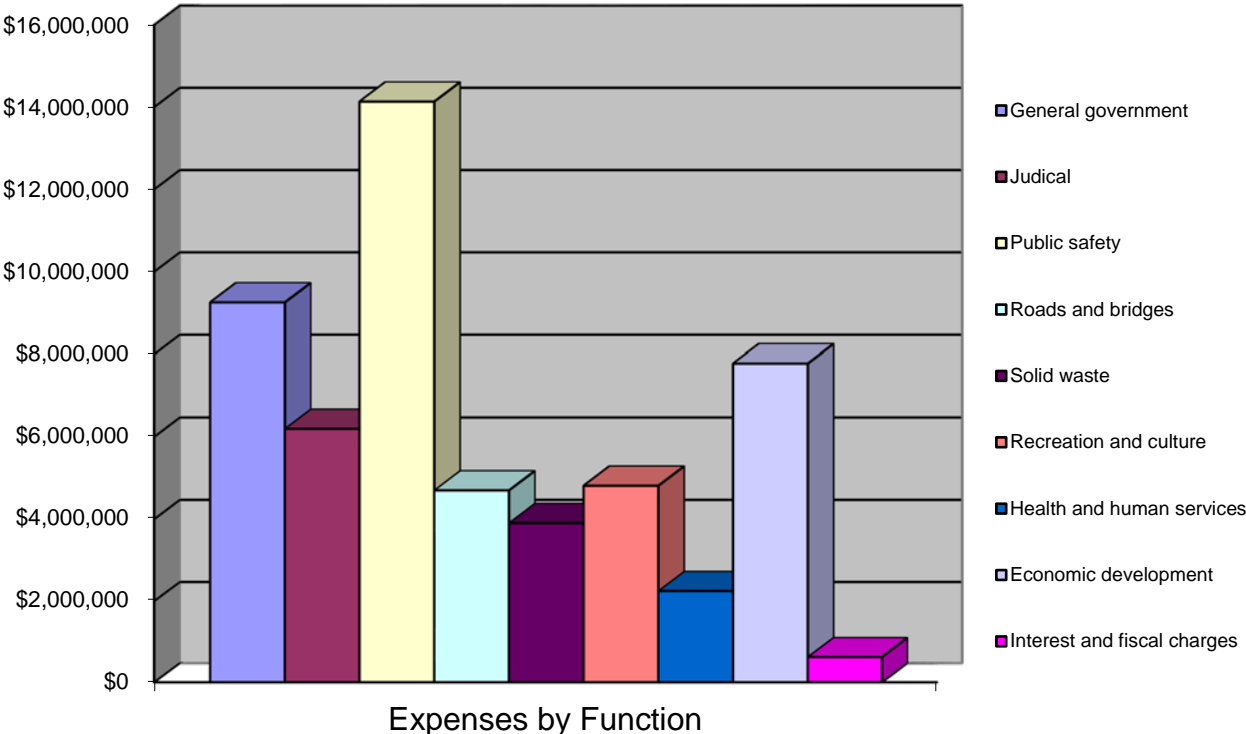
funded by the Capital Project Sales Tax as well as receipt of other State funds to offset development of a community center. The decrease in economic development was related to the one-time pass-through operating grants received in fiscal year 2018.

Revenue by Source-Governmental Activities



- Property Taxes continue to be the largest source of revenue for the County at over 50% and were positively impacted in fiscal year 2019 by the 1.5 mill increase to operating millage as well as the growth in assessed values.
- Operating and Capital Grants and Contributions did increase to roughly 22% due to receipt of new funds that were awarded to aid in the areas of recreation and economic development.
- Charges for Services remained stable from fiscal year 2018 at 15% due in part to no fee increases other than the Council approved increase in the annual solid waste fee charged to all county homeowners.

Expenses-Governmental Activities



- Expenditures for Public Safety continued to account for over 26% of total expenses. These expenses provide funding to both County law enforcement (Sheriff/Detention/Emergency Dispatch) and the annual County contribution to the Fire and Rescue Commission (county-wide emergency services and unincorporated fire services).
- General Government expenditures accounted for over 17% of total expenses and include expenses to maintain and insure all facilities, equipment and vehicles of the County as well as other essential support services.
- Economic Development expenditures accounted for roughly 15% of total expenses and included the continued development of sites within the County’s industrial parks as well as support and development of the Salkehatchie Railroad and associated industrial sites.

Financial Analysis of the Government'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 spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County, itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the County Council.

At June 30, 2019, the County's governmental funds reported combined fund balances of \$31,890,258, a decrease of (\$9,666,086) in comparison with the prior year. Approximately 26% of this amount or \$8,420,259 constitutes *unassigned fund balance*, which is available for spending at the County's discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is: 1) not in spendable form (\$296,075), 2) restricted for particular purposes (\$7,998,775), 3) committed for particular purposes (\$886,929), and 4) assigned for particular purposes (\$14,288,220).

The general fund is the chief operating fund of the County. At June 30, 2019, unassigned fund balance of the general fund was \$8,420,259. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 28% of total general expenditures, while total fund balance represents approximately 31%. County ordinance requires that total fund balance be maintained at 20% of total general fund expenditures.

During the current fiscal year, the fund balance of the County's general fund increased by \$284,825. This increase represents an increase of 3.1% in fund balance that was based on revenues increasing modestly at 1% while operating expenses increased 8.5%. Savings were seen in operating transfers out that did decrease by (\$1.2 million) and was the result of one-time transfers in fiscal year 2018 to the Capital Projects Fund to fund Council approved capital projects. Though overall revenues only increased by 1%, taxes did increase by 3.6% in part due to a 1.5 operating mill increase as well as increase in overall county retail sales that led to increase in local option sales tax receipts. Intergovernmental revenues did offset the growth in taxes based on no funding increase in the State funded Local Government Fund, as well as a significant decrease in the reimbursement provided to the County for facility expenses on the building provided to the county office of the South Carolina Department of Social Services. The growth seen in operating expenses was due to wages and the associated employer benefit cost that were provided to county law enforcement (Public Safety function) and fire and rescue commission (Intergovernmental function) staff in order to slightly increase the number of staff as well as retain staff in these essential functions. In addition, expenditures under Solid Waste increased by \$492,835 or 19% due in part to costs associated with maintaining the County landfill in compliance with State and Federal regulations as well as upgrades to existing compaction equipment that was needed to maintain minimum landfill compaction rates.

During the current fiscal year, the fund balance of the County's capital projects fund decreased by (\$7,841,945). This decrease was primarily related to expenditures under various projects that are part of the Capital Projects Sales Tax referendum approved by the voters in November 2014. The projects included the consolidated Law Enforcement Center, Renovations and Improvements to the Hampton Street Auditorium, Renovations and Improvements to the County Recreation Center, Renovations and Improvements to the Airport Terminal at the Walterboro-Colleton County Airport and street and infrastructure improvements on the I-95 business loop.

Budgetary Highlights

General Fund – The County's actual amounts reported for revenues of \$31,448, 668 were (\$551,829) less than the final budgeted amount of \$32,000,497.

- Other income was under budget by (\$883,533) due to a change how the meals provided for the feeding programs is recorded. In previous the revenue and expense for the meals was recorded in the General Fund and billed to the grant though in Fiscal Year 2019, the actual was recorded in the grant which resulted in lower revenues and expenses for the General Fund.
- All other revenue lines were slightly above or below budget, with the largest over budget variance of \$244,597 in tax revenues based on higher county retail sales that led to an increased local option sales tax receipts.
- Overall expenditures of \$30,608,144 were under the final budgeted amount of \$31,827,510 by \$1,219,366.
- Expenditure savings was primarily based on savings of \$1,584,365 in general government, \$250,291 in roads and bridges, and \$171,945 in recreation and culture.
 - General government savings was due to overall reduction in fuel usage and cost, various facilities utility costs (electricity and gas) and unfilled budgeted positions (salaries and associated benefits).
 - Roads and bridges savings were due to unfilled budgeted positions (salaries and associated benefits) as well as vehicle and equipment fuel cost.
 - Recreation and culture savings were due to lower food costs based on the change described above in Other Income that was offset by higher costs related to unplanned emergency repairs at the County owned golf course.

- Expenditure savings were offset by higher than budget expenses in Intergovernmental of \$974,089.
 - The increase was due to additional funding provided to the Fire and Rescue Commission to partially fund the Council approved wage and associated benefit costs that were the result of wage adjustments and new 24 hour/7 day a week staffing at one station.
- Transfers out were less than budget due to the actual amount of funds needed to cover capital project expenses being lower than forecasted based on original construction estimates as well as the County being able to secure additional third-party funds.

Capital Asset and Debt Administration

Capital Assets – The County’s investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$60,259,774 (net of accumulated depreciation) as compared to \$56,666,148 at June 30, 2018. This investment in capital assets of \$3,593,626 (net of accumulated depreciation) of both purchased and donated, includes land, buildings and improvements, machinery and equipment, roads, bridges, and easements.

Major capital asset events during the fiscal 2019 include some of the following:

- \$443 thousand for new/replacement law enforcement vehicles
- \$339 thousand for new/replacement heavy equipment for use by roads and bridges
- \$412 thousand for new/replacement heavy equipment for use by solid waster
- \$1.12 million to complete the construction and provide new/replacement furniture and fixtures for the consolidated Law Enforcement Center.
- Funds spent for construction in progress included the following as of June 30, 2019:
 - \$707 thousand for construction and equipment for the recreation center renovation and improvement CPST project.
 - \$574 thousand for replacement of the CAD/911 Dispatch system.

Additional information on the County’s capital assets can be found in note 5 on pages 49 – 51 in the notes to the financial statements.

COLLETON COUNTY, SOUTH CAROLINA CAPITAL ASSETS, NET OF DEPRECIATION

	Governmental Activities	
	2019	2018
Land and land infrastructure	\$ 7,816,918	\$ 7,489,018
Construction in progress	6,443,494	11,902,420
Buildings and improvements	27,880,770	18,365,108
Improvements other than buildings	6,302,592	7,021,457
Equipment and vehicles	6,663,018	6,304,980
Infrastructure	5,152,982	5,583,165
Total	<u>\$ 60,259,774</u>	<u>\$ 56,666,148</u>

Debt Administration – On June 30, 2019, Colleton County had long-term obligations of \$63,228,281 compared to outstanding debt at June 30, 2018, totaling \$69,274,631. During the fiscal year, the County entered into a new three-year capital lease agreement in the amount of \$2.5 million that will be used to finance the purchase of various law enforcement vehicles, heavy vehicles and equipment. In addition to making all of the scheduled debt service payments, the County did fully pay off the note payable with the South Carolina Public Authority that was used in part to construct the industrial building in the County’s Commerce Center industrial park that was sold in fiscal year 2019. In addition to paying the note payable off, the County did pay the final two years on the 2017 Vehicle and Equipment capital lease agreement.

COLLETON COUNTY, SOUTH CAROLINA LONG-TERM OBLIGATIONS

	Governmental Activities	
	2019	2018
General Obligation Bonds	\$ 27,138,079	\$ 31,897,356
Capital Leases	2,679,958	1,603,291
Net OPEB Obligation	3,195,267	2,930,305
Note Payable	-	880,032
Landfill Closure and Post Closure Cost	535,772	509,640
Compensated Absences	650,580	715,428
Net Pension Liability	29,028,625	30,738,579
Total	<u>\$ 63,228,281</u>	<u>\$ 69,274,631</u>

Additional information on the County’s long-term obligations can be found in note 6 on pages 52 – 79 in the notes to the financial statements.

In accordance with State Law, the amount of General Obligation Bonds (“GOB”) a government entity may issue (without referendum) is equal to 8% of its total assessed value. The current General Obligation Bond debt limitation for Colleton County based on information received from the County Auditor related to the 2019 tax assessment value of \$177,682,690 is \$14,214,615 for fiscal year ended June 30, 2019. As of June 30, 2019, the County has net debt applicable to the limit of \$7,370,970 which equals a 51.85% total net debt applicable to the limit percentage.

Debt Rating – In October 2018, Standard and Poor’s and Moody’s Investor Services reaffirmed their ratings previously issued in April 2017 and September 2016 respectively. The County continued to receive a rating of AA-/Stable from Standard and Poor’s and Aa3 from Moody’s. In their analysis the following positive attributes of Colleton County and its management were noted:

- Strong budgetary performance with balanced operating results in the general fund and an operating surplus at the total government-fund level;
- Strong and stable fund balance position with an available fund balance in fiscal 2017 of 28% of operating expenditures;
- Strong liquidity with total government available cash at 40.3% of total governmental-fund expenditures; and
- Manageable debt and pension burdens, with debt service carrying charges at 9% of expenditures and net direct debt that is 76.7% of total governmental-fund revenue.

Economic Factors and Next Year's Budget

The County passed budget ordinance No. 19-0-02 to provide for the levy of taxes in Colleton County, South Carolina with the third and final reading on June 4, 2019 to be effective July 1, 2019 through June 30, 2020. The highlights of the budget are provided below:

- The budget kept operating millage at 116.31 mills and debt service millage at 10.24 mills.
- Property taxes revenues were budgeted at a growth rate of 2% which was based purely on growth in assessed values since no millage increase was budgeted.
- Other than property taxes, the budget did include small percentage growth in fee-in-lieu payments that was based on information provided on the agreements in place within the multi-county industrial park with Charleston County.
- Overall intergovernmental state revenues were not budgeted to increase based on funding that had been provided in the State of South Carolina budget for fiscal year 2020 as approved in May 2019.
- Minimum of 2% cost of living salary adjustment was provided to all full-time employees.
- Mandated employer retirement contribution of 1% for all participating employees and full year funding of the mandated employer health insurance premiums effective January 1, 2019.
- Continuation of funding of 50% of the cost of individual health/dental insurance for eligible retirees.
- Direct assistance funding to 18 county service agencies for various essential county programs for residents.
- Overall 19% increase in insurance premiums covering county facilities and equipment.

The following budgets and millages were approved by this ordinance:

COLLETON COUNTY, SOUTH CAROLINA 2018-2019 ORIGINAL FUND BUDGET

	Amount	Millage
General Fund	\$ 28,073,970	116.31
Debt Service Fund	1,963,907	10.24
Fire Rescue Commission	9,400,466	33.56
Fire Rescue Commission Debt Service	2,492,563	22.66
Capital Projects Sales Tax Debt Service	4,420,000	-
Capital Fund	1,030,394	-
Special Revenue Fund (various grants)	1,140,878	-
State Aid to Library	100,000	-
Memorial Library Fund	673,247	-
IV-D Sheriff Unit Costs	13,710	-
IV-D Clerk of Court Unit Costs	157,079	-
IV-D Clerk of Court Fund Incentives	40,000	-
Victim Witness Services	64,289	-
Animal Care and Control	113,800	-
Non-GOB Related Debt Service	1,212,404	-
Emergency Telephone Fund	391,063	-
Infrastructure/Industrial Development Fund	1,314,655	-
CC 2015 \$5.4M GOB Proceeds	530,000	-
County Hospitality Tax Fund	601,500	-
County Accomodations Tax Fund	523,000	-
Recreation Fund	1,507,473	-
Road and Bridges Fund	2,257,442	-
School District	-	117.83
Solid Waste Fund	2,846,383	-
Total	\$ 60,868,223	300.60

Requests for Information – This financial report is designed to provide a general overview of the County’s Finances and to demonstrate the County’s accountability for the money it receives. Any questions about this report or request for information may be addressed to Colleton County Director of Finance, P.O. Box 157, Walterboro, SC 29488.

COLLETON COUNTY, SOUTH CAROLINA

**STATEMENT OF NET POSITION
JUNE 30, 2019**

	Governmental Activities	Component Units		
		Memorial Library	Fire and Rescue Commission	Alcohol and Drug Commission
ASSETS				
Cash and cash equivalents	\$ 30,331,010	\$ 113,405	\$ 3,671,015	\$ 80,038
Investments	-	-	-	103,857
Receivables, net of allowances	7,324,804	548	1,983,587	29,380
Due from state agency	-	-	-	130,706
Prepays and deposits	296,075	12,032	153,532	-
Capital assets:				
Nondepreciable	14,260,412	-	644,435	-
Depreciable, net	45,999,362	345,198	9,927,173	-
Total assets	<u>98,211,663</u>	<u>471,183</u>	<u>16,379,742</u>	<u>343,981</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows for pension	5,383,812	121,401	2,766,202	-
Deferred outflows for other post-employment benefits	31,098	3,772	5,676	-
Total deferred outflows of resources	<u>5,414,910</u>	<u>125,173</u>	<u>2,771,878</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	3,098,372	15,629	151,466	64,141
Payroll liabilities	431,373	9,449	191,786	12,436
Accrued liabilities	293,817	-	65,354	8,237
Unearned revenues	458,768	14,530	-	-
Noncurrent liabilities:				
Due within one year	5,205,920	3,386	1,333,918	-
Due in more than one year	58,022,361	1,159,477	22,149,538	-
Total liabilities	<u>67,510,611</u>	<u>1,202,471</u>	<u>23,892,062</u>	<u>84,814</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows for pension	1,208,653	39,354	198,353	-
Deferred inflows for other post-employment benefits	296,491	35,961	54,119	-
Total deferred inflows of resources	<u>1,505,144</u>	<u>75,315</u>	<u>252,472</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	40,730,332	345,198	2,883,295	-
Restricted:				
Emergency services	371,893	-	-	-
Court administration	139,536	-	-	-
Law enforcement	340,729	-	-	-
Solid waste	797,008	-	-	-
Economic development				
Nonexpendable	435,104	-	-	-
Debt service	5,598,323	-	3,611,616	-
Other purposes	316,182	-	-	-
Unrestricted (deficit)	(14,118,289)	(1,026,628)	(11,487,825)	259,167
Total net position	<u>\$ 34,610,818</u>	<u>\$ (681,430)</u>	<u>\$ (4,992,914)</u>	<u>\$ 259,167</u>

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

COLLETON COUNTY, SOUTH CAROLINA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues			Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units		
					Governmental Activities	Memorial Library	Fire and Rescue Commission	Alcohol and Drug Commission
Primary government:								
Governmental activities:								
General government	\$ 9,253,826	\$ 1,583,830	\$ 49,049	\$ -	\$ (7,620,947)	\$ -	\$ -	\$ -
Judicial	6,194,472	987,001	4,154,693	4,362	(1,048,416)	-	-	-
Public safety	14,133,924	1,229,173	550,010	1,000,724	(11,354,017)	-	-	-
Roads and bridges	4,699,060	967,055	1,970,931	58,000	(1,703,074)	-	-	-
Solid waste	3,903,706	2,383,073	93,467	-	(1,427,166)	-	-	-
Recreation and culture	4,813,076	685,064	698,251	599,600	(2,830,161)	-	-	-
Health and human services	2,249,725	39,310	854,851	-	(1,355,564)	-	-	-
Economic development	7,777,710	-	588,494	641,036	(6,548,180)	-	-	-
Interest and fiscal charges	622,477	-	-	-	(622,477)	-	-	-
Total governmental activities	<u>53,647,976</u>	<u>7,874,506</u>	<u>8,959,746</u>	<u>2,303,722</u>	<u>(34,510,002)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Component Units:								
Memorial Library	866,144	28,150	737,162	-	-	(100,832)	-	-
Fire and Rescue Commission	13,646,767	2,128,355	4,142,922	-	-	-	(7,375,490)	-
Alcohol & Drug Commission	636,400	84,809	540,589	-	-	-	-	(11,002)
Total component units	<u>\$ 15,149,311</u>	<u>\$ 2,241,314</u>	<u>\$ 5,420,673</u>	<u>\$ -</u>	<u>-</u>	<u>(100,832)</u>	<u>(7,375,490)</u>	<u>(11,002)</u>
General revenues:								
Property taxes					26,404,695	-	5,764,200	-
Alcohol excise tax					-	-	-	88,781
Local options sales tax					2,475,527	-	-	-
Local accommodations tax					537,082	-	-	-
Hospitality tax					603,366	-	-	-
Franchise fees					170,759	-	-	-
Grants and contributions not restricted to specific programs					1,810,480	-	-	-
Miscellaneous					661,876	40,560	70,915	1,227
Total general revenues and transfers					<u>32,663,785</u>	<u>40,560</u>	<u>5,835,115</u>	<u>90,008</u>
Change in net position					<u>(1,846,217)</u>	<u>(60,272)</u>	<u>(1,540,375)</u>	<u>79,006</u>
Net position, beginning of year					<u>36,457,035</u>	<u>(621,158)</u>	<u>(3,452,539)</u>	<u>180,161</u>
Net position, end of year					<u>\$ 34,610,818</u>	<u>\$ (681,430)</u>	<u>\$ (4,992,914)</u>	<u>\$ 259,167</u>

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

COLLETON COUNTY, SOUTH CAROLINA

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

	<u>General</u>	<u>Capital Projects</u>	<u>Capital Sales Tax Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 9,013,418	\$ 14,975,545	\$ 3,884,883	\$ 2,457,164	\$ 30,331,010
Receivables, net	4,283,897	1,050,475	1,109,460	880,972	7,324,804
Prepaid expenditures	280,929	-	-	15,146	296,075
Total assets	<u>\$ 13,578,244</u>	<u>\$ 16,026,020</u>	<u>\$ 4,994,343</u>	<u>\$ 3,353,282</u>	<u>\$ 37,951,889</u>
LIABILITIES					
Accounts payable	\$ 1,697,925	\$ 1,159,794	\$ -	\$ 240,653	\$ 3,098,372
Accrued payroll and benefits	355,601	-	-	75,772	431,373
Accrued liabilities	306	-	-	-	306
Unearned revenue	76,354	356,594	-	25,820	458,768
Total liabilities	<u>2,130,186</u>	<u>1,516,388</u>	<u>-</u>	<u>342,245</u>	<u>3,988,819</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - fees	12,007	-	-	-	12,007
Unavailable revenue - property taxes	1,631,029	-	-	120,635	1,751,664
Unavailable revenue - spec assessments	306,826	-	-	-	306,826
Unavailable revenue - intergovernmental	-	-	-	2,315	2,315
Total deferred inflows of resources	<u>1,949,862</u>	<u>-</u>	<u>-</u>	<u>122,950</u>	<u>2,072,812</u>
FUND BALANCES					
Nonspendable:					
Prepaid expenditures	280,929	-	-	15,146	296,075
Restricted for:					
Public safety	-	-	-	712,622	712,622
Recreation and culture	-	-	-	6,149	6,149
Judicial services	-	-	-	139,536	139,536
Solid waste reserve	797,008	-	-	-	797,008
Economic development	-	435,104	-	-	435,104
Debt service	-	-	4,994,343	603,980	5,598,323
Other purposes	-	-	-	310,033	310,033
Assigned:					
Judicial services	-	-	-	788,307	788,307
Public safety	-	-	-	98,622	98,622
Committed:					
Recreation and culture	-	-	-	213,692	213,692
Capital projects	-	14,074,528	-	-	14,074,528
Unassigned	8,420,259	-	-	-	8,420,259
Total fund balances	<u>9,498,196</u>	<u>14,509,632</u>	<u>4,994,343</u>	<u>2,888,087</u>	<u>31,890,258</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,578,244</u>	<u>\$ 16,026,020</u>	<u>\$ 4,994,343</u>	<u>\$ 3,353,282</u>	<u>\$ 37,951,889</u>

