



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2017**

**COUNTY COUNCIL**

Joseph F. Flowers, MD, Chairman  
Evon Robinson, Sr.  
Phillip M. Taylor Sr.  
Gene Whetsell  
Steven D. Murdaugh

**COUNTY ADMINISTRATOR**

J. Kevin Griffin

**FINANCE DIRECTOR**

Jon Carpenter

PREPARED BY:  
FINANCE DEPARTMENT

**Colleton County, South Carolina**  
**Comprehensive Annual Financial Report**  
For the Year Ended June 30, 2017

**TABLE OF CONTENTS**

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	1
Certificate of Achievement for Excellence in Financial Reporting	6
Organizational Chart	7
List of Principal Officers	8
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report	9
Management's Discussion and Analysis	12
Basic Financial Statements	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Position	22
Statement of Activities	23
<i>Fund Financial Statements:</i>	
Balance Sheet - Governmental Funds	24
Reconciliation of the Balance Sheet of Governmental Funds to Statement of Net Position	25
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds to the Statement of Activities	27
Statement of Fiduciary Assets and Liabilities	28
<i>Notes to the Financial Statements</i>	29
Required Supplementary Information:	
Budgetary Comparison Schedule - General Fund	64
Schedule of Funding Progress	65
Schedule of the Proportionate Share of the Net Pension Liability - Governmental Activities	66
Schedule of the Proportionate Share of the Net Pension Liability - Component Units	67
Schedule of Contributions - Governmental Activities	69
Schedule of Contributions - Component Units	70
Other Supplementary Information	
<i>Combining Individual Fund Statements and Schedules:</i>	
Combining Balance Sheet - Nonmajor Governmental Funds	73
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	78
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Nonmajor Governmental Funds	83

**Colleton County, South Carolina**  
**Comprehensive Annual Financial Report**  
For the Year Ended June 30, 2017

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	92
Capital Projects Fund	92
Statement of Changes in Assets and Liabilities - Agency Funds	94
Component Units:	
Fire and Rescue Commission	
Balance Sheet	97
Reconciliation of the Balance Sheet of Governmental Funds to Statement of Net Position	98
Statement of Revenues, Expenditures and Changes in Fund Balances	99
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds to the Statement of Activities	100
Budgetary Comparison Schedule	101
Memorial Library	
Balance Sheet	102
Reconciliation of the Balance Sheet of Governmental Funds to Statement of Net Position	103
Statement of Revenues, Expenditures and Changes in Fund Balances	104
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	105
Budgetary Comparison Schedule	106
Schedule of Court Fines, Assessments, and Surcharges	107

**STATISTICAL SECTION**

Net Position by Components	109
Changes in Net Position	110
Fund Balances, Governmental Funds	111
Changes in Fund Balances, Governmental Funds	112
Assessed Value and Actual Value of Taxable Property	113
Direct and Overlapping Property Tax Rates	114
Principal Property Taxpayers	115
Property Tax Levies and Collections	116
Ratios of Outstanding Debt by Type	117
Ratios of General Bonded Debt Outstanding	118
Direct and Overlapping Governmental Activities Debt	119
Legal Debt Margin Information	120
Pledged Revenue Coverage	121
Demographic Statistics	122
Principal Employers	123
Full-time Equivalent County Government Employers by Function/Program	124

**Colleton County, South Carolina**  
**Comprehensive Annual Financial Report**  
For the Year Ended June 30, 2017

Operating Indicators by Function/Program	125
Capital Asset Statistics by Function/Program	126

**COMPLIANCE SECTION**

Schedule of Expenditures of Federal Awards	127
Notes to the Schedules of Expenditures of Federal Awards	129
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	130
Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	132
Schedule of Findings and Questioned Costs	134
Schedule of Prior Year Findings	136

# INTRODUCTORY SECTION



**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, 2017.

This report consists of management's representations concerning the finances of 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 sufficient 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, 2017 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, 2017 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 MD&A and should be read in conjunction with it. Colleton County's MD&A can be found immediately following the report of the independent auditors.