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

COLLETON COUNTY, SOUTH CAROLINA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019**

Total governmental fund balances:		\$ 31,890,258
<p>Amounts reported for governmental activities in the statement of net position are different because of the following:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the government funds.</p>		
		60,259,774
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:</p>		
Property taxes and other special assessments	\$ 2,058,490	
Solid waste receivables	12,007	
Intergovernmental receivables	<u>2,315</u>	2,072,812
<p>Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. These deferred outflows of resources consist of pension related experience differences, assumption changes, and differences between projected and actual earnings on plan investments:</p>		
Deferred outflows related to pensions	\$ 5,383,812	
Deferred outflows related to other post employment benefits	<u>31,098</u>	5,414,910
<p>Long- term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds:</p>		
General obligation bonds	\$ (26,770,000)	
Bond premiums	(368,079)	
Capital leases	(2,679,958)	
Compensated absences	(650,580)	
Landfill closure and post-closure cost	(535,772)	
Accrued interest	(293,511)	
Net pension liability	(29,028,625)	
Total other post-employment benefits liability	<u>(3,195,267)</u>	(63,521,792)
<p>Deferred inflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds. These deferred inflows of resources consist of pension related differences between projected and actual earnings on plan investments.</p>		
Deferred outflows related to pensions	\$ (1,208,653)	
Deferred inflows related to other post-employment benefits	<u>(296,491)</u>	(1,505,144)
Net position of governmental activities		<u>\$ 34,610,818</u>

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

COLLETON COUNTY, SOUTH CAROLINA

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

	<u>General</u>	<u>Capital Projects</u>	<u>Capital Sales Tax Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 22,636,562	\$ -	\$ 4,496,031	\$ 3,009,785	\$ 30,142,378
Intergovernmental	2,170,556	3,270,420	-	7,681,464	13,122,440
Fines and fees	6,137,673	-	-	622,335	6,760,008
Other income	503,877	1,080,559	45,880	98,937	1,729,253
Total revenues	<u>31,448,668</u>	<u>4,350,979</u>	<u>4,541,911</u>	<u>11,412,521</u>	<u>51,754,079</u>
EXPENDITURES					
Current:					
General government	8,912,737	-	-	7,620	8,920,357
Judicial	1,250,939	-	-	4,901,447	6,152,386
Public safety	7,562,098	84,728	-	1,259,954	8,906,780
Roads and bridges	1,991,967	-	-	24,823	2,016,790
Solid waste	3,074,251	94,647	-	-	3,168,898
Recreation and culture	1,633,003	160,168	-	727,461	2,520,632
Health and human services	862,618	-	-	1,279,977	2,142,595
Economic development	276,972	3,732,921	-	1,345,306	5,355,199
Intergovernmental	4,893,284	4,975,962	-	143,665	10,012,911
Capital outlay					
General government	8,704	838,299	-	-	847,003
Judicial	-	-	-	19,567	19,567
Public safety	-	2,201,638	-	12,162	2,213,800
Roads and bridges	-	226,666	-	133,594	360,260
Solid waste	141,571	424,648	-	400,000	966,219
Recreation and culture	-	2,642,307	-	-	2,642,307
Debt service:					
Principal	-	-	3,645,000	3,345,718	6,990,718
Interest	-	-	436,588	286,396	722,984
Total expenditures	<u>30,608,144</u>	<u>15,381,984</u>	<u>4,081,588</u>	<u>13,887,690</u>	<u>63,959,406</u>
Excess (deficiency) of revenues over (under) expenditures	<u>840,524</u>	<u>(11,031,005)</u>	<u>460,323</u>	<u>(2,475,169)</u>	<u>(12,205,327)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	-	194	-	-	194
Proceeds from issuance of debt	-	2,500,000	-	-	2,500,000
Insurance recoveries	39,047	-	-	-	39,047
Transfers in	2,827,620	1,185,043	-	2,293,090	6,305,753
Transfers out	(3,422,366)	(496,177)	-	(2,387,210)	(6,305,753)
Total other financing sources (uses)	<u>(555,699)</u>	<u>3,189,060</u>	<u>-</u>	<u>(94,120)</u>	<u>2,539,241</u>
Net change in fund balances	284,825	(7,841,945)	460,323	(2,569,289)	(9,666,086)
Fund balances, beginning of year	<u>9,213,371</u>	<u>22,351,577</u>	<u>4,534,020</u>	<u>5,457,376</u>	<u>41,556,344</u>
Fund balances, end of year	<u>\$ 9,498,196</u>	<u>\$ 14,509,632</u>	<u>\$ 4,994,343</u>	<u>\$ 2,888,087</u>	<u>\$ 31,890,258</u>

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

COLLETON COUNTY, SOUTH CAROLINA

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

Net change in fund balances - total governmental funds \$ (9,666,086)

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

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

Capital outlay	\$ 7,202,013	
Depreciation expense	<u>(3,598,923)</u>	3,603,090

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (9,464)

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

Property taxes and other special assessments	\$ 25,526	
Solid waste receivables	(14,208)	
Intergovernmental receivables	<u>(2,685)</u>	8,633

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effects of these items are as follows:

Repayment of the principal of long-term debt	\$ 6,990,718	
Issuance of long-term debt	(2,500,000)	
Amortization of premium on long-term debt	<u>71,924</u>	4,562,642

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The following amounts represent the net liability changes using the full accrual method of accounting:

Pension liability	\$ (151,957)	
Landfill closure and post-closure liability	(26,132)	
Compensated absences	64,848	
Accrued interest on long-term debt	28,583	
Other post employment benefits liability	<u>(260,374)</u>	<u>(345,032)</u>

\$ (1,846,217)

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

COLLETON COUNTY, SOUTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 15,085,060
Taxes receivable	2,558
Total assets	<u>\$ 15,087,618</u>
LIABILITIES	
Accounts payable	\$ 235
Assets held for others	15,087,383
Total liabilities	<u>\$ 15,087,618</u>

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

COLLETON COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of inter-fund activity has been removed from these statements. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Reporting Entity

Colleton County, South Carolina (the "County"), is governed by a five-member County Council (the "Council") under the Council-Administrator form of government, pursuant to the South Carolina Home Rule Act. Members of the Council are elected from resident districts. The County Council acts as the governing body of the County with power to pass ordinances and adopt resolutions. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Discretely Presented Component Units

The nine members of the **Colleton County Memorial Library's (the "Library")** governing board are appointed by the Council. The Library is fiscally dependent upon the government because the Council approves the Library's budgets, and can significantly influence the decisions of the Library. The Library does not issue separate financial statements.

The five members of the **Colleton County Fire and Rescue Commission (the "Fire and Rescue Commission")** are selected by the Council from ten members presented by the Fire Control Board, an advisory board comprised of a member from each of the participating fire departments. The Fire and Rescue Commission is fiscally dependent upon the government because the Council approves the Fire and Rescue Commission's budgets, levies taxes and must approve any debt issuances. The Fire and Rescue Commission does not issue separate financial statements.

The nine members of the **Colleton County Commission on Alcohol and Drug Abuse (the "Alcohol and Drug Commission")** governing board are appointed by the Council. The Alcohol and Drug Commission is fiscally dependent upon the government because the County Council approves the Alcohol and Drug Commission's budgets and can significantly influence the decisions of the Alcohol and Drug Commission. Separately issued financial statements may be obtained at 1439 Thunderbolt Drive, Walterboro, South Carolina, 29488.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Blended Component Units

The **Colleton County Development Board (the “Commission”)**, an entity legally separate from the County, is governed by a seven-member board appointed by the Colleton County Council. For financial reporting purposes, the Commission is reported as if it is part of the County's operations because all fiscal and hiring matters are subject to the authority of the Council, as represented by the County Administrator.

The **Colleton County Advisory/Planning Commission** does not have separate corporate powers from the County and thus is included in the County's operations.

Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the government has three discretely presented component units. While the Alcohol and Drug Commission is not considered to be a major component unit, it is nevertheless shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

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

The **Capital Projects Fund** accounts for the transactions of the acquisition of capital assets and construction of major capital projects.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation – Fund Financial Statements (Continued)

The **Capital Sales Tax Debt Service Fund** is used to collect local option special purpose taxes and disburse debt payments for the Capital Penny Sales Tax Bond that was passed by voter referendum.

In addition, the County reports the following nonmajor fund types:

The **Special Revenue Funds** account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects) such as grants, fire and other special purpose fees, and economic development.

The **Debt Service Funds** account for the accumulation of resources for, and payment of, long-term debt principal and interest. The County's Debt Service Fund was established and is maintained in accordance with acts passed by the General Assembly of South Carolina authorizing the sale of general obligation bonds of the County. The Non-GOB Debt Service Fund accounts for the accumulation of funds and payment of various capital leases and notes payable.

Additionally, the County reports the following fund types.

The **Fiduciary Funds** are used to account for assets held by the government in a trustee capacity or as an agent on behalf of others. The agency funds are custodial in nature and do not involve the measurement of results of operations.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the presentation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in the governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

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

The 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 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 County considers revenues to be available if they are collected within the first 60 days of the end of the current fiscal period, except for grant reimbursements for which the availability period is 120 days. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and, therefore, have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 120 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, the Fire and Rescue Fund, and the Memorial Library Fund. All other special revenue funds and debt service funds (excludes the GO Bond Fund, and State Accommodations Fund) that have appropriated budgets, also conform to generally accepted accounting principles but tend to follow the revenue source generated by those funds (i.e., grant awards and projects funds). All annual appropriations lapse at fiscal year-end.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Basis of Accounting (Continued)

The appropriated budget is prepared by fund, function, and department. The government's departmental heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the County Administrator. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The Council may make supplemental budgetary appropriations throughout the year.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods and services (i.e., purchase order, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances (those for which performance under executor contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents and Deposits

The "deposits" classification is used only in the notes, not on the face of the statement of net position. Deposits include cash on hand, pooled money market funds and certificates of deposit.

The County considers cash and cash equivalents for cash flow purposes to be currency on hand, demand deposits with banks, amounts included in pooled cash and investment accounts, and liquid investments with an original maturity of three months or less when purchased.

Investments

In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.

The County and its component units have a number of financial instruments, none of which are held for trading purposes. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Debt securities are reported at cost or amortized cost.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Prepaid Items

Certain payments to vendors for services that will benefit period beyond June 30, 2019, are recorded as prepaid items using the consumption method by recording the asset for the prepaid amount and reflecting the expenditure/expense in the year which the services are consumed. Prepaid items of governmental funds in the fund financial statements are offset by an equal amount with a reserve of fund balance to indicate that they are not available for general appropriation.

Capital Assets

Capital assets, which include property, plant, and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items,) are reported in the governmental activities in the government-wide financial statements. Capital assets other than infrastructure 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 one year. The capitalization threshold for infrastructure assets is \$50,000 for individual items and networks. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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 an asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction of governmental-type activities is not capitalized.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Capital Assets (Continued)

All reported capital assets except land and certain infrastructure assets are depreciated. Useful lives for infrastructure are estimated based on the County's historical records of necessary improvements and replacements. Depreciation is provided using the straight-line method over the following estimated useful lives:

Asset Class	County	Component Units		
		Memorial Library	Fire and Rescue Commission	Alcohol and Drug Commission
Buildings and improvements				
Buildings	45	45	45	N/A
Building improvements	10	10	10	N/A
Improvements other than buildings				
Improvements other than buildings	10	10	10	N/A
Radio and fire towers	10	10	10	N/A
Library Materials	N/A	5	5	N/A
Machinery and equipment				
Furniture and office equipment	5	5	5	3 - 20
Fire and medical equipment	5	5	5	N/A
Heavy vehicles and equipment	10	10	10	N/A
Vehicles				
Airplanes	6	N/A	N/A	N/A
Law enforcement vehicles	3	N/A	N/A	N/A
Other vehicles	5	5	5	3 - 20
Infrastructure	20	N/A	N/A	N/A

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports deferred outflows related to its net pension liability and net other post-employment benefits liability in the statement of net position.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and, therefore, will not be recognized as an inflow of resources (revenue) until that time. The County has unavailable revenues from property taxes and special assessments, fees, and intergovernmental revenue that arise under the modified accrual basis of accounting that qualifies for reporting in this category and is reported in the governmental funds balance sheet. The statement of net position reports deferred inflows related to its net pension liability, and other post-employment benefits liability. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumptions

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing council ("council") has by resolution authorized the administrator to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues and Expenditures/Expenses (Continued)

Property Taxes

The County ordinance provides for the taxation of all real and personal property located within the County limits on the first day of January. Motor vehicle taxes are billed and collected by the County Treasurer on a monthly basis. Other personal and real property taxes are levied by the County after September of each year and become due and payable immediately upon receipt by the taxpayer. Real property taxes are delinquent after January 15th. Assessed property is subject to lien one year from the levy date if taxes remain unpaid.

Compensated Absences

Vacation – The County's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignation or retirement. The liability for compensated absences includes salary-related benefits, where applicable and is paid from the general fund for the most part with a small portion related to other nonmajor governmental funds.

Sick Leave – Accumulated sick leave lapses when employees leave the employment of the County and, upon separation from service, no monetary obligation exists.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. DEPOSITS AND INVESTMENTS

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk

Credit risk is the risk that an issuer to an investment will not fulfill its obligations. In accordance with South Carolina state statutes, the County's investment decisions are at the discretion of the elected County Treasurer, subject to the statutes that authorize the County and its component units to invest in the following:

1. Obligations of the United States and agencies thereof;
2. Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating agencies;
3. General obligations of the State of South Carolina or any of its political units;
4. Savings and loan association deposits to the extent insured by the Federal Deposit Insurance Corporation;
5. Certificates of Deposit and repurchase agreements collateralized by securities of the type described in 1) and 2) above, held by a third-party as escrow agent or custodian, of a fair value not less than the amount of certificates of deposit and repurchase agreements so secured, including interest; and
6. No-load open and closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company, savings and loan association, or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit.

In addition, South Carolina state statutes authorize the County to invest in the South Carolina Local Government Investment Pool ("SCLGIP"). The SCLGIP is an investment mechanism authorized by the Legislature and signed into law on May 13, 1983, to provide local governments an opportunity to acquire maximum returns on investments by pooling available funds with funds from other political subdivisions. The SCLGIP is permitted under South Carolina 1976 Code of Laws Section 6-6-10, Section 12-45-220 and Section 11-1-60 to purchase obligations of the United States government treasuries, United States government agencies, repurchase agreements fully collateralized by United States government treasuries or agencies, corporate securities and commercial paper that bear an investment grade rating of at least two nationally recognized rating services.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer. The County places no limit on the amount that may be invested in any one issuer. See below for additional information regarding the County's deposits. All funds of the Fire and Rescue Commission and the Library are included in the funds administered by the County Treasurer. The only exception to this is that the funds of the Alcohol and Drug Commission are not included in the funds administered by the County Treasurer.

	Fair Value	Percentage of Portfolio
Repurchase agreements	\$ 39,934,884	81%
Certificates of deposit	-	0%
Savings accounts	218,132	0%
Checking accounts	9,039,892	18%
Cash on hand	7,582	0%
Deposits held by County Treasurer	\$ 49,200,490	100%

Custodial Credit Risk – Deposits

In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. Deposits of the County are subject to South Carolina state statutes for custodial credit risk. The statutes provide that banks accepting deposits of funds from local government units must furnish an indemnity bond or pledge as collateral obligations of the United States, South Carolina, political subdivisions of South Carolina, the Federal National Mortgage Association, the Federal Home Loan Bank, the Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation. Driven by the aforementioned statute, the County's informal policy requires deposits to be secured by collateral valued at fair or par whichever is lower, less the amount of the Federal Deposit Insurance Corporation ("FDIC") insurance. Deposited funds may be invested in demand or time deposits, continuously and fully secured with direct obligations of or obligations guaranteed by the United States of America having a fair value not less than the amount of such monies. Custodial credit risk for deposits is not formally addressed by bond indentures. Indentures require that restricted deposits be maintained by the trustee bank, as custodian, specified in the indenture.

As of June 30, 2019, the County's bank balance of \$51,041,925 was fully collateralized by pledging financial institutions trust departments in the County's name.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Investments

In the case of investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The County does not have a formal investment policy regarding custodial credit risk.

NOTE 3. RECEIVABLES

Receivables as of year-end for the County's individual major funds, nonmajor funds in the aggregate and component units, including the applicable allowances for uncollectible accounts, are as follows:

	Primary Government				Total Primary Government
	General	Capital		Nonmajor Governmental	
		Capital Projects	Sales Tax Debt Service		
Taxes receivable	\$ 4,618,483	\$ -	\$ -	\$ 357,301	\$ 4,975,784
Accounts receivable	1,515,968	-	-	-	1,515,968
Other receivables	1,795,862	1,050,475	1,109,460	734,144	4,689,941
Less: allowance	(3,646,416)	-	-	(210,473)	(3,856,889)
Net receivables	\$ 4,283,897	\$ 1,050,475	\$ 1,109,460	\$ 880,972	\$ 7,324,804

	Component Units			
	Fire and Rescue Commission	Memorial Library	Alcohol and Drug Commission	Total Component Units
	Taxes receivable	\$ 14,068,845	\$ -	\$ -
Accounts receivable	721	-	29,380	30,101
Other receivables	-	548	-	548
Less: allowance	(12,085,979)	-	-	(12,085,979)
Net receivables	\$ 1,983,587	\$ 548	\$ 29,380	\$ 2,013,515

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2019, consisted of the following:

	Transfers In	Transfers Out
Major Governmental Funds		
General Fund	\$ 2,827,620	\$ 3,422,366
Capital Projects Fund	1,185,043	496,177
Nonmajor Governmental Funds	2,293,090	2,387,210
Total interfund balances	\$ 6,305,753	\$ 6,305,753

Transfers are used: 1) to move revenues from the fund with collection authorization to the fund with expenditure authorization, and 2) to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for various grant programs.

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

	Balance June 30, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Governmental activities					
Capital assets not being depreciated					
Land	\$ 2,942,048	\$ 329,400	\$ (1,500)	\$ -	\$ 3,269,948
Land - infrastructure	4,546,970	-	-	-	4,546,970
Construction in progress	11,902,420	4,951,696	(5,000)	(10,405,622)	6,443,494
Total capital assets not being depreciated	19,391,438	5,281,096	(6,500)	(10,405,622)	14,260,412
Capital assets being depreciated					
Buildings and improvements	31,894,809	165,600	(40,000)	10,377,794	42,398,203
Improvements other than buildings	11,972,580	29,740	-	-	12,002,320
Equipment and vehicles	24,527,356	1,725,577	(167,182)	27,828	26,113,579
Infrastructure	12,789,508	-	-	-	12,789,508
Total capital assets being depreciated	81,184,253	1,920,917	(207,182)	10,405,622	93,303,610
Less accumulated depreciation					
Buildings and improvements	(13,529,701)	(1,024,768)	37,036	-	(14,517,433)
Improvements other than buildings	(4,951,123)	(748,605)	-	-	(5,699,728)
Equipment and vehicles	(18,222,376)	(1,395,367)	167,182	-	(19,450,561)
Infrastructure	(7,206,343)	(430,183)	-	-	(7,636,526)
Total accumulated depreciation	(43,909,543)	(3,598,923)	204,218	-	(47,304,248)
Total capital assets being depreciated, net	37,274,710	(1,678,006)	(2,964)	10,405,622	45,999,362
Governmental activities capital assets, net	\$ 56,666,148	\$ 3,603,090	\$ (9,464)	\$ -	\$ 60,259,774

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities	
General Government	\$ 361,504
Judicial	42,782
Roads and bridges	931,971
Public Safety	657,626
Solid waste	282,023
Recreation and culture	1,227,456
Health and human services	95,561
Total Governmental Activities Depreciation Expense	\$ 3,598,923

Discretely Presented Component Units

Fire and Rescue Commission activity for the year ended June 30, 2019, is as follows:

	Balance June 30, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Fire and Rescue Commission					
Capital assets not being depreciated					
Land	\$ 542,365	\$ 102,070	\$ -	\$ -	\$ 644,435
Total capital assets not being depreciated	542,365	102,070	-	-	644,435
Capital assets being depreciated					
Buildings and improvements	6,908,991	-	-	-	6,908,991
Improvements other than buildings	147,532	-	-	-	147,532
Equipment and vehicles	18,375,796	2,056,077	(188,471)	-	20,243,402
Total capital assets being depreciated	25,432,319	2,056,077	(188,471)	-	27,299,925
Less accumulated depreciation					
Buildings and improvements	(2,075,781)	(139,925)	-	-	(2,215,706)
Improvements other than buildings	(126,296)	(4,061)	-	-	(130,357)
Equipment and vehicles	(14,550,018)	(665,142)	188,471	-	(15,026,689)
Total accumulated depreciation	(16,752,095)	(809,128)	188,471	-	(17,372,752)
Total capital assets being depreciated, net	8,680,224	1,246,949	-	-	9,927,173
Fire and rescue commission capital assets, net	\$ 9,222,589	\$ 1,349,019	\$ -	\$ -	\$ 10,571,608

Depreciation expense incurred by the Fire and Rescue Commission for the fiscal year ended June 30, 2019, was \$809,128.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

Discretely Presented Component Units (Continued)

Memorial Library activity for the year ended June 30, 2019, is as follows:

Memorial Library	Balance June 30, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Capital assets being depreciated					
Buildings and improvements	\$ 119,026	\$ -	\$ -	\$ -	\$ 119,026
Library materials	2,109,595	82,282	(58,985)	-	2,132,892
Equipment and vehicles	361,423	-	-	-	361,423
Total capital assets being depreciated	<u>2,590,044</u>	<u>82,282</u>	<u>(58,985)</u>	<u>-</u>	<u>2,613,341</u>
Less accumulated depreciation					
Buildings and improvements	(119,026)	-	-	-	(119,026)
Library materials	(1,885,124)	(89,048)	58,985	-	(1,915,187)
Equipment and vehicles	<u>(215,333)</u>	<u>(18,597)</u>	<u>-</u>	<u>-</u>	<u>(233,930)</u>
Total accumulated depreciation	<u>(2,219,483)</u>	<u>(107,645)</u>	<u>58,985</u>	<u>-</u>	<u>(2,268,143)</u>
Total capital assets being depreciated, net	<u>370,561</u>	<u>(25,363)</u>	<u>-</u>	<u>-</u>	<u>345,198</u>
Memorial library capital assets, net	<u>\$ 370,561</u>	<u>\$ (25,363)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 345,198</u>

Depreciation expense incurred by the Memorial Library for the fiscal year ended June 30, 2019, was \$107,645.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS

Long-term obligations for the year ended June 30, 2019, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government					
Governmental activities:					
Bonds:					
General obligation	\$ 31,457,353	\$ -	\$ 4,687,353	\$ 26,770,000	\$ 4,185,000
Bond premiums	440,003	-	71,924	368,079	-
Capital leases	1,603,291	2,500,000	1,423,333	2,679,958	923,333
Net pension liability	30,738,579	3,676,321	5,386,275	29,028,625	-
Total OPEB liability	2,930,305	304,441	39,479	3,195,267	-
Notes from direct borrowings	880,032	-	880,032	-	-
Compensated absences	715,428	277,438	342,286	650,580	97,587
Landfill closure and post-closure costs	509,640	26,132	-	535,772	-
Governmental activity long-term liabilities	<u>\$ 69,274,631</u>	<u>\$ 6,784,332</u>	<u>\$ 12,830,682</u>	<u>\$ 63,228,281</u>	<u>\$ 5,205,920</u>
Component Units					
Fire and rescue commission					
Bonds:					
General obligation	\$ 3,850,000	\$ 6,000,000	\$ 450,000	\$ 9,400,000	\$ 980,000
Bond premiums	-	100,337	4,894	95,443	-
Capital leases	1,904,994	-	299,527	1,605,467	306,533
Net pension liability	10,208,863	1,454,313	179,761	11,483,415	-
Total OPEB liability	534,871	120,443	72,079	583,235	-
Compensated absences	321,020	194,298	199,422	315,896	47,385
Governmental activity long-term liabilities	<u>\$ 16,819,748</u>	<u>\$ 7,869,391</u>	<u>\$ 1,205,683</u>	<u>\$ 23,483,456</u>	<u>\$ 1,333,918</u>
Memorial library					
Net pension liability	\$ 804,833	\$ 95,339	\$ 147,360	\$ 752,812	\$ -
Total OPEB liability	355,417	7,895	(24,243)	387,555	-
Compensated absences	22,572	14,062	14,138	22,496	3,386
Governmental activity long-term liabilities	<u>\$ 1,182,822</u>	<u>\$ 117,296</u>	<u>\$ 137,255</u>	<u>\$ 1,162,863</u>	<u>\$ 3,386</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Primary Government

Bonds Payable

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

The South Carolina constitution permits the County to incur general obligation (general purpose) bonded indebtedness not to exceed 8% of the assessed value of taxable property in the County. At June 30, 2019, the County was in compliance with this requirement.

The following is a summary of each long-term bond obligation of the governmental activities of the County at June 30, 2019:

<u>General Obligation Bonds</u>	<u>Amount</u>
\$5,395,000 General Obligation Bond, Series 2015, with interest of 3.498%, annual principal and interest payments beginning in 2017, matures 2032, for the purpose of refunding the special source revenue bond and for economic development purposes.	\$ 4,545,000
\$4,000,000 General Obligation, Series 2012, with interest of 2.0% to 3.0%, semi-annual principal and interest payments beginning 2013, matures 2032, for the purpose of economic development at the business park.	2,785,000
\$29,000,000 General Obligation, Series 2015, 1.82% annual interest, annual principal and interest payments beginning in 2016, matures 2024, for the purpose of county-wide projects by voters.	<u>19,440,000</u>
	<u>\$ 26,770,000</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Primary Government (Continued)

Bonds Payable (Continued)

The annual requirements to amortize the bonds are as follows:

Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2020	\$ 4,185,000	\$ 597,428	\$ 4,782,428
2021	4,275,000	510,078	4,785,078
2022	4,370,000	420,728	4,790,728
2023	4,480,000	329,328	4,809,328
2024	4,615,000	224,958	4,839,958
2025 – 2029	2,880,000	630,363	3,510,363
2030 – 2033	1,965,000	141,196	2,106,196
	<u>\$ 26,770,000</u>	<u>\$ 2,854,079</u>	<u>\$ 29,624,079</u>

Refunding

In prior years, the County issued \$5.395 million General Obligation Bond Series 2015 that fully refunded the \$4.72 million Special Source Revenue Bond Series 2012. The refunding resulted in the County saving \$150,608 in debt service required from 2016 through 2023 to service the Series 2012 Special Source Revenue Bonds versus servicing the new debt Series 2015 General Obligation Bonds including the costs associated with the completing the refunding.

Capital Leases Payable	Amount
Lease #3 - The County has entered into a capital lease agreement, secured by 221.1 acres of land being entitled "Dogwood Hills Golf Club," bearing interest at 2.53% with annual payments of \$90,000 plus interest, maturing 2021.	\$ 179,958
Lease #6 - The County has entered into a capital lease agreement with South State Bank of South Carolina, to acquire equipment, bearing interest at 2.791% with annual payments of \$833,333, maturing 2022.	<u>2,500,000</u>
	<u>\$ 2,679,958</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Primary Government (Continued)

Equipment Under Capitalized Leases

The County has entered into the above lease agreements for leasing vehicles, equipment, golf course, and the civic center. The cost of these assets is \$1,638,219 with accumulated depreciation of \$84,012 for a net value of \$1,554,207. Depreciation expense was \$61,433 for the current year. The lease on the vehicles and equipment is payable from the general fund while the civic center and golf course leases are payable from the County's debt service fund.

The remaining lease payments as of June 30, 2019, are as follows:

Year Ending June 30,	Capital Leases		
	Principal	Interest	Total
2020	\$ 923,333	\$ 63,851	\$ 987,184
2021	923,333	47,967	971,300
2022	833,292	23,258	856,550
	\$ 2,679,958	\$ 135,076	\$ 2,815,034

The interest paid on the capital lease obligations for the year ended June 30, 2019, was approximately \$22,689.

Landfill Closure and Post-Closure Care Costs

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Primary Government (Continued)

Landfill Closure and Post Closure Care Costs (Continued)

The \$535,772 reported as an accrual for landfill closure and post closure care costs at June 30, 2019, includes the cumulative amount reported less amounts paid to date for the open site based on the following information.

Estimated Remaining Landfill Life	Percentage Balance of Capacity Used	Estimated Total Costs			Remaining to be Recognized
		Closure	Post-closure	Total	
16 years	53.61%	\$ 635,910	\$ 161,098	\$ 797,008	\$ 261,236

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2019. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. The Council has designated cash of \$797,008 for payment of closure and post-closure care costs.

Discretely Presented Component Units

Fire and rescue general obligation bonds payable at June 30, 2019, consist of the following:

General Obligation Bonds	Amount
\$6,445,000 Fire Protection Service General Obligation Bonds, Series 2012, 0.4% to 2.26% annual interest, annual principal and interest payments beginning in 2013, matures 2026.	3,400,000
\$6,000,000 Fire Protection Service General Obligation Bonds, Series 2018, 3.0% annual interest, annual principal and interest payments beginning in 2020, matures 2029.	6,000,000
	<u>\$ 9,400,000</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Primary Government (Continued)

Discretely Presented Component Units (Continued)

Future debt service requirements for fire and rescue general obligation bonds outstanding at June 30, 2019, are as follows:

Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2020	\$ 980,000	\$ 256,570	\$ 1,236,570
2021	1,005,000	231,720	1,236,720
2022	1,030,000	206,220	1,236,220
2023	1,055,000	179,595	1,234,595
2024	1,085,000	151,825	1,236,825
2025 – 2029	4,245,000	334,643	4,579,643
	<u>\$ 9,400,000</u>	<u>\$ 1,360,573</u>	<u>\$ 10,760,573</u>

Capital Leases Payable	Amount
\$3,036,957 lease payable for radios at an interest rate of 2.32% with annual payments of \$343,779 beginning in fiscal year 2015.	
	<u>\$ 1,605,467</u>
	<u>\$ 1,605,467</u>

Equipment Under Capitalized Lease

The fire and rescue has entered into the above lease agreement for Motorola radios. The cost of these assets is \$3,422,784 with accumulated depreciation of \$1,003,860 with a net value of \$22,418,924. Depreciation expense was \$171,139 for the year. The lease on the radios is payable from the fire and rescue debt service fund. The remaining lease payments as of June 30, 2019, are as follows:

Year Ending June 30,	Capital Leases		
	Principal	Interest	Total
2020	\$ 306,533	\$ 464,638	\$ 771,171
2021	313,644	434,748	748,392
2022	320,921	403,960	724,881
2023	328,366	372,274	700,640
2024	336,003	326,540	662,543
	<u>\$ 1,605,467</u>	<u>\$ 2,002,160</u>	<u>\$ 3,607,627</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Other Post-employment Benefits

Plan Administration and Benefits

The County, as authorized by the County Commission, administers a single-employer defined benefit healthcare plan (the "Retiree Health Plan"). The Retiree Health Plan provides lifetime healthcare insurance for eligible retirees and their spouses through the County's group health insurance plan, which covers both active and retired members. Benefit provisions are established by the County Council. Retiree medical coverage levels for retirees and their families are the same as coverage provided to active County employees in accordance with the terms and conditions of the current State Health Insurance Plan. The cost assistance provided by the County is calculated based on 50% of the cost of the single plan under which the employee is covered for healthcare added to 50% of the cost of the single plan for dental coverage. The employees pay the remaining 50% plus any additional coverage for spouse or children and a \$3.00 administrative charge. Retirees not meeting the condition stated above must pay 100% of the total premium plus the \$3.00 administrative charge.

Even the provided benefits shown above are only "promised" on an annual basis and are not guaranteed beyond the annual appropriation and sufficiency of the annual appropriation to cover 50% of the cost. There are no "opt-out" benefits paid under any conditions nor are employees granted and sick-leave "pay-out" credit toward health insurance costs.

An employee who retires with 20 years of full-time employment, but is not age 62 at retirement may continue under the County's benefit program paying 100% of the plan costs until reaching the age of 62 at which time, he or she will be eligible for the 50% cost assistance for the employee.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and a separate report was not issued for the PHCB Plan.

Plan Membership

Membership of the Retiree Health Plan consisted of the following at June 30, 2017, the date of the latest actuarial valuation:

Active participants	388
Retirees and beneficiaries currently receiving benefits	<u>23</u>
Total plan members	<u><u>411</u></u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Other Post-employment Benefits (Continued)

Contributions

Contribution requirements are established annually by the County Council. The required contribution is based on a projected “pay as you go” financing requirements. For the year ended June 30, 2019, the County contributed \$41,141 for the pay as you go benefits for the Retiree Health Plan.

Total OPEB Liability of the County

Effective July 1, 2017, the County implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, which significantly changed the County’s accounting for OPEB amounts. The information disclosed below is presented in accordance with this new standard.

The County’s total OPEB liability was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2017, with the actuary using standard techniques to roll forward the liability to the measurement date.

Actuarial assumptions. The total OPEB liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate:	3.62%
Healthcare cost trend rate:	Initial rate of 6.75% declining to an ultimate rate of 4.15% after 14 years. Ultimate trend rate includes a 0.15% adjustment for the excise tax.
Inflation rate:	2.25%
Salary increase:	3.50% to 9.50% for PORS and 3.00% to 7.00% for SCRS, including inflation.
Participation rate:	70% if retiree has at least 20 years of service and is at least 60 years old at retirement. 35% if retiree has at least 20 years of service and is at least 60 years old at retirement. 20% for retirees that have fewer than 20 years of service.

Mortality rates were based on the 2016 Public Retirees of South Carolina Mortality Table for males or females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the period 2011 – 2015.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Other Post-employment Benefits (Continued)

Discount rate

The discount rate used to measure the total OPEB liability was 3.62%. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher – which was 3.62% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2019. The discount rate changed from 3.56% as of June 30, 2017 to 3.62% as of June 30, 2018.

Changes in the Total OPEB Liability of the County

The changes in the total OPEB liability of the County, and respective component units, for the year ended June 30, 2019, were as follows:

	Total OPEB Liability		
	Primary Government	Fire & Rescue Commission	Memorial Library
Beginning Balance	\$ 2,930,305	\$ 534,871	\$ 355,417
Changes for the year:			
Service cost	224,176	40,920	27,192
Interest	107,751	19,668	13,065
Difference between expected actual experience	(3,268)	(597)	(396)
Effect of assumption changes	(32,142)	(5,867)	(3,897)
Benefit payments	(31,555)	(5,760)	(3,826)
Net changes	264,962	48,364	32,138
Ending Balance	\$ 3,195,267	\$ 583,235	\$ 387,555

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Other Post-employment Benefits (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the County, and the respective component units, as well as what the County's, and respective component unit's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62%) or 1-percentage-point higher (4.62%) than the current discount rate:

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate			
	1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.62%)
Primary Government	\$ 3,793,738	\$ 3,195,267	\$ 2,712,375
Component Units			
Fire and Rescue Commission	692,468	583,235	495,088
Memorial Library	459,997	387,555	328,880

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the County, and respective component units, as well as what the County's and component unit's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates			
	1% Decrease	Current Healthcare Cost Trend Assumption Rate	1% Increase
Primary Government	\$ 2,518,432	\$ 3,195,267	\$ 4,107,759
Component Units			
Fire and Rescue Commission	459,688	583,235	749,787
Memorial Library	305,364	387,555	498,072

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Other Post-employment Benefits (Continued)

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

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 2,915
Assumption changes	-	293,575
Employer contributions subsequent to the measurement date	31,098	-
Total	\$ 31,098	\$ 296,491

County contributions subsequent to the measurement date of \$31,098, for the Retiree Health Plan are deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2020.

Amounts reported as deferred outflows of resources and deferred inflows of resources for the County related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30,	
2020	\$ (40,453)
2021	(40,453)
2022	(40,453)
2023	(40,453)
2024	(40,453)
Thereafter	(94,226)
Total	\$ (296,491)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Other Post-employment Benefits (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At June 30, 2019, the Fire and Rescue Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 532
Assumption changes	-	53,587
Employer contributions subsequent to the measurement date	5,676	-
Total	\$ 5,676	\$ 54,119

Fire and Rescue Commission contributions subsequent to the measurement date of \$5,676, for the Retiree Health Plan are deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2020.

Amounts reported as deferred outflows of resources and deferred inflows of resources for the Fire and Rescue Commission related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30,	
2020	\$ (7,384)
2021	(7,384)
2022	(7,384)
2023	(7,384)
2024	(7,384)
Thereafter	(17,199)
Total	\$ (54,119)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Other Post-employment Benefits (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At June 30, 2019, the Memorial Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 353
Assumption changes	-	35,608
Employer contributions subsequent to the measurement date	3,772	-
Total	\$ 3,772	\$ 35,961

Memorial Library contributions subsequent to the measurement date of \$3,772, for the Retiree Health Plan are deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2020.

Amounts reported as deferred outflows of resources and deferred inflows of resources for the Memorial Library related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2020	\$ (4,905)
2021	(4,905)
2022	(4,905)
2023	(4,905)
2024	(4,905)
Thereafter	(11,436)
Total	\$ (35,961)

OPEB Expense

For the year ended June 30, 2019, the County, Fire and Rescue Commission, and the Memorial Library recognized OPEB expense of \$291,474; \$53,204; and \$35,352, respectively.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Other Post-employment Benefits (Continued)

OPEB Expense (Continued)

OPEB expense for the Retiree Health plan is calculated as follows:

Description	Primary Government	Fire & Rescue Commission	Memorial Library
Service cost	\$ 224,184	\$ 40,920	\$ 27,183
Interest on the total OPEB liability	107,743	19,668	13,074
Recognition of deferred outflows/inflows of resources due to liabilities	(3,834)	(700)	(465)
Amortization of prior year deferred outflows/inflows of resources due to liabilities	(36,619)	(6,684)	(4,440)
Total employer OPEB expense	<u>\$ 291,474</u>	<u>\$ 53,204</u>	<u>\$ 35,352</u>

Pension Plan

Description of the Entity

The South Carolina Public Employee Benefit Authority (“PEBA”), created July 1, 2012, and governed by an 11-member Board, is the state agency responsible for the administration and management of the various retirement systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the South Carolina Deferred Compensation Program, as well as the state’s employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems’ five defined benefit pension plans. The Retirement Funding and Administration Act of 2017, which became effective July 1, 2017, increased the employer and employee contribution rates, established a ceiling on the South Carolina Retirement System (“SCRS”) and South Carolina Police Officers’ Retirement System (“PORS”) employee contribution rates, lowered the assumed rate of return, required a scheduled reduction of the funding periods, and addressed various governance issues including the assignment of the PEBA Board as custodian of the retirement trust funds and assignment of the RSIC and PEBA as co-trustees of the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (“SFAA”), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (“GAAP”). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

Description of the Entity (Continued)

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, South Carolina 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Description

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

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

Membership

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

Membership (Continued)

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

Benefits

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

Benefits (Continued)

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

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 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.

Contributions

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

After June 30, 2027, if the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85%, then the Board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85%. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85%, then effective on the following July 1, and annually thereafter as necessary, the Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85%. The Retirement System Funding and Administration Act establishes a ceiling on employee contribution rates at 9% and 9.75% for SCRS and PORS, respectively. The employer contribution rates will continue to increase annually by 1% through July 1, 2022.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

Contributions (Continued)

The legislation's ultimate scheduled employer rate is 18.56% for SCRS and 21.24% for PORS. The amortization period is scheduled to be reduced one year for each of the next ten years to a 20-year amortization period. For the year ended June 30, 2019, the County, Fire and Rescue Commission, and the Memorial Library contributed \$1,511,797, \$41,003, and \$55,153, respectively, to the SCRS plan. The County, and Fire and Rescue Commission contributed \$765,018 and \$995,668, respectively to the PORS plan.

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

South Carolina Retirement System

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

South Carolina Police Officers' Retirement System

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

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

South Carolina Retirement System

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

South Carolina Police Officers' Retirement System

Employee Class Two	16.84% of earnable compensation
Employee Class Three	16.84% of earnable compensation
Employer incidental death benefit	0.20% of earnable compensation
Employer accidental death program	0.20% of earnable compensation

Net Pension Liability

The June 30, 2018, (the measurement date) total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith and Company ("GRS") and are based on the July 1, 2017, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board, which utilized membership data as of July 1, 2017. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2018, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

Net Pension Liability (Continued)

The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67, less that system's fiduciary net position. As of June 30, 2019 (measurement date of June 30, 2018), the net pension liability amounts for the County's proportionate share of the collective net pension liabilities associated with the SCRS and PORS plans are as follows:

As of June 30, 2019, the County's net pension liability amounts for SCRS and PORS are as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Pension Liability	Plan Fiduciary Net Position as a percentage of the Total Pension Liability	County's Proportionate Share of the Collective Net Pension Liability
SCRS	\$ 44,962,114	\$ 24,326,711	\$ 20,635,403	54.1%	0.092094%
PORS	21,931,271	13,538,049	8,393,222	61.7%	0.296210%

As of June 30, 2019, the Fire and Rescue Commission's net pension liability amounts for SCRS and PORS are as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Pension Liability	Plan Fiduciary Net Position as a percentage of the Total Pension Liability	Fire and Rescue Commission's Proportionate Share of the Collective Net Pension Liability
SCRS	\$ 1,219,457	\$ 659,787	\$ 559,670	54.1%	0.002498%
PORS	28,543,461	17,619,716	10,923,745	61.7%	0.385515%

As of June 30, 2019, the Memorial Library's net pension liability amount for SCRS is as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Pension Liability	Plan Fiduciary Net Position as a percentage of the Total Pension Liability	Memorial Library's Proportionate Share of the Collective Net Pension Liability
SCRS	\$ 1,640,290	\$ 887,478	\$ 752,812	54.1%	0.003360%

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

Actuarial Assumptions and Methods

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

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

	SCRS	PORS
Actuarial cost method	Entry Age	Entry Age
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	3.0% to 12.5% (varies by service)	3.5% to 9.5% (varies by service)
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

Actuarial Assumptions and Methods (Continued)

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30-year capital market assumptions. The actuarial long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year of the Systems. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation, which is summarized in the table on the following page.