**Profile of the Government**

Colleton 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 is in the Lowcountry region of South Carolina, midway between Charleston, South Carolina and Savannah, Georgia on the I-95 corridor. The County currently occupies a land area of approximately 1,100 square miles and has a population of roughly 37,923 (2017 estimate). 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, adopting the budget, appointing committees, and hiring both the County Administrator and County Attorney. The County Administrator is responsible for carrying out policies and ordinances of the governing council, for overseeing the day-to-day operations of the County, and for appointing the heads of various departments. The five Council members are each elected to four-year staggered terms, with three council members elected every two years, and two elected every two years. County elections occur in the spring of even-numbered years.

The County provides a full range of services including police and fire protection, assessment and taxation, corrections, roads and bridges maintenance, recreational facilities and activities, animal and environmental control, cultural events, court services, planning and development services, and economic development.

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 on or before the last day in March 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 prior to May 15<sup>th</sup> of each year. The Council is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than June 30<sup>th</sup>, 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 governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 64 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 2017 assessable property tax base is \$171,104,050 which represented growth of 2.5% from 2016's assessable property tax base of \$166,866,980. As reported by the US Census Bureau, per capita income for the County in 2017 was forecasted at \$32,804 for Colleton County compared to \$39,517 for the State of South Carolina. The County did continue to see low unemployment, with the unemployment rate at June 2017 at 4.8% which represents a decrease from 6.1% unemployment from June 2016.

The U.S. Census Bureau estimated the 2017 population for the County to be 37,923. For 2017, the U.S. Census Bureau estimates that the overall County population has increased slightly by 0.5% since 2016, though this estimate represents a 2.5% decrease from the last full census in 2010. Overall number of available housing units continues to be primarily owner occupied with roughly 75% compared to the State of South Carolina average at slightly less than 70%. Even though population has not changed significantly since the 1940s, the County has experienced significant business investment and job growth with the addition of several industries to the County (discussed below). Over half of the County's population is located within the Walterboro City Census Division (CCD) with the remainder of the population located near the other CCDs within the County, including the Hendersonville CCD and Cottageville CCD.

A large part of Colleton 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 access to the highways noted above.

### **Economic Development Goals & Strategies**

Thus far in 2017, Colleton County has added two new manufacturing companies both of which are involved in metal fabrication. Jenshau, LLC is a metal fabricator of specialty containers and has invested \$1.9 million in their new facility with plans to grow to 50 new jobs. Customers for their products include US Department of Defense, US Department of Energy and the Space and Naval Warfare Systems Command among a list of many others. In addition, Jenshau produces “tiny houses” which is a process of converting shipping containers into turn-key homes that are delivered directly to the homeowners homesite. Clay Corporation is the second manufacturing company that has been added thus far in 2017. They have set up operations in an existing vacant facility within the County where they fabricate a patented construction piling system. Their customers are primarily commercial and industrial builders though they do serve some higher-end residential builders. Clay Corporation has invested over \$750 million and added 14 jobs thus far in 2017. In addition to these two new manufacturing companies, the County continues to work with Lowcountry Aviation in trying to bring their planned \$3.7 million-dollar investment and 122 new jobs in the areas of aircraft maintenance, repair and overhaul, charter service and aircraft storage into fruition, though to date, they are currently renting temporary hanger space with a workforce of 12.

In addition to these new manufacturing opportunities, in May 2017, the assets of the to-be abandoned H&B Railroad were acquired by the Colleton County Intermodal Corporation, a non-profit corporation that had been established for purpose of promoting economic development projects within the County. The purchase has allowed Colleton to offer industrial sites that are served by both road and an industry-capable railroad which is essential in attracting major industrial development. Currently a 1500-acre site is under option by the County and other area allies for potential acquisition and enhancement. In addition to this site, the County is continuing to clear the remaining wooded industrial site that is located within the Colleton County Commerce Center and is pursuing grant funds to fund the due diligence phase for the Colleton Venture Park.

2017 has also brought some share of economic losses, with the notice of long-time employer Dayco Products decision to shut their Walterboro manufacturing plant that resulted in 122 associates being displaced. A number of these employees have been offered jobs at the Dayco plant in Williston SC as well as at the two new manufacturing companies noted above. In addition to Dayco Products, SarlaFlex, which is a synthetic yarn manufacturer whose parent is Sarla Fibers based in India, has currently laid off their operations personnel as they determine what to do with their business.