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

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 and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, the County's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table presents the sensitivity of the net pension liability to changes in the discount rate for the County and the respective component units.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Primary Government			
SCRS	\$ 26,368,256	\$ 20,635,403	\$ 16,537,020
PORS	11,315,112	8,393,222	5,999,949
Component Units			
Fire and Rescue Commission			
SCRS	715,157	559,670	448,515
PORS	14,726,573	10,923,745	7,808,909
Memorial Library			
SCRS	961,956	752,812	603,297

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

Pension Expense

For the year ended June 30, 2019, pension expense was recognized as follows:

Primary Government	SCRS	PORS
Proportionate share of aggregate plan pension expense	\$ 2,008,824	\$ 1,096,443
Deferred amounts from changes in proportion and differences between employer contributions and proportionate share on plan contributions	(131,946)	43,684
Employer pension expense	\$ 1,876,878	\$ 1,140,127
Fire and Rescue Commission	SCRS	PORS
Proportionate share of aggregate plan pension expense	\$ 54,483	\$ 1,427,016
Deferred amounts from changes in proportion and differences between employer contributions and proportionate share on plan contributions	(3,579)	56,854
Employer pension expense	\$ 50,904	\$ 1,483,870
Memorial Library	SCRS	
Proportionate share of aggregate plan pension expense	\$ 73,285	
Deferred amounts from changes in proportion and differences between employer contributions and proportionate share on plan contributions	(4,814)	
Employer pension expense	\$ 68,471	

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

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

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS pensions plans, respectively, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences between expected and actual experience	\$ 37,251	\$ 121,433
Net difference between projected and actual earnings on pension plan investments	327,794	-
Assumption changes	818,697	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	632,218	957,296
Employer contributions subsequent to the measurement date	1,511,797	-
Total	<u>\$ 3,327,757</u>	<u>\$ 1,078,729</u>
	Deferred Outflows of Resources	Deferred Inflows of Resources
PORS		
Differences between expected and actual experience	\$ 258,609	\$ -
Net difference between projected and actual earnings on pension plan investments	167,844	-
Assumption changes	553,406	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	311,178	129,924
Employer contributions subsequent to the measurement date	765,018	-
Total	<u>\$ 2,056,055</u>	<u>\$ 129,924</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

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

County contributions subsequent to the measurement date of \$1,511,797 and \$765,018, for the SCRS plan and the PORS plan, respectively, and changes in proportion and differences between employer contributions and proportionate share of contributions are deferred outflows/inflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>SCRS</u>	<u>PORS</u>
2020	\$ 749,281	\$ 559,450
2021	534,719	429,421
2022	(490,029)	151,881
2023	(56,740)	20,361
Total	\$ 737,231	\$ 1,161,113

At June 30, 2019, the Fire and Rescue Commission reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS pensions plans, respectively, from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
SCRS		
Differences between expected and actual experience	\$ 1,010	\$ 3,294
Net difference between projected and actual earnings on pension plan investments	8,890	-
Assumption changes	22,205	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	17,147	25,964
Employer contributions subsequent to the measurement date	41,003	-
Total	\$ 90,255	\$ 29,258

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
PORS		
Differences between expected and actual experience	\$ 336,578	\$ -
Net difference between projected and actual earnings on pension plan investments	218,449	-
Assumption changes	720,256	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	404,996	169,095
Employer contributions subsequent to the measurement date	995,668	-
Total	<u>\$ 2,675,947</u>	<u>\$ 169,095</u>

The Fire and Rescue Commission contributions subsequent to the measurement date of \$41,003 and \$995,668, for the SCRS plan and the PORS plan, respectively, and changes in proportion and differences between employer contributions and proportionate share of contributions are deferred outflows/inflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	SCRS	PORS
2020	\$ 20,322	\$ 728,123
2021	14,503	558,889
2022	(13,291)	197,672
2023	(1,540)	26,500
Total	<u>\$ 19,994</u>	<u>\$ 1,511,184</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

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

At June 30, 2019, the Memorial Library reported deferred outflows of resources and deferred inflows of resources related to the SCRS pensions plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences between expected and actual experience	\$ 1,359	\$ 4,430
Net difference between projected and actual earnings on pension plan investments	11,958	-
Assumption changes	29,867	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	23,064	34,924
Employer contributions subsequent to the measurement date	55,153	-
Total	\$ 121,401	\$ 39,354

The Memorial Library contributions subsequent to the measurement date of \$55,153 for the SCRS plan and changes in proportion and differences between employer contributions and proportionate share of contributions are deferred outflows/inflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	SCRS
2020	\$ 27,335
2021	19,507
2022	(17,877)
2023	(2,071)
Total	\$ 26,894

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

Pension Plan Fiduciary Net Position

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

NOTE 7. OTHER INFORMATION

Deferred Compensation Plans

Internal Revenue Code Section 457 Plan

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

All amounts of compensation deferred under the plan are held in trust for the contributing employee and are not subject to claims of the County's general creditors. The plan is administered by the State of South Carolina.

Internal Revenue Code Section 401(k) Plan

The County also offers its participation in a deferred compensation plan, offered through the State of South Carolina, created in accordance with internal Revenue Code Section 401(k). The 401(k) plan has the same eligibility requirements as the 457 plan, although the withdrawal provisions are more lenient under the 401(k) plan. All amounts of compensation deferred under the plan are held in trust for the contributing employee and are not subject to claims of the County's general creditors. The funds are administered by the State of South Carolina.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. OTHER INFORMATION (CONTINUED)

Risk Management

The County and its component units are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters, for which the County carries commercial insurance, and policies with the South Carolina Insurance Reserve Fund, a public entity risk pool currently operating as a common risk management and insurance program for local governments. The County and its component units are covered under the same risk management umbrella and pay a pro-rata share of an annual premium for general insurance coverage. The County pays annual premiums to the State Insurance Reserve Fund for certain general insurance coverage. The State Insurance Reserve Fund is self-sustaining through member premiums and reinsures through commercial companies for certain claims.

Contingent Liabilities

Grants

Amounts received or receivable from grantor agencies in previous years are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, could become a liability of the general fund or other applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

Litigation

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. OTHER INFORMATION (CONTINUED)

Commitments

Construction Commitments

On June 30, 2019, the County has commitments under contracts for various architectural and engineering services and construction projects not completed of approximately \$848,938 that relate to the capital penny sales tax project approved by voter referendum.

As discussed earlier in Note 1, budgetary basis of accounting, the encumbrances and related appropriation lapse at the end of the year, but are re-appropriated and become part of the subsequent year's budget because performance under the executory contract is expected in the next year.

Encumbrances

As discussed in Note 1, budgetary basis of accounting, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Governmental Fund	Amount
Capital Projects Fund	\$ 1,614,792
Nonmajor Governmental Funds	61,678
Total	\$ 1,676,470

Operating Leases

The County participates in certain leases accounted for as operating leases. Future minimum rental payments required over the next five years under the non-cancellable operating leases having a remaining term in excess of one year at June 30, 2019, are as follows:

Year Ending June 30,	Total
2020	\$ 253,117
2021	248,520
2022	114,573
2023	4,019
2024	1,196
Total Payments	\$ 621,425

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. OTHER INFORMATION (CONTINUED)

Commitments (Continued)

On May 12, 2017, Colleton County Intermodal Corporation, a non-profit corporation that was created for the purposes of promoting economic development of the County and economic development projects located in or for the benefit of the County issued \$7.61 million Taxable Economic Revenue Bonds for the purposes of acquiring the Hampton and Branchville Railroad so that It can be maintained in service.

The debt service on the Bonds will be primarily payable from the payment of Project Revenues made by Palmetto Railways to the Issuer under the terms of the Loan Agreement. It is not anticipated however, that the Project Revenues will be sufficient to pay all debt service on the Bonds for the foreseeable future until industrial sites are developed near the Project. In the event that Project Revenues are insufficient to make such payments, the Deposit and Reimbursement Agreement provides that the County will provide Reimbursement Payments to pay debt service on the Bonds. The Deposit and Reimbursement Agreement provides that the County will budget for each fiscal year Reimbursement Payments to pay debt service on the Bond for such fiscal year. Notwithstanding the preceding sentence, in adopting its general operating budget, the County Council may, in its sole discretion, determine not to appropriate the Reimbursement Payments through an Event of Non-appropriation.

NOTE 8. NET INVESTMENT IN CAPITAL ASSETS

The following summarizes the amounts included in the calculation for the net investment in capital assets. The County received the proceeds of \$30,272,627 million bond in May 2015 and has unspent funds on hand of \$10,288,595. The list of projects includes asset acquisitions as well as assistance to other entities within the County. The Fire and Rescue Commission received proceeds of \$6,100,337 in November 2018 and has unspent funds on hand of \$3,412,597. The list of projects include asset acquisitions as well as improvements to fire stations. The net investment in capital assets is summarized below:

	County	Component Units	
	Governmental Activities	Fire & Rescue Commission	Memorial Library
Capital assets, net	\$ 60,259,774	\$ 10,571,608	\$ 345,198
Long-term obligations	(29,818,037)	(11,100,910)	-
Bond proceeds on hand	10,288,595	3,412,597	-
Investment in capital assets	\$ 40,730,332	\$ 2,883,295	\$ 345,198

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. TAX ABATEMENTS

The County negotiates property tax abatement agreements on an individual basis. The County has tax abatement agreements with the following as of June 30, 2019:

Purpose	Percentage of Taxes Abated during the Fiscal Year	Amount of County Taxes Abated during the Fiscal Year	Amount of Fire & Rescue Taxes Abated during the Fiscal Year	Term of Agreement
Manufacturing facility locates in the area and provides employment opportunities for citizens	64%	\$ 106,613	\$ 47,374	25 Years
Manufacturing facility locates in the area and provides employment opportunities for citizens	48%	\$ 42,251	\$ 18,898	25 Years
Provide health care to citizens in the area	49%	\$ 20,063	-	25 Years

Industries that invest at least \$2.5 million within a five to six-year investment period in South Carolina may negotiate for a fee-in-lieu of property taxes under the authority of South Carolina Code of Laws Title 12, Chapter 44 Title 4 Chapter 29 and Chapter 12. This can result in a savings of about 40% on property taxes otherwise due for a project. Certain large investments may be able to further reduce their liability by negotiating the assessment ratio from 10.5% down to 6%. For large investments, the assessment ratio can be reduced to 4% and the investment period is extended to an eight-year investment period. The County and the industry may agree to either set the millage rate for the entire agreement period or have the millage change every five years in step with the average millage rate for the area where the project is located. Any personal property subject to the fee in lieu of property taxes depreciates in accordance with South Carolina law, while the real property is either set at cost for the life of the agreement or can be appraised every five years.

If the project would incur costs of designing, acquiring, constructing, improving, or expanding improved or unimproved real estate or personal property to be used in the operation of a manufacturing or commercial enterprise, infrastructure servicing the project or certain aircraft, the industries may negotiate a Special Source Revenue Credit under the authority of South Carolina Code of Laws Section 4-29-68, 4-1-170 and 12-44-70. This can result in additional savings of 15% on property taxes otherwise due for a project and is applied manually as credit to the applicable tax bill.

In each of the agreements disclosed above the County has provided no additional commitments other than the abatement of taxes which would continue in effect for the term of agreement as long as the industry complies with investment and job creation that are outlined in each agreement within the investment period of not to exceed five years.

REQUIRED SUPPLEMENTARY INFORMATION

COLLETON COUNTY, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 22,391,965	\$ 22,391,965	\$ 22,636,562	\$ 244,597
Intergovernmental	2,079,876	2,234,027	2,170,556	(63,471)
Fines and fees	5,987,095	5,987,095	6,137,673	150,578
Other income	870,162	1,387,410	503,877	(883,533)
Total revenues	<u>31,329,098</u>	<u>32,000,497</u>	<u>31,448,668</u>	<u>(551,829)</u>
EXPENDITURES				
Current:				
General government	10,124,618	10,497,102	8,912,737	1,584,365
Judicial	1,397,252	1,397,940	1,250,939	147,001
Public safety	7,492,756	7,615,590	7,562,098	53,492
Roads and bridges	2,125,928	2,242,258	1,991,967	250,291
Solid waste	2,521,369	2,887,285	3,074,251	(186,966)
Recreation and culture	1,771,312	1,804,948	1,633,003	171,945
Health and human services	845,460	919,764	862,618	57,146
Economic development	270,860	277,110	276,972	138
Intergovernmental	3,908,791	3,919,195	4,893,284	(974,089)
Capital outlay:				
General government	160,916	71,425	8,704	62,721
Public safety	2,450	2,450	-	2,450
Roads and bridges	2,451	2,451	-	2,451
Solid waste	145,435	189,992	141,571	48,421
Total expenditures	<u>30,769,598</u>	<u>31,827,510</u>	<u>30,608,144</u>	<u>1,219,366</u>
Excess of revenues over expenditures	<u>559,500</u>	<u>172,987</u>	<u>840,524</u>	<u>667,537</u>
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	35,000	62,298	39,047	(23,251)
Transfers in	2,404,090	2,592,998	2,827,620	234,622
Transfers out	(2,722,842)	(2,828,283)	(3,422,366)	(594,083)
Total other financing uses, net	<u>(283,752)</u>	<u>(172,987)</u>	<u>(555,699)</u>	<u>(382,712)</u>
Net change in fund balances	275,748	-	284,825	284,825
Fund balances, beginning of year	<u>9,213,371</u>	<u>9,213,371</u>	<u>9,213,371</u>	<u>-</u>
Fund balances, end of year	<u>\$ 9,489,119</u>	<u>\$ 9,213,371</u>	<u>\$ 9,498,196</u>	<u>\$ 284,825</u>

COLLETON COUNTY, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE PLAN YEAR ENDED JUNE 30,**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM – PRIMARY GOVERNMENT**

Plan Year Ended June 30,	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered payroll	County's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2018	0.092094%	\$ 20,635,403	\$ 9,569,920	216%	54.10%
2017	0.097985%	\$ 22,085,045	\$ 10,023,134	220%	53.34%
2016	0.092799%	\$ 19,526,510	\$ 8,800,266	222%	52.90%
2015	0.092174%	\$ 17,480,579	\$ 8,710,229	201%	57.00%
2014	0.094651%	\$ 16,295,759	\$ 8,614,344	189%	59.90%

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
POLICE OFFICERS' RETIREMENT SYSTEM – PRIMARY GOVERNMENT**

Plan Year Ended June 30,	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered payroll	County's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2018	0.296210%	\$ 8,393,222	\$ 4,461,857	188%	61.73%
2017	0.316857%	\$ 8,680,534	\$ 4,547,825	191%	60.94%
2016	0.318141%	\$ 7,795,862	\$ 3,956,317	197%	60.40%
2015	0.330253%	\$ 7,197,930	\$ 3,964,012	182%	64.60%
2014	0.314595%	\$ 6,022,663	\$ 3,641,573	165%	67.50%

Notes to the Schedules:

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

COLLETON COUNTY, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE PLAN YEAR ENDED JUNE 30,**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM – FIRE AND RESCUE COMMISSION**

Plan Year Ended June 30,	Commission's proportion of the net pension liability	Commission's proportionate share of the net pension liability	Commission's covered payroll	Commission's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2018	0.002498%	\$ 559,670	\$ 231,432	242%	54.10%
2017	0.002370%	\$ 533,436	\$ 128,815	414%	53.34%
2016	0.001193%	\$ 525,824	\$ 297,612	177%	52.90%
2015	0.003117%	\$ 591,963	\$ 243,862	243%	57.00%
2014	0.002650%	\$ 456,236	\$ 189,312	241%	59.90%

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
POLICE OFFICERS' RETIREMENT SYSTEM – FIRE AND RESCUE COMMISSION**

Plan Year Ended June 30,	Commission's proportion of the net pension liability	Commission's proportionate share of the net pension liability	Commission's covered payroll	Commission's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2018	0.385515%	\$ 10,923,745	\$ 4,973,240	220%	61.73%
2017	0.353173%	\$ 9,675,427	\$ 4,473,174	216%	60.94%
2016	0.312920%	\$ 8,210,866	\$ 4,078,445	201%	60.40%
2015	0.340447%	\$ 7,420,061	\$ 4,404,638	168%	64.60%
2014	0.349565%	\$ 6,692,122	\$ 4,343,910	154%	67.50%

Notes to the Schedules:

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

COLLETON COUNTY, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE PLAN YEAR ENDED JUNE 30,**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM – MEMORIAL LIBRARY**

Plan Year Ended June 30	Library's proportion of the net pension liability	Library's proportionate share of the net pension liability	Library's covered payroll	Library's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2018	0.003360%	\$ 752,812	\$ 349,178	216%	54.10%
2017	0.003575%	\$ 804,833	\$ 335,043	240%	53.34%
2016	0.003102%	\$ 686,800	\$ 320,215	214%	52.90%
2015	0.003354%	\$ 635,958	\$ 322,367	197%	57.00%
2014	0.003503%	\$ 603,114	\$ 350,642	172%	59.90%

Notes to the Schedules:

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

COLLETON COUNTY, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30,**

**SCHEDULE OF CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM – PRIMARY GOVERNMENT**

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions relative to statutorily required contribution	Contribution deficiency (excess)	County's covered payroll	Contributions as a percentage of covered payroll
2019	\$ 1,511,797	\$ 1,511,797	\$ -	\$ 10,105,559	14.96%
2018	\$ 1,297,681	\$ 1,297,681	\$ -	\$ 9,569,920	13.56%
2017	\$ 1,158,674	\$ 1,158,674	\$ -	\$ 10,023,134	11.56%
2016	\$ 973,309	\$ 973,309	\$ -	\$ 8,800,266	11.06%
2015	\$ 949,415	\$ 949,415	\$ -	\$ 8,710,229	10.90%

**SCHEDULE OF CONTRIBUTIONS
POLICE OFFICERS' RETIREMENT SYSTEM – PRIMARY GOVERNMENT**

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions relative to statutorily required contribution	Contribution deficiency (excess)	County's covered payroll	Contributions as a percentage of covered payroll
2019	\$ 765,018	\$ 765,018	\$ -	\$ 4,437,460	17.24%
2018	\$ 724,610	\$ 724,610	\$ -	\$ 4,461,857	16.24%
2017	\$ 647,610	\$ 647,610	\$ -	\$ 4,547,825	14.24%
2016	\$ 543,598	\$ 543,598	\$ -	\$ 3,956,317	13.74%
2015	\$ 531,574	\$ 531,574	\$ -	\$ 3,964,012	13.41%

Notes to the Schedules:

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

COLLETON COUNTY, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30,**

**SCHEDULE OF CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM – FIRE AND RESCUE COMMISSION**

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions relative to statutorily required contribution	Contribution deficiency (excess)	Commission's covered payroll	Contributions as a percentage of covered payroll
2019	\$ 41,003	\$ 41,003	\$ -	\$ 274,082	14.96%
2018	\$ 31,380	\$ 31,380	\$ -	\$ 231,432	13.56%
2017	\$ 14,891	\$ 14,891	\$ -	\$ 128,815	11.56%
2016	\$ 32,916	\$ 32,916	\$ -	\$ 297,612	11.06%
2015	\$ 26,581	\$ 26,581	\$ -	\$ 243,862	10.90%

**SCHEDULE OF CONTRIBUTIONS
POLICE OFFICERS' RETIREMENT SYSTEM – FIRE AND RESCUE COMMISSION**

Fiscal Year Ended June 30	Statutorily required contribution	Contributions relative to statutorily required contribution	Contribution deficiency (excess)	Commission's covered payroll	Contributions as a percentage of covered payroll
2019	\$ 995,668	\$ 995,668	\$ -	\$ 5,775,336	17.24%
2018	\$ 807,740	\$ 807,740	\$ -	\$ 4,973,240	16.24%
2017	\$ 636,980	\$ 636,980	\$ -	\$ 4,473,174	14.24%
2016	\$ 560,378	\$ 560,378	\$ -	\$ 4,078,445	13.74%
2015	\$ 590,662	\$ 590,662	\$ -	\$ 4,404,638	13.41%

Notes to the Schedules:

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

COLLETON COUNTY, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30,**

**SCHEDULE OF CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM – MEMORIAL LIBRARY**

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions relative to statutorily required contribution	Contribution deficiency (excess)	Library's covered payroll	Contributions as a percentage of covered payroll
2019	\$ 55,153	\$ 55,153	\$ -	\$ 368,667	14.96%
2018	\$ 47,349	\$ 47,349	\$ -	\$ 349,178	13.56%
2017	\$ 38,731	\$ 38,731	\$ -	\$ 335,043	11.56%
2016	\$ 35,416	\$ 35,416	\$ -	\$ 320,215	11.06%
2015	\$ 35,138	\$ 35,138	\$ -	\$ 322,367	10.90%

Notes to the Schedules:

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

COLLETON COUNTY, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30,**

The following represents the assumptions used for the County, Fire and Rescue Commission and the Memorial Library.

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

COLLETON COUNTY, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
OPEB RETIREMENT PLAN – SCHEDULE OF CHANGES IN THE PRIMARY
GOVERNMENT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30,**

	<u>2019</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ 224,176	\$ 260,008
Interest on total OPEB liability	107,751	89,458
Difference between expected actual experience	(3,268)	-
Effect of assumption changes	(32,142)	(338,163)
Benefit payments	<u>(31,555)</u>	<u>(29,153)</u>
Net change in total OPEB liability	264,962	(17,850)
Total OPEB liability - beginning	<u>2,930,305</u>	<u>2,948,155</u>
Total OPEB liability - ending	<u>\$ 3,195,267</u>	<u>\$ 2,930,305</u>
Covered-employee payroll	\$ 13,463,416	\$ 12,826,065
Total OPEB liability as a percentage of covered-employee payroll	23.7%	22.8%

Notes to the Schedule:

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

The discount rate changed from 3.56% as of June 30, 2017 to 3.62% as of June 30, 2018.

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

COLLETON COUNTY, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
OPEB RETIREMENT PLAN – SCHEDULE OF CHANGES IN THE FIRE AND RESCUE
COMMISSION'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30,**

	<u>2019</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ 40,920	\$ 47,459
Interest on total OPEB liability	19,668	16,329
Difference between expected actual experience	(597)	-
Effect of assumption changes	(5,867)	(61,725)
Benefit payments	<u>(5,760)</u>	<u>(5,321)</u>
Net change in total OPEB liability	48,364	(3,258)
Total OPEB liability - beginning	<u>534,871</u>	<u>538,129</u>
Total OPEB liability - ending	<u>\$ 583,235</u>	<u>\$ 534,871</u>
Covered-employee payroll	\$ 2,457,468	\$ 2,341,113
Total OPEB liability as a percentage of covered-employee payroll	23.7%	22.8%

Notes to the Schedule:

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

The discount rate changed from 3.56% as of June 30, 2017 to 3.62% as of June 30, 2018.

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

COLLETON COUNTY, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
OPEB RETIREMENT PLAN – SCHEDULE OF CHANGES IN THE
MEMORIAL LIBRARY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30,**

	<u>2019</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ 27,192	\$ 31,526
Interest on total OPEB liability	13,065	10,847
Difference between expected actual experience	(396)	-
Effect of assumption changes	(3,897)	(41,003)
Benefit payments	<u>(3,826)</u>	<u>(3,535)</u>
Net change in total OPEB liability	32,138	(2,165)
Total OPEB liability - beginning	<u>355,417</u>	<u>357,582</u>
Total OPEB liability - ending	<u><u>\$ 387,555</u></u>	<u><u>\$ 355,417</u></u>
Covered-employee payroll	\$ 1,632,461	\$ 1,555,181
Total OPEB liability as a percentage of covered-employee payroll	23.7%	22.9%

Notes to the Schedule:

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

The discount rate changed from 3.56% as of June 30, 2017 to 3.62% as of June 30, 2018.

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

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Sheriff's Discretionary Funds – to account for the program and activities associated with the Sheriff department.

Sheriff's Title IV D Fund – to account for federal child enforcement funds received and disbursed by the Sheriff.

Clerk of Court IV Incentives Fund – to account for federal child enforcement incentives received and disbursed by the Clerk of Court.

Clerk of Court IV Unit Costs Fund – to account for federal child enforcement funds received and disbursed by the Clerk of Court.

Victim Witness Services Fund – to account for victims funds for the County.

14th Circuit Court Solicitor Fund – to account for the activities of the 14th Circuit Court Solicitor mandated by State Statute to prosecute within 14th Circuit Court System that Colleton County acts as Host County.