To continue to attract employers to the area, Colleton 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 the adjoining properties to the Lowcountry Regional Airport Park, making mutual use of these facilities easily accomplished as needed. These facilities are providing area high school students hands on skills in welding and the use of computer numerical control machines which can lead to these students becoming nationally certified in these skills. 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**

Colleton County abounds with opportunities for residents and visitors to enjoy both indoor and outdoor activities. The Ace Basin Sports Complex continues to be a prime venue in the area in hosting numerous baseball and softball tournaments with over thirty being held in 2017. Dogwood Hills Golf Course and Restaurant completed their first full year of operation under County ownership, with the nine-hole golf course open to the public Tuesday through Sunday and the Restaurant offering lunch and dinner menu service each Thursday and Friday as well as a lunch buffet on the first Sunday of each month. In addition to these venues, the Colleton County Museum, Farmers Market, and Commercial Kitchen continue to grow in popularity with visitors as well as businesses who utilize the Commercial Kitchen services to help increase their product offerings. The businesses utilizing the Commercial Kitchen have grown from five to over twelve during the most recent fiscal year with two of the biggest success stories having to be the businesses that provide lunch offerings to the public at museum. These two businesses have seen their sales volume grow to over \$145,000 during the previous fiscal year. The County continues to expand the classes offered to young and old through the Memorial Library as well as putting a new bookmobile into service that was funded through a grant from the South Carolina State Library that will allow more residents to access. In addition to all the opportunities sponsored by the County, the area provides 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 FY17 with a strong financial position and continues to hold the rating of Aa3 with Moody's Investor Services and AA- with Standard and Poor's Rating Services that was reaffirmed as of April 2017. Total fund balance as of June 30, 2017, in the General Fund was \$8,525,672 of which \$7,739,608 was unassigned as compared to total fund balance of \$8,428,414 of which \$7,085,015 was unassigned in 2016. These total fund balance figures represent 30% and 32% of total expenditures, respectively. County budget ordinance requires the total general fund balance to be 20% of total expenditures. As an additional reference point, 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 3.2 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, IBNR 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**

The Government Finance Officers Association of the United States and Canada (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 as well as the Treasurer's office. 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, 2016**

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

#### Admin. Services Director

Administrative Services  
Public Relations  
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

### TECHNOLOGY

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

### MUSEUM

- Operations
- Community Activities
- Farmers Market
- Farm 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

### EMERGENCY PREPAREDNESS

- Disaster Planning
- EOP
- EOC
- LEPC

### Recreation

- Parks
- Active Recreation
- Fitness
- Golf Course

### Register of Deeds

- Plats
- Deeds
- Recording



COLLETON COUNTY  
SOUTH CAROLINA

**COLLETON COUNTY  
SOUTH CAROLINA**

**LIST OF PRINCIPAL OFFICIALS  
JUNE 30, 2017**

<b>TITLE</b>	<b>NAME</b>
County Administrator .....	J. Kevin Griffin
Chairman .....	Joseph F. Flowers, M.D.
Council Member.....	Evon Robinson, Sr.
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.....	Kenneth A. Campbell, Jr.



## INDEPENDENT AUDITOR'S REPORT

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**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, 2017, 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, 7% 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.

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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 Colleton County, South Carolina as of June 30, 2017, 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 12 through 21), the Budgetary Comparison Schedule of the General Fund (on page 64), the Schedule of Funding Progress (on page 65), the Schedules of the Proportionate Share of the Net Pension Liability (on pages 66 through 68), and the Schedules of Contributions (on pages 69 through 71) 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 Colleton County, South Carolina'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 summary schedule of court fines, assessments and surcharges 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.

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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 summary schedule of court fines, assessments and surcharges, 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 summary schedule of court fines, assessments and surcharges, 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 19, 2017, 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*

Macon, Georgia  
December 19, 2017

# FINANCIAL SECTION

## **COLLETON COUNTY, SOUTH CAROLINA**

### **Management's Discussion and Analysis**

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, 2017. 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 \$40,314,349 (net position). The County's net position increased by \$3,402,891.
- At the close of the current fiscal year the County's governmental funds reported combined ending fund balances of \$49,965,302, a decrease of \$6,730,783.
- FY 2017 general fund revenues were \$30,122,391 and general fund expenditures were \$28,223,290 with other financing sources of \$(1,801,843). The County's general fund increased \$97,258 from \$8,428,414 at the beginning of FY 2017 to \$8,525,672 at the end of FY 2017.