Special Revenue Fund – to account for all grants and contributions awarded to the County.

Animal Care Control Donations Fund – to account for projects and activities for animal control.

Emergency Telephone Fund – to account for operations of the County's Emergency 911 communication system.

County Hospitality Tax Fund – to account for local hospitality tax collected by the County.

County Accommodations Tax Fund – to account for local accommodations tax collected by the County.

State Accommodations Tax Fund – to account for state accommodations tax collected by the State.

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Funds

Debt Service Fund – used for the accumulation of resources for payment of principal and interest on County general obligation debt.

GO Bond Fund – used to set aside funds to pay interest and principal related to the General Obligation Bond Series 2015.

Debt Service Non-GOB – used to set aside funds to pay interest and principal on County non-general obligation debt.

COLLETON COUNTY, SOUTH CAROLINA

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

	Special Revenue Funds				
	Discretionary Funds	Sheriff's Title IV D	Clerk of Court IV Incentives	Clerk of Court IV Unit Costs	Witness Services
ASSETS					
Cash and cash equivalents	\$ 213,313	\$ 24	\$ 72,841	\$ 45,954	\$ 152,323
Receivables, net	-	792	-	24,336	4,275
Prepaid expenditures	-	-	-	-	-
Total assets	<u>\$ 213,313</u>	<u>\$ 816</u>	<u>\$ 72,841</u>	<u>\$ 70,290</u>	<u>\$ 156,598</u>
LIABILITIES					
Accounts payable	\$ 28,500	\$ 48	\$ -	\$ 1,654	\$ 406
Accrued payroll and benefits	-	240	-	1,941	804
Unearned revenues	-	-	-	-	-
Total liabilities	<u>28,500</u>	<u>288</u>	<u>-</u>	<u>3,595</u>	<u>1,210</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - intergovernmental	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable:					
Prepaid expenditures	-	-	-	-	-
Restricted for:					
Public safety	184,813	528	-	-	155,388
Debt service	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Judicial services	-	-	72,841	66,695	-
Other purposes	-	-	-	-	-
Assigned:					
Judicial services	-	-	-	-	-
Public safety	-	-	-	-	-
Committed					
Recreation and culture	-	-	-	-	-
Total fund balances	<u>184,813</u>	<u>528</u>	<u>72,841</u>	<u>66,695</u>	<u>155,388</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 213,313</u>	<u>\$ 816</u>	<u>\$ 72,841</u>	<u>\$ 70,290</u>	<u>\$ 156,598</u>

(Continued)

Special Revenue Funds

Court Solicitor	Special Revenue	Control Donations	Emergency Telephone	Hospitality Tax	Accommodations Tax	Accommodations Tax
\$ 858,702	\$ -	\$ 105,330	\$ 335,641	\$ 38,031	\$ 51,183	\$ 6,149
27,106	491,500	-	48,721	55,392	81,908	-
15,146	-	-	-	-	-	-
<u>\$ 900,954</u>	<u>\$ 491,500</u>	<u>\$ 105,330</u>	<u>\$ 384,362</u>	<u>\$ 93,423</u>	<u>\$ 133,091</u>	<u>\$ 6,149</u>
\$ 32,833	\$ 155,647	\$ 4,393	\$ 10,502	\$ 810	\$ 5,860	\$ -
64,668	-	-	1,967	-	6,152	-
-	25,820	-	-	-	-	-
<u>97,501</u>	<u>181,467</u>	<u>4,393</u>	<u>12,469</u>	<u>810</u>	<u>12,012</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	2,315	-	-	-	-
-	-	<u>2,315</u>	-	-	-	-
15,146	-	-	-	-	-	-
-	-	-	371,893	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	6,149
-	-	-	-	-	-	-
-	310,033	-	-	-	-	-
788,307	-	-	-	-	-	-
-	-	98,622	-	-	-	-
-	-	-	-	92,613	121,079	-
<u>803,453</u>	<u>310,033</u>	<u>98,622</u>	<u>371,893</u>	<u>92,613</u>	<u>121,079</u>	<u>6,149</u>
<u>\$ 900,954</u>	<u>\$ 491,500</u>	<u>\$ 105,330</u>	<u>\$ 384,362</u>	<u>\$ 93,423</u>	<u>\$ 133,091</u>	<u>\$ 6,149</u>

COLLETON COUNTY, SOUTH CAROLINA

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

	Debt Service Funds			Totals
	Debt Service	GO Bond	Debt Service Non-GOB	
	Debt Service	GO Bond	Debt Service Non-GOB	
ASSETS				
Cash and cash equivalents	\$ 329,167	\$ 170,020	\$ 78,486	\$ 2,457,164
Receivables, net	146,942	-	-	880,972
Prepaid expenditures	-	-	-	15,146
Total assets	<u>\$ 476,109</u>	<u>\$ 170,020</u>	<u>\$ 78,486</u>	<u>\$ 3,353,282</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 240,653
Accrued payroll and benefits	-	-	-	75,772
Unearned revenues	-	-	-	25,820
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>342,245</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	120,635	-	-	120,635
Unavailable revenue - intergovernmental	-	-	-	2,315
Total deferred inflows of resources	<u>120,635</u>	<u>-</u>	<u>-</u>	<u>122,950</u>
FUND BALANCES				
Nonspendable:				
Prepaid expenditures	-	-	-	15,146
Restricted for:				
Public safety	-	-	-	712,622
Debt service	355,474	170,020	78,486	603,980
Recreation and culture	-	-	-	6,149
Judicial services	-	-	-	139,536
Other purposes	-	-	-	310,033
Assigned:				
Judicial services	-	-	-	788,307
Public safety	-	-	-	98,622
Committed				
Recreation and culture	-	-	-	213,692
Total fund balances	<u>355,474</u>	<u>170,020</u>	<u>78,486</u>	<u>2,888,087</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 476,109</u>	<u>\$ 170,020</u>	<u>\$ 78,486</u>	<u>\$ 3,353,282</u>

COLLETON COUNTY, SOUTH CAROLINA

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

	Special Revenue Funds				
	Sheriff's Discretionary Funds	Sheriff's Title IV D	Clerk of Court IV Incentives	Clerk of Court IV Unit Costs	Victim Witness Services
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	7,411	6,683	25,830	142,739	72,225
Fines and fees	-	-	-	-	-
Other revenues	2,376	35	814	948	2,624
Total revenues	<u>9,787</u>	<u>6,718</u>	<u>26,644</u>	<u>143,687</u>	<u>74,849</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Judicial services	-	-	169	144,221	-
Public safety	70,154	13,826	-	-	69,262
Roads and bridges	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Health and human services	-	-	-	-	-
Economic development	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Capital outlay					
Judicial services	-	-	19,567	-	-
Public safety	-	-	-	-	-
Roads and bridges	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>70,154</u>	<u>13,826</u>	<u>19,736</u>	<u>144,221</u>	<u>69,262</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(60,367)</u>	<u>(7,108)</u>	<u>6,908</u>	<u>(534)</u>	<u>5,587</u>
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	(3,025)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(3,025)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(60,367)	(7,108)	3,883	(534)	5,587
Fund balances, beginning of year	<u>245,180</u>	<u>7,636</u>	<u>68,958</u>	<u>67,229</u>	<u>149,801</u>
Fund balances, end of year	<u>\$ 184,813</u>	<u>\$ 528</u>	<u>\$ 72,841</u>	<u>\$ 66,695</u>	<u>\$ 155,388</u>

(Continued)

Special Revenue Funds

14th Circuit Court Solicitor	Special Revenue	Animal Care Control Donations	Emergency Telephone	County Hospitality Tax	County Accommodations Tax	State Accommodations Tax
\$ -	\$ -	\$ -	\$ -	\$ 603,366	\$ 537,082	\$ -
3,656,492	3,007,476	-	83,941	-	-	-
299,569	-	23,103	290,087	-	-	-
19,420	18,390	8,953	6,092	2,659	3,361	102
<u>3,975,481</u>	<u>3,025,866</u>	<u>32,056</u>	<u>380,120</u>	<u>606,025</u>	<u>540,443</u>	<u>102</u>
-	-	-	-	7,620	-	-
4,325,126	431,931	-	-	-	-	-
-	654,151	49,078	403,483	-	-	-
-	19,012	-	-	-	5,811	-
-	231,997	-	-	65,273	430,191	-
-	1,279,977	-	-	-	-	-
-	221,154	-	-	124,152	-	-
-	111,963	-	-	6,000	25,702	-
-	-	-	-	-	-	-
-	-	12,162	-	-	-	-
-	133,594	-	-	-	-	-
-	400,000	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>4,325,126</u>	<u>3,483,779</u>	<u>61,240</u>	<u>403,483</u>	<u>203,045</u>	<u>461,704</u>	<u>-</u>
<u>(349,645)</u>	<u>(457,913)</u>	<u>(29,184)</u>	<u>(23,363)</u>	<u>402,980</u>	<u>78,739</u>	<u>102</u>
240,988	437,051	5,000	-	-	-	-
(124,429)	(3,719)	-	-	(459,457)	(225,000)	-
<u>116,559</u>	<u>433,332</u>	<u>5,000</u>	<u>-</u>	<u>(459,457)</u>	<u>(225,000)</u>	<u>-</u>
(233,086)	(24,581)	(24,184)	(23,363)	(56,477)	(146,261)	102
<u>1,036,539</u>	<u>334,614</u>	<u>122,806</u>	<u>395,256</u>	<u>149,090</u>	<u>267,340</u>	<u>6,047</u>
<u>\$ 803,453</u>	<u>\$ 310,033</u>	<u>\$ 98,622</u>	<u>\$ 371,893</u>	<u>\$ 92,613</u>	<u>\$ 121,079</u>	<u>\$ 6,149</u>

COLLETON COUNTY, SOUTH CAROLINA

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

	Debt Service Funds			Totals
	Debt Service	GO Bond	Debt Service Non-GOB	
Revenues:				
Taxes	\$ 1,869,337	\$ -	\$ -	\$ 3,009,785
Intergovernmental	-	-	678,667	7,681,464
Fines and fees	9,576	-	-	622,335
Other revenues	20,941	11,281	941	98,937
Total revenues	<u>1,899,854</u>	<u>11,281</u>	<u>679,608</u>	<u>11,412,521</u>
Expenditures:				
Current:				
General government	-	-	-	7,620
Judicial services	-	-	-	4,901,447
Public safety	-	-	-	1,259,954
Roads and bridges	-	-	-	24,823
Recreation and culture	-	-	-	727,461
Health and human services	-	-	-	1,279,977
Economic development	-	1,000,000	-	1,345,306
Intergovernmental	-	-	-	143,665
Capital outlay				
Judicial services	-	-	-	19,567
Public safety	-	-	-	12,162
Roads and bridges	-	-	-	133,594
Recreation and culture	-	-	-	400,000
Debt service:				
Principal	1,042,353	-	2,303,365	3,345,718
Interest and fiscal charges	248,620	-	37,776	286,396
Total expenditures	<u>1,290,973</u>	<u>1,000,000</u>	<u>2,341,141</u>	<u>13,887,690</u>
Excess (deficiency) of revenues over (under) expenditures	<u>608,881</u>	<u>(988,719)</u>	<u>(1,661,533)</u>	<u>(2,475,169)</u>
Other financing sources (uses):				
Transfers in	-	-	1,610,051	2,293,090
Transfers out	(1,208,667)	(362,913)	-	(2,387,210)
Total other financing sources (uses)	<u>(1,208,667)</u>	<u>(362,913)</u>	<u>1,610,051</u>	<u>(94,120)</u>
Net change in fund balances	(599,786)	(1,351,632)	(51,482)	(2,569,289)
Fund balances, beginning of year	<u>955,260</u>	<u>1,521,652</u>	<u>129,968</u>	<u>5,457,376</u>
Fund balances, end of year	<u>\$ 355,474</u>	<u>\$ 170,020</u>	<u>\$ 78,486</u>	<u>\$ 2,888,087</u>

COLLETON COUNTY, SOUTH CAROLINA

**SHERIFF'S TITLE IV D
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 11,196	\$ 11,196	\$ 6,683	\$ (4,513)
Other revenues	-	-	35	35
Total revenues	<u>11,196</u>	<u>11,196</u>	<u>6,718</u>	<u>(4,478)</u>
EXPENDITURES				
Public safety	11,196	11,196	13,826	(2,630)
Total expenditures	<u>11,196</u>	<u>11,196</u>	<u>13,826</u>	<u>(2,630)</u>
Net change in fund balance	-	-	(7,108)	(7,108)
FUND BALANCES, beginning of year	<u>7,636</u>	<u>7,636</u>	<u>7,636</u>	<u>-</u>
FUND BALANCES, end of year	<u><u>\$ 7,636</u></u>	<u><u>\$ 7,636</u></u>	<u><u>\$ 528</u></u>	<u><u>\$ (7,108)</u></u>

COLLETON COUNTY, SOUTH CAROLINA

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

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 25,830	\$ (14,170)
Other revenues	-	21,000	814	(20,186)
Total revenues	<u>40,000</u>	<u>61,000</u>	<u>26,644</u>	<u>(34,356)</u>
EXPENDITURES				
Judicial services	5,000	5,000	169	4,831
Capital outlay	-	21,000	19,567	1,433
Total expenditures	<u>5,000</u>	<u>26,000</u>	<u>19,736</u>	<u>6,264</u>
Deficiency of revenues under expenditures	<u>35,000</u>	<u>35,000</u>	<u>6,908</u>	<u>(28,092)</u>
OTHER FINANCING USES				
Transfers out	(35,000)	(35,000)	(3,025)	31,975
Total other financing uses	<u>(35,000)</u>	<u>(35,000)</u>	<u>(3,025)</u>	<u>31,975</u>
Net change in fund balance	-	-	3,883	3,883
FUND BALANCES, beginning of year	<u>68,958</u>	<u>68,958</u>	<u>68,958</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 68,958</u>	<u>\$ 68,958</u>	<u>\$ 72,841</u>	<u>\$ 3,883</u>

COLLETON COUNTY, SOUTH CAROLINA

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

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 121,144	\$ 121,144	\$ 142,739	\$ 21,595
Other revenues	-	-	948	948
Total revenues	<u>121,144</u>	<u>121,144</u>	<u>143,687</u>	<u>22,543</u>
EXPENDITURES				
Judicial services	153,119	153,119	144,221	8,898
Total expenditures	<u>153,119</u>	<u>153,119</u>	<u>144,221</u>	<u>8,898</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(31,975)</u>	<u>(31,975)</u>	<u>(534)</u>	<u>31,441</u>
OTHER FINANCING SOURCES				
Transfers in	31,975	31,975	-	(31,975)
Total other financing sources	<u>31,975</u>	<u>31,975</u>	<u>-</u>	<u>(31,975)</u>
Net change in fund balance	-	-	(534)	(534)
FUND BALANCES, beginning of year	<u>67,229</u>	<u>67,229</u>	<u>67,229</u>	<u>-</u>
FUND BALANCES, end of year	<u><u>\$ 67,229</u></u>	<u><u>\$ 67,229</u></u>	<u><u>\$ 66,695</u></u>	<u><u>\$ (534)</u></u>

COLLETON COUNTY, SOUTH CAROLINA

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

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 58,776	\$ 58,776	\$ 72,225	\$ 13,449
Other revenues	-	-	2,624	2,624
Total revenues	<u>58,776</u>	<u>58,776</u>	<u>74,849</u>	<u>16,073</u>
EXPENDITURES				
Public safety	58,776	58,776	69,262	(10,486)
Total expenditures	<u>58,776</u>	<u>58,776</u>	<u>69,262</u>	<u>(10,486)</u>
Net change in fund balance	-	-	5,587	5,587
FUND BALANCES, beginning of year	<u>149,801</u>	<u>149,801</u>	<u>149,801</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 149,801</u>	<u>\$ 149,801</u>	<u>\$ 155,388</u>	<u>\$ 5,587</u>

COLLETON COUNTY, SOUTH CAROLINA

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

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 1,104,810	\$ 7,972,332	\$ 3,007,476	\$ (4,964,856)
Other revenues	-	16,723	18,390	1,667
Total revenues	<u>1,104,810</u>	<u>7,989,055</u>	<u>3,025,866</u>	<u>(4,963,189)</u>
EXPENDITURES				
Judicial services	-	591,078	431,931	159,147
Public safety	545,861	750,652	654,151	96,501
Roads and bridges	-	167,091	19,012	148,079
Recreation and culture	-	247,578	231,997	15,581
Health and human services	558,949	1,841,189	1,279,977	561,212
Economic development	-	1,721,154	221,154	1,500,000
Intergovernmental	-	1,227,525	111,963	1,115,562
Capital outlay				
Roads and bridges	-	1,345,129	133,594	1,211,535
Solid waste	-	-	400,000	(400,000)
Recreation and culture	-	577,500	-	577,500
Total expenditures	<u>1,104,810</u>	<u>8,468,896</u>	<u>3,483,779</u>	<u>4,985,117</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>(479,841)</u>	<u>(457,913)</u>	<u>21,928</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	468,554	437,051	(31,503)
Transfers out	-	(3,719)	(3,719)	-
Total other financing sources (uses)	<u>-</u>	<u>464,835</u>	<u>433,332</u>	<u>(31,503)</u>
Net change in fund balance	-	(15,006)	(24,581)	(9,575)
FUND BALANCES, beginning of year	<u>334,614</u>	<u>334,614</u>	<u>334,614</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 334,614</u>	<u>\$ 319,608</u>	<u>\$ 310,033</u>	<u>\$ (9,575)</u>

COLLETON COUNTY, SOUTH CAROLINA

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

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ -	\$ 6,000	\$ -	\$ (6,000)
Fines and fees	16,915	16,915	23,103	6,188
Other revenues	129,000	129,000	8,953	(120,047)
Total revenues	<u>145,915</u>	<u>151,915</u>	<u>32,056</u>	<u>(119,859)</u>
EXPENDITURES				
Public safety	35,200	54,166	49,078	5,088
Capital outlay	93,581	85,615	12,162	73,453
Total expenditures	<u>128,781</u>	<u>139,781</u>	<u>61,240</u>	<u>78,541</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,134</u>	<u>12,134</u>	<u>(29,184)</u>	<u>(41,318)</u>
OTHER FINANCING SOURCES				
Transfers in	-	5,000	5,000	-
Total other financing sources	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net change in fund balance	17,134	17,134	(24,184)	(41,318)
FUND BALANCES, beginning of year	<u>122,806</u>	<u>122,806</u>	<u>122,806</u>	<u>-</u>
FUND BALANCES, end of year	<u><u>\$ 139,940</u></u>	<u><u>\$ 139,940</u></u>	<u><u>\$ 98,622</u></u>	<u><u>\$ (41,318)</u></u>

COLLETON COUNTY, SOUTH CAROLINA

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

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 85,000	\$ 85,000	\$ 83,941	\$ (1,059)
Fines and fees	246,965	246,965	290,087	43,122
Other revenues	16,928	44,563	6,092	(38,471)
Total revenues	<u>348,893</u>	<u>376,528</u>	<u>380,120</u>	<u>3,592</u>
EXPENDITURES				
Public safety	348,893	376,528	403,483	(26,955)
Total expenditures	<u>348,893</u>	<u>376,528</u>	<u>403,483</u>	<u>(26,955)</u>
Net change in fund balance	-	-	(23,363)	(23,363)
FUND BALANCES, beginning of year	<u>395,256</u>	<u>395,256</u>	<u>395,256</u>	-
FUND BALANCES, end of year	<u><u>\$ 395,256</u></u>	<u><u>\$ 395,256</u></u>	<u><u>\$ 371,893</u></u>	<u><u>\$ (23,363)</u></u>

COLLETON COUNTY, SOUTH CAROLINA

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

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Taxes	\$ 575,000	\$ 575,000	\$ 603,366	\$ 28,366
Other revenues	-	75,000	2,659	(72,341)
Total revenues	<u>575,000</u>	<u>650,000</u>	<u>606,025</u>	<u>(43,975)</u>
EXPENDITURES				
General government	21,600	21,600	7,620	13,980
Recreation and culture	74,291	74,291	65,273	9,018
Economic development	124,152	124,152	124,152	-
Intergovernmental	6,000	6,000	6,000	-
Total expenditures	<u>226,043</u>	<u>226,043</u>	<u>203,045</u>	<u>22,998</u>
Excess of revenues over expenditures	<u>348,957</u>	<u>423,957</u>	<u>402,980</u>	<u>(20,977)</u>
OTHER FINANCING USES				
Transfers out	<u>(348,957)</u>	<u>(423,957)</u>	<u>(459,457)</u>	<u>(35,500)</u>
Total other financing uses	<u>(348,957)</u>	<u>(423,957)</u>	<u>(459,457)</u>	<u>(35,500)</u>
Net change in fund balance	-	-	(56,477)	(56,477)
FUND BALANCES, beginning of year	<u>149,090</u>	<u>149,090</u>	<u>149,090</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 149,090</u>	<u>\$ 149,090</u>	<u>\$ 92,613</u>	<u>\$ (56,477)</u>

COLLETON COUNTY, SOUTH CAROLINA

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

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Taxes	\$ 520,000	\$ 520,000	\$ 537,082	\$ 17,082
Other revenues	29,294	104,294	3,361	(100,933)
Total revenues	<u>549,294</u>	<u>624,294</u>	<u>540,443</u>	<u>(83,851)</u>
EXPENDITURES				
Roads and bridges	8,112	8,112	5,811	2,301
Recreation and culture	515,480	515,480	430,191	85,289
Intergovernmental	25,702	25,702	25,702	-
Total expenditures	<u>549,294</u>	<u>549,294</u>	<u>461,704</u>	<u>87,590</u>
Excess of revenues over expenditures	<u>-</u>	<u>75,000</u>	<u>78,739</u>	<u>3,739</u>
OTHER FINANCING USES				
Transfers out	-	(75,000)	(225,000)	(150,000)
Total other financing uses	<u>-</u>	<u>(75,000)</u>	<u>(225,000)</u>	<u>(150,000)</u>
Net change in fund balance	-	-	(146,261)	(146,261)
FUND BALANCES, beginning of year	<u>267,340</u>	<u>267,340</u>	<u>267,340</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 267,340</u>	<u>\$ 267,340</u>	<u>\$ 121,079</u>	<u>\$ (146,261)</u>

COLLETON COUNTY, SOUTH CAROLINA

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

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Taxes	\$ 1,813,698	\$ 1,813,698	\$ 1,869,337	\$ 55,639
Fines and fees	12,086	12,086	9,576	(2,510)
Other revenues	143,938	143,938	20,941	(122,997)
Total revenues	<u>1,969,722</u>	<u>1,969,722</u>	<u>1,899,854</u>	<u>(69,868)</u>
EXPENDITURES				
Debt service:				
Principal	1,042,353	1,042,353	1,042,353	-
Interest and fiscal charges	248,702	248,702	248,620	82
Total expenditures	<u>1,291,055</u>	<u>1,291,055</u>	<u>1,290,973</u>	<u>82</u>
Excess of revenues over expenditures	<u>678,667</u>	<u>678,667</u>	<u>608,881</u>	<u>(69,786)</u>
OTHER FINANCING USES				
Transfers out	<u>(678,667)</u>	<u>(678,667)</u>	<u>(1,208,667)</u>	<u>(530,000)</u>
Total other financing uses	<u>(678,667)</u>	<u>(678,667)</u>	<u>(1,208,667)</u>	<u>(530,000)</u>
Net change in fund balance	-	-	(599,786)	(599,786)
FUND BALANCES, beginning of year	<u>955,260</u>	<u>955,260</u>	<u>955,260</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 955,260</u>	<u>\$ 955,260</u>	<u>\$ 355,474</u>	<u>\$ (599,786)</u>

COLLETON COUNTY, SOUTH CAROLINA

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

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes	\$ 4,200,000	\$ 4,200,000	\$ 4,496,031	\$ 296,031
Other revenues	-	-	45,880	45,880
Total revenues	<u>4,200,000</u>	<u>4,200,000</u>	<u>4,541,911</u>	<u>341,911</u>
EXPENDITURES				
Debt service:				
Principal	3,645,000	3,645,000	3,645,000	-
Interest and fiscal charges	<u>436,588</u>	<u>436,588</u>	<u>436,588</u>	<u>-</u>
Total expenditures	<u>4,081,588</u>	<u>4,081,588</u>	<u>4,081,588</u>	<u>-</u>
Net change in fund balance	118,412	118,412	460,323	341,911
FUND BALANCES, beginning of year	<u>4,534,020</u>	<u>4,534,020</u>	<u>4,534,020</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 4,652,432</u>	<u>\$ 4,652,432</u>	<u>\$ 4,994,343</u>	<u>\$ 341,911</u>

COLLETON COUNTY, SOUTH CAROLINA

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

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 678,667	\$ 678,667	\$ 678,667	\$ -
Other revenues	-	-	941	941
Total revenues	<u>678,667</u>	<u>678,667</u>	<u>679,608</u>	<u>941</u>
EXPENDITURES				
Debt service:				
Principal	1,541,049	2,303,365	2,303,365	-
Interest and fiscal charges	<u>278,203</u>	<u>275,691</u>	<u>37,776</u>	<u>237,915</u>
Total expenditures	<u>1,819,252</u>	<u>2,579,056</u>	<u>2,341,141</u>	<u>237,915</u>
Deficiency of revenues under expenditures	<u>(1,140,585)</u>	<u>(1,900,389)</u>	<u>(1,661,533)</u>	<u>238,856</u>
OTHER FINANCING SOURCES				
Transfers in	1,140,585	1,770,421	1,610,051	(160,370)
Transfers out	-	-	-	-
Total other financing sources	<u>1,140,585</u>	<u>1,770,421</u>	<u>1,610,051</u>	<u>(160,370)</u>
Net change in fund balance	-	(129,968)	(51,482)	78,486
FUND BALANCES, beginning of year	<u>129,968</u>	<u>129,968</u>	<u>129,968</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 129,968</u>	<u>\$ -</u>	<u>\$ 78,486</u>	<u>\$ 78,486</u>

COLLETON COUNTY, SOUTH CAROLINA

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

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 860,504	\$ 2,207,531	\$ 3,270,420	\$ 1,062,889
Other revenues	235,315	6,615,770	1,080,559	(5,535,211)
Total revenues	<u>1,095,819</u>	<u>8,823,301</u>	<u>4,350,979</u>	<u>(4,472,322)</u>
EXPENDITURES				
General government	-	198,861	-	198,861
Public safety	-	57,809	84,728	(26,919)
Solid waste	-	393,537	94,647	298,890
Recreation and culture	-	185,762	160,168	25,594
Economic development	100,000	870,268	3,732,921	(2,862,653)
Intergovernmental	-	11,267,662	4,975,962	6,291,700
Capital outlay				
General government	2,169,822	2,488,309	838,299	1,650,010
Public safety	846,048	4,372,485	2,201,638	2,170,847
Roads and bridges	-	402,121	226,666	175,455
Solid waste	-	843,912	424,648	419,264
Recreation and culture	-	3,105,850	2,642,307	463,543
Total expenditures	<u>3,115,870</u>	<u>24,186,576</u>	<u>15,381,984</u>	<u>8,804,592</u>
Deficiency of revenues under expenditures	<u>(2,020,051)</u>	<u>(15,363,275)</u>	<u>(11,031,005)</u>	<u>4,332,270</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	194	194
Proceeds from issuance of debt	2,500,000	15,613,306	2,500,000	(13,113,306)
Transfers in	325,205	377,131	1,185,043	807,912
Transfers out	<u>(365,851)</u>	<u>(627,162)</u>	<u>(496,177)</u>	<u>130,985</u>
Total other financing sources, net	<u>2,459,354</u>	<u>15,363,275</u>	<u>3,189,060</u>	<u>(12,174,215)</u>
Net change in fund balance	439,303	-	(7,841,945)	(7,841,945)
FUND BALANCES, beginning of year	<u>22,351,577</u>	<u>22,351,577</u>	<u>22,351,577</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 22,790,880</u>	<u>\$ 22,351,577</u>	<u>\$ 14,509,632</u>	<u>\$ (7,841,945)</u>

FIDUCIARY FUNDS

Agency Funds

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, and other governments.

Sheriff's Seizure Fund – to account for the fund the Sheriff derives from search and seizure.

Willow Swamp Water Shed Fund – to account for the resources used for the Willow Swamp water shed.

Law Officer's Memorial Fund – to account for contributions on behalf of law enforcement officials.

Treasurer Fund – to account for receipts and disbursements by the Treasurer that will be disbursed to other entities.

14th Circuit Court Solicitor Fund – to account for receipts and disbursements by the 14th Circuit Solicitor that will be disbursed to other entities.

Delinquent Tax Fund – to account for delinquent taxes collected.

Clerk of Court Fund – to account for child support payments, bonds, restitution, and fines collected by the Clerk of Court and held in trust for others.

Magistrate's Fund – to account for fines collected that have not been disposed of by the court.

Firemen's Fund – represents the receipts and disbursements by the treasurer that will be disbursed to the various fire departments within the county.

Colleton County School Fund – used to account for receipts and disbursements by the treasurer of assets earmarked for the school district.

COLLETON COUNTY, SOUTH CAROLINA

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>June 30,</u> <u>2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30,</u> <u>2019</u>
Sheriff's Seizure Fund				
ASSETS				
Cash and cash equivalents	\$ 216,646	\$ 86,377	\$ (30,958)	\$ 272,065
Total assets	<u>\$ 216,646</u>	<u>\$ 86,377</u>	<u>\$ (30,958)</u>	<u>\$ 272,065</u>
LIABILITIES				
Assets held for others	\$ 216,646	\$ 73,094	(17,675)	\$ 272,065
Total liabilities	<u>\$ 216,646</u>	<u>\$ 73,094</u>	<u>\$ (17,675)</u>	<u>\$ 272,065</u>
Willow Swamp Water Shed Fund				
ASSETS				
Cash and cash equivalents	\$ 45,585	\$ 4,992	\$ (13,284)	\$ 37,293
Total assets	<u>\$ 45,585</u>	<u>\$ 4,992</u>	<u>\$ (13,284)</u>	<u>\$ 37,293</u>
LIABILITIES				
Assets held for others	\$ 45,585	\$ 4,992	\$ (13,284)	\$ 37,293
Total liabilities	<u>\$ 45,585</u>	<u>\$ 4,992</u>	<u>\$ (13,284)</u>	<u>\$ 37,293</u>
Law Officer's Memorial Fund				
ASSETS				
Cash and cash equivalents	\$ 2,827	\$ 19	\$ (5)	\$ 2,841
Total assets	<u>\$ 2,827</u>	<u>\$ 19</u>	<u>\$ (5)</u>	<u>\$ 2,841</u>
LIABILITIES				
Assets held for others	\$ 2,827	\$ 14	\$ -	\$ 2,841
Total liabilities	<u>\$ 2,827</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 2,841</u>
Treasurer Fund				
ASSETS				
Cash and cash equivalents	\$ 438,219	\$ 3,469,269	\$ (3,514,982)	\$ 392,506
Taxes receivable	1,426	40,696	(39,694)	2,428
Total assets	<u>\$ 439,645</u>	<u>\$ 3,509,965</u>	<u>\$ (3,554,676)</u>	<u>\$ 394,934</u>
LIABILITIES				
Assets held for others	\$ 439,645	\$ 7,411,376	\$ (7,456,087)	\$ 394,934
Total liabilities	<u>\$ 439,645</u>	<u>\$ 7,411,376</u>	<u>\$ (7,456,087)</u>	<u>\$ 394,934</u>

COLLETON COUNTY, SOUTH CAROLINA

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>June 30,</u> <u>2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30,</u> <u>2019</u>
<hr/> 14th Circuit Court Solicitor Fund <hr/>				
ASSETS				
Cash and cash equivalents	\$ 11,271	\$ 479,472	\$ (470,629)	\$ 20,114
Taxes receivable	-	205,703	(205,573)	130
Total assets	<u>\$ 11,271</u>	<u>\$ 685,175</u>	<u>\$ (676,202)</u>	<u>\$ 20,244</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Assets held for others	11,271	210,583	(201,610)	20,244
Total liabilities	<u>\$ 11,271</u>	<u>\$ 210,583</u>	<u>\$ (201,610)</u>	<u>\$ 20,244</u>
<hr/> Delinquent Tax Fund <hr/>				
ASSETS				
Cash and cash equivalents	\$ 1,345,729	\$ 10,906,105	\$ (10,869,163)	\$ 1,382,671
Total assets	<u>\$ 1,345,729</u>	<u>\$ 10,906,105</u>	<u>\$ (10,869,163)</u>	<u>\$ 1,382,671</u>
LIABILITIES				
Assets held for others	\$ 1,345,729	\$ 2,481,396	\$ (2,444,454)	\$ 1,382,671
Total liabilities	<u>\$ 1,345,729</u>	<u>\$ 2,481,396</u>	<u>\$ (2,444,454)</u>	<u>\$ 1,382,671</u>
<hr/> Clerk of Court Fund <hr/>				
ASSETS				
Cash and cash equivalents	\$ 361,354	\$ 79,118	\$ (43,381)	\$ 397,091
Total assets	<u>\$ 361,354</u>	<u>\$ 79,118</u>	<u>\$ (43,381)</u>	<u>\$ 397,091</u>
LIABILITIES				
Assets held for others	\$ 361,354	\$ 79,118	\$ (43,381)	\$ 397,091
Total liabilities	<u>\$ 361,354</u>	<u>\$ 79,118</u>	<u>\$ (43,381)</u>	<u>\$ 397,091</u>
<hr/> Magistrate Fund <hr/>				
ASSETS				
Cash and cash equivalents	\$ 73,921	\$ 15,613	\$ -	\$ 89,534
Total assets	<u>\$ 73,921</u>	<u>\$ 15,613</u>	<u>\$ -</u>	<u>\$ 89,534</u>
LIABILITIES				
Assets held for others	\$ 73,921	\$ 15,613	\$ -	\$ 89,534
Total liabilities	<u>\$ 73,921</u>	<u>\$ 15,613</u>	<u>\$ -</u>	<u>\$ 89,534</u>

COLLETON COUNTY, SOUTH CAROLINA

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>June 30,</u> <u>2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30,</u> <u>2019</u>
Sheriff's Seizure Fund				
ASSETS				
Cash and cash equivalents	\$ 216,646	\$ 86,377	\$ (30,958)	\$ 272,065
Total assets	<u>\$ 216,646</u>	<u>\$ 86,377</u>	<u>\$ (30,958)</u>	<u>\$ 272,065</u>
LIABILITIES				
Assets held for others	\$ 216,646	\$ 73,094	(17,675)	\$ 272,065
Total liabilities	<u>\$ 216,646</u>	<u>\$ 73,094</u>	<u>\$ (17,675)</u>	<u>\$ 272,065</u>
Willow Swamp Water Shed Fund				
ASSETS				
Cash and cash equivalents	\$ 45,585	\$ 4,992	\$ (13,284)	\$ 37,293
Total assets	<u>\$ 45,585</u>	<u>\$ 4,992</u>	<u>\$ (13,284)</u>	<u>\$ 37,293</u>
LIABILITIES				
Assets held for others	\$ 45,585	\$ 4,992	\$ (13,284)	\$ 37,293
Total liabilities	<u>\$ 45,585</u>	<u>\$ 4,992</u>	<u>\$ (13,284)</u>	<u>\$ 37,293</u>
Law Officer's Memorial Fund				
ASSETS				
Cash and cash equivalents	\$ 2,827	\$ 19	\$ (5)	\$ 2,841
Total assets	<u>\$ 2,827</u>	<u>\$ 19</u>	<u>\$ (5)</u>	<u>\$ 2,841</u>
LIABILITIES				
Assets held for others	\$ 2,827	\$ 14	\$ -	\$ 2,841
Total liabilities	<u>\$ 2,827</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 2,841</u>
Treasurer Fund				
ASSETS				
Cash and cash equivalents	\$ 438,219	\$ 3,469,269	\$ (3,514,982)	\$ 392,506
Taxes receivable	1,426	40,696	(39,694)	2,428
Total assets	<u>\$ 439,645</u>	<u>\$ 3,509,965</u>	<u>\$ (3,554,676)</u>	<u>\$ 394,934</u>
LIABILITIES				
Assets held for others	\$ 439,645	\$ 7,411,376	\$ (7,456,087)	\$ 394,934
Total liabilities	<u>\$ 439,645</u>	<u>\$ 7,411,376</u>	<u>\$ (7,456,087)</u>	<u>\$ 394,934</u>

COMPONENT UNITS

Major Component Units

Component Units are used to account for organizations that raise and hold economic resources for the direct benefit of the governmental unit and for which the elected officials of the primary government are financially accountable.

Fire and Rescue Commission – used to account for programs and activities of the fire and rescue department.

Memorial Library Fund – used to account for programs and activities for the Memorial Library.

COLLETON COUNTY, SOUTH CAROLINA

**COMPONENT UNIT
FIRE AND RESCUE COMMISSION
BALANCE SHEET
JUNE 30, 2019**

	<u>General</u>	<u>Debt Service</u>	<u>Capital</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 55,729	\$ 85,087	\$ 3,530,199	\$ 3,671,015
Receivables, net	1,756,848	226,739	-	1,983,587
Prepaid expenditures	153,532	-	-	153,532
Total assets	<u>\$ 1,966,109</u>	<u>\$ 311,826</u>	<u>\$ 3,530,199</u>	<u>\$ 5,808,134</u>
LIABILITIES				
Accounts payable	\$ 102,933	\$ -	\$ 48,533	\$ 151,466
Accrued payroll and benefits	191,786	-	-	191,786
Total liabilities	<u>294,719</u>	<u>-</u>	<u>48,533</u>	<u>343,252</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - fees	1,213,491	-	-	1,213,491
Unavailable revenue - property taxes	290,745	181,876	-	472,621
Unavailable revenue - intergovernmental	14,371	-	-	14,371
Total deferred inflows of resources	<u>1,518,607</u>	<u>181,876</u>	<u>-</u>	<u>1,700,483</u>
FUND BALANCES				
Unavailable	153,532	-	-	153,532
Restricted	-	129,950	3,481,666	3,611,616
Unassigned	(749)	-	-	(749)
Total fund balances	<u>152,783</u>	<u>129,950</u>	<u>3,481,666</u>	<u>3,764,399</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,966,109</u>	<u>\$ 311,826</u>	<u>\$ 3,530,199</u>	<u>\$ 5,808,134</u>

COLLETON COUNTY, SOUTH CAROLINA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FIRE AND RESCUE COMMISSION
JUNE 30, 2019**

Total fire and rescue fund balance:		\$	3,764,399
Amounts reported for governmental activities in the statement of net position are different because of the following:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the government funds.			10,571,608
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:			
Property taxes and other special assessments	\$	472,621	
EMS fee receivables		1,213,491	
Intergovernmental revenues		<u>14,371</u>	1,700,483
Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. These deferred outflows of resources consist of pension related experience differences, assumption changes, and differences between projected and actual earnings on plan investments:			
Deferred outflows related to pensions	\$	2,766,202	
Deferred outflows related to other post-employment benefits		<u>5,676</u>	2,771,878
Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds:			
General obligation bonds	\$	(9,400,000)	
Bond premiums		(95,443)	
Capital leases		(1,605,467)	
Compensated absences		(315,896)	
Landfill closure and post-closure cost		-	
Accrued interest		(65,354)	
Net pension liability		(11,483,415)	
Total other post-employment benefits liability		<u>(583,235)</u>	(23,548,810)
Deferred inflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds. These deferred inflows of resources consist of pension related differences between projected and actual earnings on plan investments.			
Deferred outflows related to pensions	\$	(198,353)	
Deferred inflows related to other post-employment benefits		<u>(54,119)</u>	<u>(252,472)</u>
Net position of governmental activities			<u>\$ (4,992,914)</u>

COLLETON COUNTY, SOUTH CAROLINA

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

	<u>General</u>	<u>Debt Service</u>	<u>Capital</u>	<u>Total</u>
REVENUES				
Taxes	\$ 3,438,542	\$ 2,321,824	\$ -	\$ 5,760,366
Intergovernmental	4,128,551	-	-	4,128,551
Fines and fees	1,978,413	-	-	1,978,413
Other income	1,127	8,174	57,708	67,009
Total revenues	<u>9,546,633</u>	<u>2,329,998</u>	<u>57,708</u>	<u>11,934,339</u>
EXPENDITURES				
Current:				
Public safety	10,276,182	678,667	126,691	11,081,540
Intergovernmental	-	-	423,024	423,024
Capital outlay				
Public safety	80,818	-	2,077,328	2,158,146
Debt service:				
Principal	-	749,527	-	749,527
Interest	-	182,823	-	182,823
Bond issuance costs	-	-	128,493	128,493
Total expenditures	<u>10,357,000</u>	<u>1,611,017</u>	<u>2,755,536</u>	<u>14,723,553</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(810,367)</u>	<u>718,981</u>	<u>(2,697,828)</u>	<u>(2,789,214)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	104,000	-	-	104,000
Proceeds from issuance of debt	-	-	6,100,337	6,100,337
Insurance recoveries	3,906	-	-	3,906
Transfers in	759,450	118,405	197,562	1,075,417
Transfers out	(104,000)	(853,012)	(118,405)	(1,075,417)
Total other financing sources (uses)	<u>763,356</u>	<u>(734,607)</u>	<u>6,179,494</u>	<u>6,208,243</u>
Net change in fund balances	<u>(47,011)</u>	<u>(15,626)</u>	<u>3,481,666</u>	<u>3,419,029</u>
Fund balances, beginning of year	<u>199,794</u>	<u>145,576</u>	<u>-</u>	<u>345,370</u>
Fund balances, end of year	<u>\$ 152,783</u>	<u>\$ 129,950</u>	<u>\$ 3,481,666</u>	<u>\$ 3,764,399</u>

COLLETON COUNTY, SOUTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES - FIRE AND RESCUE COMMISSION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Net change in fund balances - total governmental funds \$ 3,419,029

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

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

Capital outlay	\$ 2,158,147	
Depreciation expense	<u>(809,128)</u>	1,349,019

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

Property taxes and other special assessments	\$ 3,834	
EMS fees receivable	149,942	
Intergovernmental revenues	<u>14,371</u>	168,147

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effects of these items are as follows:

Repayment of the principal of long-term debt	\$ 749,527	
Issuance of long-term debt	(6,000,000)	
Premium on bond issuance	(100,337)	
Amortization of premium on long-term debt	<u>4,894</u>	(5,345,916)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The following amounts represent the net liability changes using the full accrual method of accounting:

Pension liability	\$ (1,088,250)	
Compensated absences	5,124	
Other post-employment benefits liability	<u>(47,528)</u>	<u>(1,130,654)</u>
		<u>\$ (1,540,375)</u>

COLLETON COUNTY, SOUTH CAROLINA

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

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Taxes	\$ 5,672,318	\$ 5,672,318	\$ 5,760,366	\$ 88,048
Intergovernmental	3,065,780	3,154,463	4,128,551	974,088
Fines and fees	1,790,000	1,813,355	1,978,413	165,058
Other revenues	58,208	207,292	67,009	(140,283)
Total revenues	<u>10,586,306</u>	<u>10,847,428</u>	<u>11,934,339</u>	<u>1,086,911</u>
EXPENDITURES				
Public safety	9,526,487	9,758,324	11,081,540	(1,323,216)
Intergovernmental	423,024	423,024	423,024	-
Capital outlay				
Public safety	2,079,778	2,170,185	2,158,146	12,039
Debt service:				
Principal	756,533	749,527	749,527	-
Interest and fiscal charges	122,816	182,822	182,823	(1)
Bond issuance costs	128,493	128,493	128,493	-
Total expenditures	<u>13,037,131</u>	<u>13,412,375</u>	<u>14,723,553</u>	<u>(1,311,178)</u>
Deficiency) of revenues under expenditures	<u>(2,450,825)</u>	<u>(2,564,947)</u>	<u>(2,789,214)</u>	<u>(224,267)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	80,000	104,000	24,000
Proceeds from issuance of debt	6,100,337	6,100,337	6,100,337	-
Insurance proceeds	1,100	4,627	3,906	(721)
Transfers in	881,100	881,100	1,075,417	194,317
Transfers out	(801,943)	(895,505)	(1,075,417)	(179,912)
Total other financing sources (uses)	<u>6,180,594</u>	<u>6,170,559</u>	<u>6,208,243</u>	<u>37,684</u>
Net change in fund balance	3,729,769	3,605,612	3,419,029	(186,583)
FUND BALANCES, beginning of year	<u>345,370</u>	<u>345,370</u>	<u>345,370</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 4,075,139</u>	<u>\$ 3,950,982</u>	<u>\$ 3,764,399</u>	<u>\$ (186,583)</u>