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to Colleton 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 22 and 23 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, 2017. 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 Colleton 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, streets and highways, sanitation, recreation and culture, health and human services, intergovernmental, and economic development.

**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, Colleton County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of Colleton County can be divided into two categories: governmental and fiduciary.

**Governmental Funds** – Governmental funds, presented on pages 24 and 26, 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 two major funds, the General Fund and the Capital Projects 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 28 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 29 to 63 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 64. Also included is the schedule of funding progress for the OPEB health plan and page 65. Historical pension information is located on pages 66 through 71 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 72 – 95 of this report.

Component unit financial statements are presented for the memorial library and the fire and rescue commission on pages 96-106 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 \$40,314,349 at June 30, 2017, as compared to \$36,911,458 at June 30, 2016.

<b>COLLETON COUNTY, SOUTH CAROLINA NET POSITION</b>		
	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
<b>Assets</b>		
Current and other assets	\$ 55,841,393	\$ 63,662,781
Capital assets	53,799,252	45,687,199
Total assets	<u>109,640,645</u>	<u>109,349,980</u>
Deferred Outflows of Resources	<u>4,588,988</u>	<u>2,238,156</u>
<b>Liabilities</b>		
Long-term liabilities	69,144,658	69,097,380
Other liabilities	4,030,513	5,269,034
Total liabilities	<u>73,175,171</u>	<u>74,366,414</u>
Deferred Inflows of Resources	<u>740,113</u>	<u>310,264</u>
<b>Net Position</b>		
Net investment in capital assets	37,187,490	31,778,627
Fund balance		
Restricted	12,733,361	17,017,936
Unrestricted	<u>(9,606,502)</u>	<u>(11,885,105)</u>
Total net position	<u>\$ 40,314,349</u>	<u>\$ 36,911,458</u>

By far the largest portion of the County net position \$37,187,490 (92%) 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, 2017, as compared to \$31,778,627 (86%) at June 30, 2016. 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, 2017, the County had a net position restricted for debt service in the amount of \$6,455,359, which was an increase of \$829,041 from June 30, 2016.

The restricted portion of net position of \$12,733,361 (32%) 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, debt service accounts, economic development, emergency and law enforcement services, and other revenue sources that are earmarked for specific County functions. The remaining net position represents a deficit balance of \$(9,606,502) (-24%) in unrestricted net position which is a decrease of \$2,278,603 from the prior year. This increase was due to the increase in net position of \$3,402,891 that was driven by strong growth in tax and fee revenues offset by the

increase in investment in capital assets that was related to the ongoing county-wide projects related to the Capital Sales Tax Project referendum approved in November 2014.

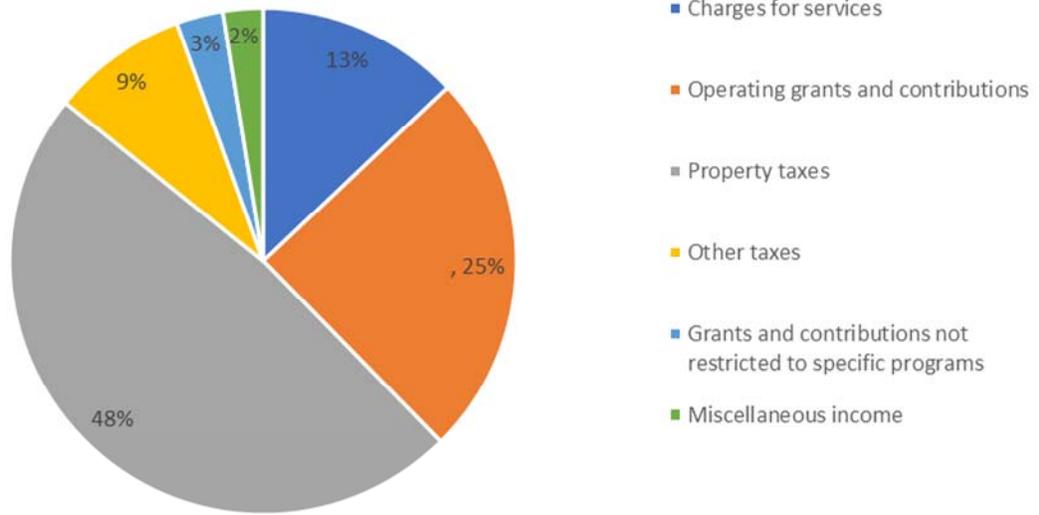
**Governmental Activities.** The County's total net position increased \$3,402,891 in 2017 compared to an increase of \$2,526,420 in 2016. Key elements of this change in net position are as shown in the following table.