COLLETON COUNTY, SOUTH CAROLINA

**COMPONENT UNIT
MEMORIAL LIBRARY
BALANCE SHEET
JUNE 30, 2019**

	<u>General</u>	<u>Special Revenue Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 112,155	\$ 1,250	\$ 113,405
Receivables, net	548	-	548
Prepaid expenditures	12,032	-	12,032
Total assets	<u>\$ 124,735</u>	<u>\$ 1,250</u>	<u>\$ 125,985</u>
LIABILITIES			
Accounts payable	\$ 15,606	\$ 23	\$ 15,629
Accrued payroll and benefits	9,449	-	9,449
Unearned revenue	14,530	-	14,530
Total liabilities	<u>39,585</u>	<u>23</u>	<u>39,608</u>
FUND BALANCES			
Unavailable	12,032	-	12,032
Restricted	-	1,227	1,227
Unassigned	73,118	-	73,118
Total fund balances	<u>85,150</u>	<u>1,227</u>	<u>86,377</u>
Total liabilities and fund balances	<u>\$ 124,735</u>	<u>\$ 1,250</u>	<u>\$ 125,985</u>

COLLETON COUNTY, SOUTH CAROLINA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
MEMORIAL LIBRARY
JUNE 30, 2019**

Total fire and rescue fund balance:	\$	86,377
<p>Amounts reported for governmental activities in the statement of net position are different because of the following:</p>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the government funds.		345,198
Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. These deferred outflows of resources consist of pension related experience differences, assumption changes, and differences between projected and actual earnings on plan investments:		
Deferred outflows related to pensions	\$ 121,401	
Deferred outflows related to other post employment benefits	<u>3,772</u>	125,173
Long term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences	\$ (22,496)	
Net pension liability	(752,812)	
Total other post-employment benefits liability	<u>(387,555)</u>	(1,162,863)
Deferred inflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds. These deferred inflows of resources consist of pension related differences between projected and actual earnings on plan investments.		
Deferred inflows related to pensions	\$ (39,354)	
Deferred inflows related to other post-employment benefits	<u>(35,961)</u>	<u>(75,315)</u>
Net position of governmental activities		<u>\$ (681,430)</u>

COLLETON COUNTY, SOUTH CAROLINA

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

	<u>General</u>	<u>Special Revenue Fund</u>	<u>Total</u>
REVENUES			
Intergovernmental	\$ 662,162	\$ 75,000	\$ 737,162
Fines and fees	28,150	-	28,150
Other income	40,506	54	40,560
Total revenues	<u>730,818</u>	<u>75,054</u>	<u>805,872</u>
EXPENDITURES			
Current:			
Recreation and culture	722,873	75,000	797,873
Capital outlay	-	-	-
Total expenditures	<u>722,873</u>	<u>75,000</u>	<u>797,873</u>
Net change in fund balances	7,945	54	7,999
Fund balances, beginning of year	<u>77,205</u>	<u>1,173</u>	<u>78,378</u>
Fund balances, end of year	<u>\$ 85,150</u>	<u>\$ 1,227</u>	<u>\$ 86,377</u>

COLLETON COUNTY, SOUTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES - MEMORIAL LIBRARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Net change in fund balances - total governmental funds		\$	7,999
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlay	\$	82,282	
Depreciation expense		<u>(107,645)</u>	(25,363)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The following amounts represent the net liability changes using the full accrual method of accounting:

Pension liability	\$	(11,403)	
Compensated absences		76	
Other post-employment benefits liability		<u>(31,581)</u>	<u>(42,908)</u>
			<u>\$ (60,272)</u>

COLLETON COUNTY, SOUTH CAROLINA

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

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 638,023	\$ 741,735	\$ 737,162	\$ (4,573)
Fines and fees	-	-	28,150	28,150
Other revenues	-	41,432	40,560	(872)
Total revenues	<u>638,023</u>	<u>783,167</u>	<u>805,872</u>	<u>22,705</u>
EXPENDITURES				
Current:				
Public safety	-	58,726	-	58,726
Recreation and culture	637,023	789,167	797,873	(8,706)
Total expenditures	<u>637,023</u>	<u>847,893</u>	<u>797,873</u>	<u>50,020</u>
Net change in fund balance	1,000	(64,726)	7,999	72,725
FUND BALANCES, beginning of year	<u>78,378</u>	<u>78,378</u>	<u>78,378</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 79,378</u>	<u>\$ 13,652</u>	<u>\$ 86,377</u>	<u>\$ 72,725</u>

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

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	<u>General Sessions</u>	<u>Magistrate Court</u>	<u>Municipal Court</u>	<u>Total</u>
Court Fines and Assessments:				
Court fines and assessments collected	\$ 440,003	\$ 946,668	N/A	\$ 1,386,671
Court fines and assessments remitted to State Treasurer	\$ 252,177	\$ 485,138	N/A	\$ 737,315
Total Court Fines and Assessments retained	\$ 187,826	\$ 461,530	N/A	\$ 649,356
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	\$ 10,168	\$ 10,192	N/A	\$ 20,360
Assessments retained	\$ 1,393	\$ 36,596	N/A	37,989
Total Surcharges and Assessments retained for victim services	\$ 11,561	\$ 46,788	N/A	\$ 58,349

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	N/A	\$ 149,801	\$ 149,801
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer	N/A	-	-
Victim Service Assessments Retained by City/County Treasurer	N/A	\$ 20,360	\$ 20,360
Victim Service Surcharges Retained by City/County Treasurer	N/A	\$ 37,990	\$ 37,990
Interest Earned	N/A	\$ 2,624	\$ 2,624
Grant Funds Received			
Grant from:	N/A	-	-
General Funds Transferred to Victim Service Fund	N/A	-	-
Contribution Received from Victim Service Contracts:			
(1) Town of Edisto Beach	N/A	\$ 3,875	\$ 3,875
(2) Town of Cottageville	N/A	\$ 10,000	\$ 10,000
(3) City of	N/A	-	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	N/A	\$ 224,650	\$ 224,650

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

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	N/A	\$ 45,358	\$ 45,358
Operating Expenditures	N/A	\$ 23,904	\$ 23,904
Victim Service Contract(s):			
(1) Entity's Name	N/A	-	-
(2) Entity's Name	N/A	-	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter:	N/A	-	-
(2) Rape Crisis Center:	N/A	-	-
(3) Other local direct crime victims service agency:	N/A	-	-
Transferred to General Fund	N/A	-	-
Total Expenditures from Victim Service Fund/Program (B)	N/A	\$ 69,262	\$ 69,262
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	N/A	\$ 155,388	\$ 155,388
Less: Prior Year Fund Deficit Repayment	N/A	-	-
Carryforward Funds – End of Year	N/A	\$ 155,388	\$ 155,388

STATISTICAL SECTION

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	129 – 132
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
Revenue Capacity	133 – 136
These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	
Debt Capacity	137– 141
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
Demographic and Economic Information	142 and 143
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help comparisons over time and with other governments.	
Operating Information	144 – 146
These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	

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

COLLETON COUNTY, SOUTH CAROLINA

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 26,613,252	\$ 30,234,540	\$ 28,162,225	\$ 29,208,570	\$ 31,257,962	\$ 33,464,047	\$ 31,778,627	\$ 37,187,490	\$ 35,243,087	\$ 40,730,332
Restricted	8,210,458	8,509,085	10,192,511	8,976,701	10,305,751	9,738,050	17,017,936	12,733,361	14,691,101	7,998,775
Unrestricted	8,282,389	9,942,615	12,627,357	10,997,674	14,202,852	(8,369,151)	(11,885,105)	(9,606,502)	(13,477,153)	(14,118,289)
Total governmental activities net position	<u>\$ 43,106,099</u>	<u>\$ 48,686,240</u>	<u>\$ 50,982,093</u>	<u>\$ 49,182,945</u>	<u>\$ 55,766,565</u>	<u>\$ 34,832,946</u>	<u>\$ 36,911,458</u>	<u>\$ 40,314,349</u>	<u>\$ 36,457,035</u>	<u>\$ 34,610,818</u>

Source: County Audit Reports

COLLETON COUNTY, SOUTH CAROLINA

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 6,593,093	\$ 7,228,887	\$ 8,000,488	\$ 8,178,472	\$ 10,740,147	\$ 8,811,200	\$ 9,227,968	\$ 9,810,028	\$ 8,428,469	\$ 9,253,826
Judicial	1,973,222	5,010,233	4,996,680	4,594,583	4,957,014	5,255,325	5,871,221	6,309,402	6,498,833	6,194,472
Public safety	10,232,152	8,244,482	8,202,681	8,410,210	8,589,140	8,642,672	8,319,638	8,702,190	13,309,631	14,133,924
Roads and bridges	1,774,066	2,313,953	2,320,046	2,496,358	4,182,236	4,949,171	6,405,248	2,975,077	3,398,083	4,699,060
Solid waste	1,730,522	2,244,813	2,280,816	2,449,740	2,568,610	2,509,851	2,418,936	2,575,815	3,215,275	3,903,706
Recreation and culture	1,285,985	819,698	1,036,373	1,313,153	1,743,106	2,906,984	2,627,302	2,927,170	3,825,057	4,813,076
Health and human services	1,084,829	1,818,338	1,672,744	1,789,799	1,925,374	1,928,313	1,908,438	1,888,520	2,392,807	2,249,725
Economic development	259,688	380,812	2,027,728	3,373,628	1,569,363	1,568,862	1,650,684	1,377,821	11,530,791	7,777,710
Intergovernmental	250,113	3,485,734	3,130,391	3,360,676	3,661,372	3,836,524	5,590,873	9,763,973	-	-
Interest and fiscal changes	3,422,305	655,432	560,225	500,152	437,611	469,185	895,063	759,085	704,723	622,477
Totals expenses	<u>28,605,975</u>	<u>32,202,382</u>	<u>34,228,172</u>	<u>36,466,771</u>	<u>40,373,973</u>	<u>40,878,087</u>	<u>44,915,371</u>	<u>47,089,081</u>	<u>53,303,669</u>	<u>53,647,976</u>
Revenues										
Governmental activities:										
Charges for services										
General government	461,919	434,053	407,482	483,659	568,195	531,064	1,231,180	1,407,234	1,547,365	1,583,830
Judicial	845,808	3,052,629	2,852,878	2,769,668	1,159,451	1,117,461	1,058,359	1,090,259	1,004,415	987,001
Public safety	149,508	512,453	352,108	364,705	357,982	342,051	282,939	296,497	1,234,198	1,229,173
Roads and bridges	979,340	913,889	964,525	1,015,102	911,965	895,833	934,318	1,071,442	1,031,641	967,055
Solid waste	1,106,419	1,443,781	1,150,138	1,636,460	1,737,436	1,802,512	2,071,414	2,150,225	2,035,603	2,383,073
Recreation and culture	-	160,145	175,987	210,835	330,566	326,236	464,510	500,940	987,145	685,064
Health and human services	139,036	708,738	725,761	627,354	633,729	33,107	25,911	40,276	39,191	39,310
Economic development	295,251	-	-	-	1,541,360	677,045	-	-	-	-
Operating grants and contributions	3,225,446	2,049,525	2,102,187	3,073,637	9,860,851	8,629,703	11,726,799	12,448,200	9,796,813	8,959,746
Capital grants and contributions	621,186	3,181,056	1,438,292	-	-	4,473,000	-	-	315,071	2,303,722
General revenues										
Taxes	22,999,176	23,662,008	24,538,580	22,956,394	21,029,359	21,343,703	27,045,537	28,691,017	29,319,480	30,191,429
Grants and contributions not restricted to specific program	1,755,788	1,419,929	1,197,122	1,430,665	1,436,657	1,445,663	1,875,873	1,508,783	2,577,176	1,810,480
Interest and investment earnings	52,452	89,429	79,474	-	-	-	-	-	-	-
Miscellaneous	108,356	24,912	311,507	271,784	438,004	428,830	724,951	1,287,099	638,280	661,876
Gain (loss) on sale of assets	95,889	129,976	227,984	66,667	-	-	-	-	-	-
Transfer in (out)	-	-	-	(52,796)	90,713	-	-	-	-	-
Total revenues	<u>32,835,574</u>	<u>37,782,523</u>	<u>36,524,025</u>	<u>34,854,134</u>	<u>40,096,268</u>	<u>42,046,208</u>	<u>47,441,791</u>	<u>50,491,972</u>	<u>50,526,378</u>	<u>51,801,759</u>
Change in net position	4,229,599	5,580,141	2,295,853	(1,612,637)	(277,705)	1,168,121	2,526,420	3,402,891	(2,777,291)	(1,846,217)
Net position - beginning	38,876,500	43,106,099	48,686,240	50,982,093	49,182,945	55,766,565	34,832,946	36,911,458	40,314,349	36,457,035
Prior period adjustment	-	-	-	(186,511)	6,861,325	(22,101,740)	(447,908)	-	(1,080,023)	-
Net position - ending	<u>\$ 43,106,099</u>	<u>\$ 48,686,240</u>	<u>\$ 50,982,093</u>	<u>\$ 49,182,945</u>	<u>\$ 55,766,565</u>	<u>\$ 34,832,946</u>	<u>\$ 36,911,458</u>	<u>\$ 40,314,349</u>	<u>\$ 36,457,035</u>	<u>\$ 34,610,818</u>

Source: County Audit Reports

Note 1: Net position was restated at June 30, 2015 for GASB Statement No. 68, Accounting and Financial Reporting for Pensions.

Note 2: Net position was restated at June 30, 2018 for GASB Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions.

COLLETON COUNTY, SOUTH CAROLINA

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Nonspendable	\$ -	\$ 2,442	\$ 6,718	\$ 6,076	\$ 14,004	\$ 10,534	\$ 11,570	\$ 3,333	\$ 258,279	\$ 280,929
Restricted	2,592	-	204,307	2,101	362,911	363,272	363,636	364,000	797,008	797,008
Committed	-	-	-	-	-	-	-	219,674	-	-
Assigned	-	-	-	-	695,942	893,097	968,193	199,057	-	-
Unassigned	7,433,900	8,735,361	8,975,864	7,921,046	5,981,162	5,746,897	7,085,015	7,739,608	8,158,084	8,420,259
Total General Fund	<u>\$ 7,436,492</u>	<u>\$ 8,737,803</u>	<u>\$ 9,186,889</u>	<u>\$ 7,929,223</u>	<u>\$ 7,054,019</u>	<u>\$ 7,013,800</u>	<u>\$ 8,428,414</u>	<u>\$ 8,525,672</u>	<u>\$ 9,213,371</u>	<u>\$ 9,498,196</u>
ECONOMIC DEVELOPMENT AND CAPITAL IMPROVEMENTS FUND										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Economic Development and Capital Improvements Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
CAPITAL PROJECTS FUND										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 2,700,933	\$ 2,922,238	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	5,214,418	4,954,705	10,170,294	4,504,276	5,478,472	435,104
Committed	-	-	-	-	4,221,199	34,062,547	29,554,382	26,972,788	16,873,105	14,074,528
Total Capital Projects Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,136,550</u>	<u>\$ 41,939,490</u>	<u>\$ 39,724,676</u>	<u>\$ 31,477,064</u>	<u>\$ 22,351,577</u>	<u>\$ 14,509,632</u>
2005 BOND FUND										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total 2005 Bond Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable	\$ 1,825,429	\$ 4,752,641	\$ 4,338,743	\$ 7,728,952	\$ 2,027,489	\$ 1,497,835	\$ 6,484,006	\$ 7,865,085	\$ 22,397	\$ 15,146
Restricted	356,323	722,624	1,873,050	3,136,266	1,238,084	831,384	573,094	594,006	8,415,621	1,772,320
Committed	-	-	-	567,675	38,487	-	-	-	416,430	213,692
Assigned	6,346,099	4,896,457	6,193,164	162,302	1,811,461	1,625,160	1,485,895	1,503,575	1,136,948	886,929
Total All Other Governmental Funds	<u>\$ 8,527,851</u>	<u>\$ 10,371,722</u>	<u>\$ 12,404,957</u>	<u>\$ 11,595,195</u>	<u>\$ 5,115,521</u>	<u>\$ 3,954,379</u>	<u>\$ 8,542,995</u>	<u>\$ 9,962,666</u>	<u>\$ 9,991,396</u>	<u>\$ 2,888,087</u>

Source: County Audit Reports

COLLETON COUNTY, SOUTH CAROLINA

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Taxes	\$ 23,859,750	\$ 24,966,426	\$ 25,323,266	\$ 23,885,157	\$ 21,090,421	\$ 21,299,184	\$ 27,396,764	\$ 28,629,297	\$ 29,130,415	\$ 30,142,378
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Fines and fees	2,223,421	2,474,493	2,021,074	7,107,783	7,212,428	10,075,366	13,602,672	13,956,983	6,465,956	6,760,008
Intergovernmental	4,684,025	6,748,815	6,266,017	4,504,302	11,297,508	5,811,340	6,030,559	6,516,583	13,534,245	13,122,440
Interest	97,238	89,338	79,470	-	-	-	-	-	-	-
Other	139,684	124,420	515,179	173,666	300,227	302,635	627,055	1,239,266	1,121,298	1,729,253
Total revenues	31,004,118	34,403,492	34,205,006	35,670,908	39,900,584	37,488,525	47,657,050	50,342,129	50,251,914	51,754,079
Expenditures:										
Current:										
General government	7,865,398	6,756,544	7,344,982	7,688,345	10,293,376	8,357,765	8,705,075	9,233,056	8,462,845	8,920,357
Judicial	1,962,697	2,344,951	2,122,867	4,157,881	4,456,189	4,658,249	5,275,752	5,679,392	6,007,996	6,152,386
Public safety	9,335,109	7,345,678	7,440,052	7,468,560	7,723,408	7,668,476	7,348,907	7,713,186	8,122,142	8,906,780
Roads and bridges	2,711,965	1,608,064	1,655,724	1,833,460	3,466,507	4,257,082	5,644,622	2,096,123	1,751,263	2,016,790
Solid waste	1,750,312	1,917,542	1,972,315	2,156,449	2,240,650	2,208,389	2,127,950	2,256,218	2,585,498	3,168,898
Recreation and culture	758,729	761,261	872,178	1,055,271	1,300,883	2,462,699	2,038,864	2,329,422	2,163,441	2,520,632
Health and human services	1,109,046	1,002,283	833,863	1,674,861	1,794,798	1,797,883	1,780,141	1,751,754	1,875,826	2,142,595
Economic development	2,844,242	235,493	1,864,496	3,101,594	1,097,322	1,110,361	1,186,504	902,674	1,986,024	5,355,199
Intergovernmental	3,227,967	3,441,590	6,006,861	3,360,676	3,661,372	3,836,524	5,590,873	9,763,973	7,560,938	10,012,911
Capital outlay:	63,109	5,424,846	5,315,933	3,082,720	3,332,868	7,569,037	3,178,051	11,689,652	13,281,825	7,049,156
Debt service:										
Principal	1,632,045	2,347,982	5,325,472	2,246,834	2,294,878	2,528,493	2,286,585	4,860,166	4,925,632	6,990,718
Interest	675,223	676,249	388,136	536,892	466,532	393,567	768,914	854,370	795,505	722,984
Total expenditures	33,935,842	33,862,483	41,142,879	38,363,543	42,128,783	46,848,525	45,932,238	59,129,986	59,518,935	63,959,406
Excess (deficiency) of revenues over expenditures	(2,931,724)	541,009	(6,937,873)	(2,692,635)	(2,228,199)	(9,360,000)	1,724,812	(8,787,857)	(9,267,021)	(12,205,327)
Other financing sources (uses)										
Proceeds from sale of capital assets	9,441	39,330	53,082	66,667	90,713	46,578	184,544	-	143,459	194
Issuance of debt	1,462,500	2,452,446	6,519,794	-	-	33,362,384	5,395,000	2,000,000	582,353	2,500,000
Donation of capital asset	-	-	-	-	-	4,473,000	-	-	-	-
Legal settlement	-	-	-	-	-	7,411	-	-	-	-
Bond premium	-	-	-	-	-	-	51,278	-	-	-
Payment to refund bond escrow	-	-	-	-	-	-	(3,710,000)	-	-	-
Gain/loss on sale of asset	-	-	-	-	-	-	5,295	-	-	-
Insurance proceeds	87,372	112,399	177,318	98,118	137,777	72,206	137,487	57,074	132,251	39,047
Transfers in	7,601,471	6,420,790	9,559,323	4,251,121	6,220,775	4,255,156	8,423,212	6,530,977	6,401,391	6,305,753
Transfers out	(7,600,621)	(6,420,789)	(9,559,323)	(4,303,917)	(6,220,775)	(4,255,156)	(8,423,212)	(6,530,977)	(6,401,391)	(6,305,753)
Total other financing sources	1,560,163	2,604,176	6,750,194	111,989	228,490	37,961,579	2,063,604	2,057,074	858,063	2,539,241
Net change in fund balances	(1,371,561)	3,145,185	(187,679)	(2,580,646)	(1,999,709)	28,601,579	3,788,416	(6,730,783)	(8,408,958)	(9,666,086)
Other changes in fund balance	-	-	2,669,997	513,218	6,781,381	-	-	-	-	-
Fund balances, beginning	17,335,904	15,964,343	19,109,528	21,591,846	19,524,418	24,306,090	52,907,669	56,696,085	49,965,302	41,556,344
Fund balances, Ending	\$ 15,964,343	\$ 19,109,528	\$ 21,591,846	\$ 19,524,418	\$ 24,306,090	\$ 52,907,669	\$ 56,696,085	\$ 49,965,302	\$ 41,556,344	\$ 31,890,258
Debt service as a percentage of noncapital expenditures	6.8%	10.6%	15.9%	7.9%	7.1%	7.4%	7.1%	12.0%	12.4%	13.6%

Source: County Audit Reports

COLLETON COUNTY, SOUTH CAROLINA

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Assessed Value			Market Value			Total Direct Tax Rate
	Real Property	Personal Property	Total	Real Property	Personal Property	Total	
2010	\$ 123,603,434	\$ 41,435,519	\$ 165,038,953 **	\$ 2,977,709,647	\$ 608,617,821	\$ 3,586,327,468	116.20
2011	135,718,521 *	43,267,945 *	178,986,466 *	4,946,871,251	640,058,358 *	5,586,929,609 *	113.27
2012	127,313,207	44,104,392	171,417,599	3,677,625,787	561,477,710	4,239,103,497	115.86
2013	124,529,285 *	45,681,967	170,211,252	3,677,288,314	577,742,213	4,255,030,527	115.86
2014	124,290,470	46,322,848	170,613,318	3,675,411,178	542,309,703	4,217,720,881	115.86
2015	124,833,360	38,508,140	163,341,500	3,743,314,532	459,532,616	4,202,847,148	115.86
2016	125,463,400	41,403,580	166,866,980	3,792,357,210	512,687,036	4,305,044,246	125.05
2017	126,695,930	44,408,120	171,104,050	3,848,082,492	548,235,970	4,396,318,462	125.05
2018	130,485,880 *	45,527,140	176,013,020	3,997,547,588	562,409,403	4,559,956,991	125.05
2019	132,809,450	44,873,240	177,682,690	4,085,126,499	543,980,519	4,629,107,018	126.55

* Reassessment Year.

** Computer error generated values in excess of actual values.

Source: County Auditor

COLLETON COUNTY, SOUTH CAROLINA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year	County Direct Rates			Overlapping Rates					
	County Operations	County Debt	Total Direct Rate	School Operations	School Debt Service	County Fire Protection	County Fire Debt Service	Town of Edisto Beach	City of Walterboro
2010	107.50	8.70	116.20	104.38	46.50	29.84	20.50	18.81	83.00
2011	105.86	7.41	113.27	101.83	46.50	29.61	20.69	18.65	77.00
2012	108.45	7.41	115.86	104.31	46.50	30.54	20.69	19.53	79.00
2013	108.45	7.41	115.86	104.31	46.50	33.56	17.67	19.53	79.46
2014	108.45	7.41	115.86	104.31	46.50	33.56	17.67	20.23	88.00
2015	108.45	7.41	115.86	104.31	46.50	33.56	17.67	20.23	88.00
2016	114.81	10.24	125.05	110.42	46.50	33.56	22.66	20.23	88.00
2017	114.81	10.24	125.05	110.42	49.50	33.36	22.66	20.71	88.00
2018	114.81	10.24	125.05	110.42	49.50	33.56	22.66	23.44	86.40
2019	116.31	10.24	126.55	113.42	54.50	33.56	22.66	23.44	86.40

Source: County Auditor

COLLETON COUNTY, SOUTH CAROLINA

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

<u>Customer</u>	<u>2019</u>			<u>2010</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
South Carolina Electric and Gas	\$ 9,759,650	1	5.49%	\$ N/A	-	N/A
Coastal Electric Coop	3,027,440	2	1.70%	N/A	-	N/A
Walterboro Community Hospital	1,263,990	3	0.71%	N/A	-	N/A
CSX Transportation, Inc.	911,030	4	0.51%	N/A	-	N/A
Central Electric Power Coop	826,320	5	0.47%	N/A	-	N/A
Walmart Real Estate Business Trust	735,000	6	0.41%	N/A	-	N/A
Cherokee Plantation Owners, Inc	600,530	7	0.34%	N/A	-	N/A
JH Hiers Construction, LLC	506,050	8	0.28%	N/A	-	N/A
Cellco Partnership DBA Verizon Wireless	461,810	9	0.26%	N/A	-	N/A
Walterboro/SAV LLC	391,800	10	0.22%	N/A	-	N/A
	<u>\$ 18,483,620</u>		<u>10.40%</u>	<u>\$ -</u>		<u>-</u>

Source: County Auditor

N/A - Information is not available

COLLETON COUNTY, SOUTH CAROLINA

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 44,078,603	\$ 42,885,742	97.29%	\$ 1,159,466	\$ 44,045,208	99.92%
2011	46,726,207 *	40,532,303	86.74%	1,584,443	42,116,746	90.14%
2012	47,115,937	44,705,792	94.88%	2,277,791	46,983,583	99.72%
2013	52,100,048 *	44,052,013	84.55%	1,761,783	45,813,796	87.93%
2014	48,000,778	46,192,180	96.23%	885,417	47,077,597	98.08%
2015	14,791,090	13,733,646	92.85%	890,046	14,623,692	98.87%
2016	16,482,359	15,385,339	93.34%	854,431	16,239,770	98.53%
2017	16,903,737	15,970,838	94.48%	1,294,053	17,264,891	102.14%
2018	20,208,055 *	17,430,046	86.25%	710,458	18,140,504	89.77%
2019	19,492,667	17,162,861	88.05%	N/A	17,162,861	88.05%

Source: Delinquent Tax Collector, County Finance Office, County Auditor, County Treasurer.

Note 1 - All figures up to 2014 include County, Fire & Rescue, and School District.

Note 2 - County only in 2015

* Reassessment year.

COLLETON COUNTY, SOUTH CAROLINA

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

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income	Capital Per Capita
	General Obligation Bond	Notes Payable	Leases Payable	Special Revenue Bond			
2010	\$ 7,006,936	\$ 976,468	\$ 1,751,957	\$ 4,546,844	\$ 14,282,205	12.99%	\$ 367.23
2011	5,985,601	829,807	3,555,466	4,063,349	14,434,223	12.75%	375.61
2012	8,206,240	677,062	2,109,152	5,033,701	16,026,155	13.80%	420.05
2013	7,280,000	517,977	1,526,344	4,455,000	13,779,321	11.57%	361.16
2014	6,110,000	352,290	932,153	4,090,000	11,484,443	9.44%	295.29
2015	35,012,627	1,059,759	2,535,947	3,710,000	42,318,333	33.86%	1,120.39
2016	38,989,949	880,032	1,854,089	-	41,724,070	33.39%	1,105.83
2017	35,440,618	880,032	2,473,965	-	38,794,615	31.18%	1,022.98
2018	31,897,356	880,032	1,603,291	-	34,380,679	2.66%	914.11
2019	27,138,079	-	2,679,958	-	29,818,037	22.62%	791.77

Source: County Audit Report, US Census Bureau

Note 1: Details of the County's outstanding debt can be found in the notes to the financial statements.

Note 2: The ratios are calculated using personal income and population for the prior calendar year.

See Schedule 14 for personal income and population.

COLLETON COUNTY, SOUTH CAROLINA

**RATIOS OF GENERAL BONDED BEDT OUTSTANDING
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less Amounts Available in Debt Service Funds</u>	<u>Total</u>	<u>Percentage of Estimated Taxable Value of Property</u>	<u>Per Capita</u>
2010	\$ 7,006,936	\$ 1,449,169	\$ 5,557,767	3.4%	\$ 143
2011	5,985,601	1,424,537	4,561,064	2.5%	119
2012	8,206,240	800,657	7,405,583	4.3%	194
2013	7,280,000	1,031,180	6,248,820	3.7%	164
2014	6,110,000	919,745	5,190,255	3.0%	133
2015	35,012,627	411,973	34,600,654	21.2%	916
2016	38,989,949	5,496,753	33,493,196	20.1%	888
2017	35,440,618	6,325,794	29,114,824	17.0%	768
2018	31,897,356	7,010,933	24,886,423	14.1%	662
2019	27,138,079	5,519,838	21,618,241	12.2%	574

COLLETON COUNTY, SOUTH CAROLINA

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2019**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Colleton County School District	\$ 81,933,300	100.00%	\$ 81,933,300
Fire and Rescue Commission	11,100,910	100.00%	11,100,910
City of Walterboro	3,587,633	100.00%	3,587,633
Town of Edisto Beach	2,010,000	100.00%	2,010,000
Subtotal overlapping debt	<u>98,631,843</u>		<u>98,631,843</u>
County direct debt	<u>29,818,037</u>	100.00%	<u>29,818,037</u>
Total direct and overlapping debt	<u><u>\$ 128,449,880</u></u>		<u><u>\$ 128,449,880</u></u>

Source: Assessed value data used to estimate applicable percentage provided by Colleton County Auditor.

Note: Debt outstanding data provided by each governmental unit.

COLLETON COUNTY, SOUTH CAROLINA

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year ^a									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 13,203,116	\$ 9,855,492	\$ 10,068,526	\$ 10,536,276	\$ 13,649,065	\$ 13,067,320	\$ 13,349,358	\$ 13,688,324	\$ 14,081,042	\$ 14,214,615
Total net debt applicable to limit	<u>7,006,936</u>	<u>5,985,601</u>	<u>8,206,240</u>	<u>7,280,000</u>	<u>6,110,000</u>	<u>4,740,000</u> *	<u>8,758,832</u>	<u>8,301,301</u>	<u>8,416,034</u>	<u>7,370,970</u>
Legal debt margin	<u>\$ 6,196,180</u>	<u>\$ 3,869,891</u>	<u>\$ 1,862,286</u>	<u>\$ 3,256,276</u>	<u>\$ 7,539,065</u>	<u>\$ 8,327,320</u>	<u>\$ 4,590,526</u>	<u>\$ 5,387,023</u>	<u>\$ 5,665,008</u>	<u>\$ 6,843,645</u>
Total net debt applicable to the limit as a percentage of debt limit	53.07%	60.73%	81.50%	69.09%	44.76%	36.27%	65.61%	60.65%	59.77%	51.85%

Legal Debt Margin Calculation for Fiscal Year 2017

Total assessed value	\$ 177,682,690
Debt limit (8% of assessed value)	<u>14,214,615</u>
Debt applicable to limit:	<u>7,370,970</u>
Legal debt margin	<u>\$ 6,843,645</u>

Note: Under State finance law, the County's outstanding general obligation debt should not exceed 8 percent of the total assessed property value.

* Excludes \$29,700,000 Bond Series 2015 because voter approval was obtained for the issuance of the bonds.

Source: County Audit Reports, County Auditor

COLLETON COUNTY, SOUTH CAROLINA

**PLEGDED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Debt Service Collections	Principal	Interest	Coverage
2010	\$ 1,201,376	\$ 462,124	\$ 276,150	1.63
2011	1,225,389 *	483,495 *	254,779 *	1.66
2012	1,287,061	302,537	22,783	3.96
2013	1,361,755	578,701	218,444	1.71
2014	1,266,976	365,000	186,708	2.30
2015	1,253,752	1,370,000	172,260	0.81
2016	5,487,307	1,425,000	573,371	2.75
2017	6,003,018	3,480,000	801,890	1.40
2018	6,159,788	4,055,000	740,378	1.28
2019	6,441,766	4,687,353	757,213	1.18

Source: County Auditor

COLLETON COUNTY, SOUTH CAROLINA

DEMOGRAPHIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate Percentage
2010	38,892	\$ 1,099,299	\$ 28,251	40.7	5,991	13.40%
2011	38,429	1,131,725	29,311	41.3	5,872	13.90%
2012	38,153	1,161,213	30,436	41.7	5,885	12.20%
2013	38,153	1,190,505	31,505	N/A	5,830	10.80%
2014	38,892	1,216,892	31,289	40.7	5,763	7.70%
2015	37,771	1,249,641	33,120	40.0	5,713	7.50%
2016	37,731	1,249,641	33,120	41.5	6,545	6.10%
2017	37,923	1,244,027	32,804	43.0	6,889	4.80%
2018	37,611	1,292,389	34,362	42.5	6,799	4.20%
2019	37,660	1,317,949	34,996	42.7	6,458	4.00%

Source: (1) US Census Bureau
 (2) S.C. Department of Employment and Workforce
 (3) S.C. Department of Education
 N/A - Information is not available

COLLETON COUNTY, SOUTH CAROLINA

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2019			2010		
	FTE Employees	Rank	Percentage of Total County Employment	FTE Employees	Rank	Percentage of Total County Employment
Colleton County School District	900	1	5.2%	N/A	-	N/A
Colleton County Government	522	2	3.0%	N/A	-	N/A
Colleton Medical Center	420	3	2.4%	N/A	-	N/A
Walmart	300	4	1.7%	N/A	-	N/A
City of Walterboro	115	5	0.7%	N/A	-	N/A
Cracker Barrel	107	6	0.6%	N/A	-	N/A
Pioneer Boats	100	7	0.6%	N/A	-	N/A
Rockford Manufacturing	90	8	0.5%	N/A	-	N/A
Carolina Visuals, LLC	70	9	0.4%	N/A	-	N/A
Palmetto Rural Telephone Cooperative	70	9	0.4%	N/A	-	N/A
Crescent Dairy and Beverages, LLC	60	10	0.3%	N/A	-	N/A
Total of Top Ten Employees	<u>2,754</u>		<u>15.9%</u>	<u>-</u>		<u>-</u>

Source: County Economic Development Department.

N/A - Information is not available.

COLLETON COUNTY, SOUTH CAROLINA

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

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	81.5	87.5	85.5	93.0	77.0	76.5	84.0	79.0	78.0	81.0
Judicial	19.5	20.0	20.0	18.5	58.0	55.0	78.0	80.5	74.0	71.0
Public Safety	134.5	132.5	133.0	132.0	116.0	103.0	135.0	144.5	115.0	123.0
Roads and Bridges	28.5	28.5	27.5	27.5	17.0	15.0	25.0	24.0	23.0	23.0
Solid Waste	14.5	15.5	15.5	15.5	12.0	23.5	44.0	31.2	14.5	10.0
Recreation and Culture	9.0	9.0	10.0	9.0	13.0	15.0	28.0	23.0	19.0	20.0
Health and Human Services	1.5	1.5	1.5	1.5	2.0	6.0	17.0	6.5	5.0	5.0
Economic Development	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Alcohol and Drug	10.5	10.5	10.5	10.5	9.0	8.5	11.0	8.0	9.0	10.0
Library	1.5	2.5	4.0	5.0	10.0	12.5	16.0	12.8	10.0	10.0
Fire and Rescue	69.0	77.0	75.5	77.5	76.0	77.5	82.0	78.0	83.0	85.0
Total	372.00	386.50	385.00	392.00	392.00	394.50	522.00	489.50	432.50	440.00

Source: County Human Resource Department.

COLLETON COUNTY, SOUTH CAROLINA

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Judicial	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Public Safety	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EMS Transports	5,823	5,725	6,170	6,137	6,542	6,749	7,358	7,416	7,523	7,688
Roads and Bridges	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Solid Waste	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Recreation and Culture	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Health and Human Services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Information is not available. Schedule is currently a work in progress and will be updated in subsequent years as information becomes available.

COLLETON COUNTY, SOUTH CAROLINA

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Recreation and Culture										
Community Centers	N/A	N/A	N/A	13	13	13	13	13	14	14
Recreation Complex	N/A	N/A	N/A	1	1	1	1	1	1	1
Golf Course	N/A	N/A	N/A	-	-	1	1	1	1	1
Emergency Services										
Number of Fire Stations	30	30	30	33	34	34	34	34	34	34
Number of Fire Trucks	105	108	109	119	106	106	115	103	119	119
Number of Ambulances	10	10	11	12	12	12	16	11	14	14
Streets and Highways										
Miles of Roads	347.8	347.8	347.8	347.8	362.7	362.7	362.7	362.7	352.7	352.7
Collection Sites	13	13	13	13	13	13	13	15	15	15
Sheriff										
Patrol Units	86	86	86	86	86	86	92	96	88	88
Health, Education and Welfare										
County Libraries	1	1	1	1	1	1	1	2	3	3
Book Mobiles	1	1	1	1	1	1	1	1	1	1

Sources: County Engineering, Fleet, and Facilities Departments.

N/A - Information is not available.

COMPLIANCE SECTION

COLLETON COUNTY, SOUTH CAROLINA

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

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures	Sub-Recipient
U.S. Department of Agriculture:				
Direct				
USDA Community Facilities Grant	10.766	N/A	\$ 49,700	\$ -
USDA Community Facilities Grant	10.766	N/A	50,000	-
USDA Community Facilities Grant	10.766	56165	50,000	-
USDA Community Facilities Grant	10.766	56180	49,900	-
USDA Community Facilities Grant	10.766	60485	49,800	-
USDA Community Facilities Grant	10.766	60496	49,900	-
	Total 10.766		<u>299,300</u>	<u>-</u>
Passed through S.C. Department of Social Services				
Child and Adult Care Food Program	10.558	AR00108	208,173	-
Child and Adult Care Food Program	10.558	AR00108	33,064	-
	Total 10.558		<u>241,237</u>	<u>-</u>
Passed through S.C. Department of Education Office of Health & Nutrition				
Child Nutrition Cluster				
Summer Food Service Program for Children	10.559	SF-6388	151,682	-
Summer Food Service Program for Children	10.559	SF-6388	454,928	-
Summer Food Service Program for Children	10.559	SF-6388	2,300	-
	Total 10.559		<u>608,910</u>	<u>-</u>
Passed through S.C. Arts Commission				
Rural Development Cooperative Agreement Program	10.890	N/A	2,500	-
	Total 10.890		<u>2,500</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>1,151,947</u>	<u>-</u>
U.S. Department of Commerce:				
Direct				
Economic Development Cluster				
EDA Economic Adjustment Assistance	11.307	04-79-07083	33,051	-
Total U.S. Department of Commerce			<u>33,051</u>	<u>-</u>
U.S. Department of Health and Human Services:				
Passed through S.C. Department of Social Services				
Child Support Enforcement IV-D Incentive Payments	93.563	C70015C-4	25,830	-
Child Support Enforcement IV-D Sheriff's Department	93.563	C70061C-3	6,683	-
Child Support Enforcement IV-D Family Court	93.563	C70015C-3	142,739	-
	Total 93.563		<u>175,252</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>175,252</u>	<u>-</u>
U.S. Department of Homeland Security:				
Passed through S.C. Emergency Management Agency				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	029-99029-00	63,516	-
	Total 97.036		<u>63,516</u>	<u>-</u>
Passed through S.C. Emergency Management Agency				
FEMA Hazard Mitigation Grants Program	97.039	DR-4286-SC-0045	30,013	-
	Total 97.039		<u>30,013</u>	<u>-</u>
Passed through S.C. Emergency Management Agency				
Emergency Management Performance Grant	97.042	17EMPG01	25,764	-
Emergency Management Performance Grant	97.042	16EMPG01	65,595	-
	Total 97.042		<u>91,359</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>184,888</u>	<u>-</u>

(Continued)

COLLETON COUNTY, SOUTH CAROLINA

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

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures	Sub-Recipient
U.S. Department of Housing and Urban Development:				
Passed through S. C. Department of Commerce:				
Community Development Block Grants	14.228	4-NR-16-002	\$ 27,812	\$ -
Community Development Block Grants	14.228	4-CE-18-007	8,000	-
	Total 14.228		<u>35,812</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>35,812</u>	<u>-</u>
U.S. Department of Justice:				
Direct				
Equitable Sharing Program	16.922	N/A	53,684	-
	Total 16.922		<u>53,684</u>	<u>-</u>
Passed through S.C. Office of the Attorney General				
Crime Victim Assistance Grant	16.575	1V18058	31,316	-
	Total 16.922		<u>31,316</u>	<u>-</u>
Passed through S.C. Department of Public Safety				
Violence Against Women Formula Grants	16.588	1K17005	62,189	-
Passed through S.C. Office of the Attorney General				
Violence Against Women Formula Grants	16.588	1K18005	201,231	-
	Total 16.588		<u>263,420</u>	<u>-</u>
Direct				
State Criminal Alien Assistance Program	16.606	2019-AP-BX-0651	301	-
	Total 16.606		<u>301</u>	<u>-</u>
Direct				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX-0470	18,980	-
	Total 16.607		<u>18,980</u>	<u>-</u>
Direct				
Bulletproof Vest Partnership Program	16.607	N/A	6,441	-
Bulletproof Vest Partnership Program	16.607	N/A	2,094	-
	Total 16.607		<u>8,535</u>	<u>-</u>
Total U.S. Department of Justice			<u>376,236</u>	<u>-</u>
U.S. Department of Transportation:				
Direct				
Airport Improvement Program	20.106	3-45-0057-016-2017	41,752	41,752
Airport Improvement Program	20.106	3-45-0057-015-2016	45,150	45,150
	Total 20.106		<u>86,902</u>	<u>86,902</u>
Passed through S.C. Department of Public Safety				
Highway Safety Cluster				
State and Community Highway Safety Grant	20.600	PT-2018-HS-34-18	36,310	-
	Total 20.600		<u>36,310</u>	<u>-</u>
Total U.S. Department of Transportation			<u>123,212</u>	<u>86,902</u>
U.S. Institute of Museum Library Services				
Passed through S.C. State Library				
Grants to States	45.310	IID-18-130	548	-
Grants to States	45.310	HHC-18-05	4,928	-
	Total 45.310		<u>5,476</u>	<u>-</u>
Total U.S. Institute of Museum Library Services			<u>5,476</u>	<u>-</u>

(Continued)

COLLETON COUNTY, SOUTH CAROLINA

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

<u>Federal Grantor/ Pass-through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Sub-Recipient</u>
National Endowment for the Arts				
Passed through S.C. Arts Commission				
Promotion of the Arts Partnership Agreement	45.025	N/A	\$ 5,499	\$ -
	Total 45.025		<u>5,499</u>	<u>-</u>
Total National Endowment for the Arts			<u>5,499</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 2,091,373</u>	<u>\$ 86,902</u>

COLLETON COUNTY, SOUTH CAROLINA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1. BASIS OF PRESENTATION

Basis of Presentation

The Schedule of Expenditures of Federal is prepared using the accrual basis of accounting.

Measurement Focus

The determination of when an award is expended is based on when the activity related to the award occurred.

Program Type Determination

Type A programs are defined as federal programs with federal expenditures exceeding the larger of \$750,000 or 3% of total federal expenditures. The threshold of \$750,000 was used in distinguishing between Type A and Type B programs.

Method of Major Program Selection

The risk based approach was used in the selection of federal programs to be tested as major programs. The County did not qualify as a low-risk auditee for the fiscal year ended June 30, 2019.

De-Minimis Indirect Cost Rate

During the year ended June 30, 2019, the County did not use the de-Minimis indirect cost rate.

Subrecipients

During the year ended June 30, 2019, the County passed through funds received from the U.S. Department of Transportation Airport Improvement Grant to the Colleton County Airport Commission that were used to layout and plan for apron design and repair study.



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

**Colleton County Council
of Colleton County
Walterboro, South Carolina**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Colleton County, South Carolina** (the "County"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Colleton County, South Carolina's basic financial statements, and have issued our report thereon dated December 10, 2019. Our report includes a reference to other auditors who audited the financial statements of the Colleton County Commission on Alcohol and Drug Abuse, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Columbia, South Carolina
December 10, 2019



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

**Colleton County Council
of Colleton County
Walterboro, South Carolina**

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Columbia, South Carolina
December 10, 2019

COLLETON COUNTY, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:
Material weaknesses identified? ___ Yes X No

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

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:
Material weaknesses identified? ___ Yes X No

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

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

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

Identification of major programs:

CFDA Number

10.559

Name of Federal Program or Cluster

U.S. Department of Agriculture – Passed Through S.C.
Department of Education Office of Health and Nutrition –
Summer Food Service Program for Children

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

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

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

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV
SCHEDULE OF PRIOR YEAR FINDINGS

None reported.