**COLLETON COUNTY, SOUTH CAROLINA CHANGES IN NET POSITION**

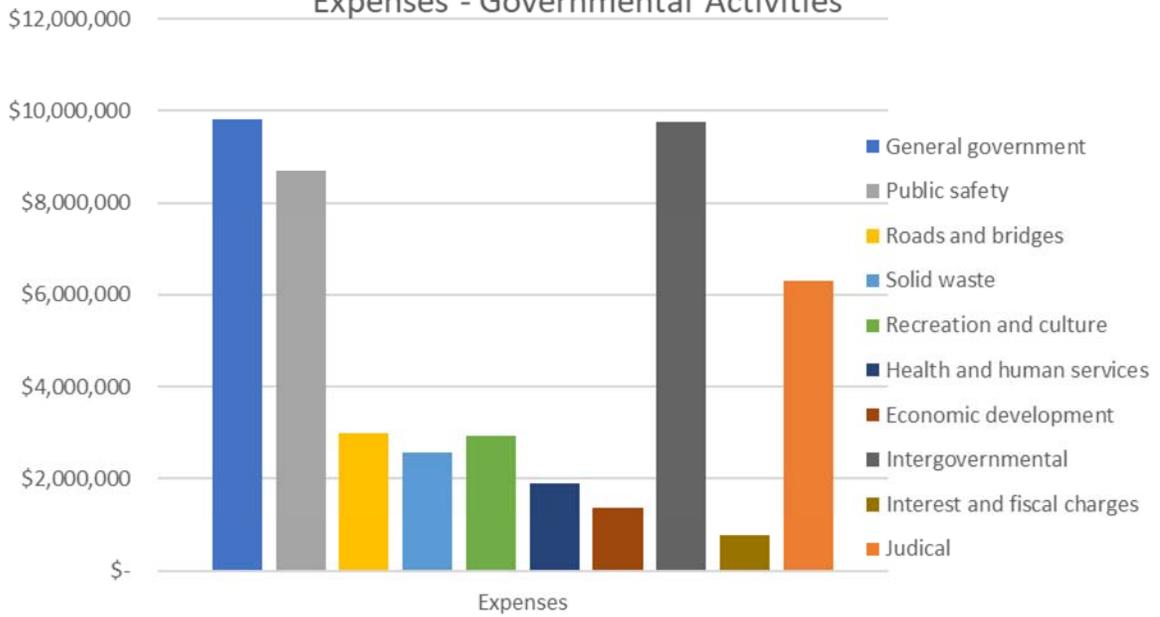
	2017	2016
Revenues		
Program Revenues		
Charges for services	\$ 6,556,873	\$ 6,068,631
Operating grants and contributions	12,448,200	11,726,799
General Revenues		
Property taxes	24,289,100	22,760,566
Other taxes	4,401,917	4,284,971
Grants and contributions not restricted to specific programs	1,508,783	1,875,873
Miscellaneous income	1,287,099	724,951
Total Revenues	50,491,972	47,441,791
Expenses		
Governmental Activities:		
General government	9,810,028	9,227,968
Judicial	6,309,402	5,871,221
Public safety	8,702,190	8,319,638
Roads and bridges	2,975,077	6,405,248
Solid waste	2,575,815	2,418,936
Recreation and culture	2,927,170	2,627,302
Health and human services	1,888,520	1,908,438
Economic development	1,377,821	1,650,684
Intergovernmental	9,763,973	5,590,873
Interest and fiscal charges	759,085	895,063
Total Expenses	47,089,081	44,915,371
Change in Net Position	3,402,891	2,526,420
Net Position, beginning of year	36,911,458	34,832,946
Prior period adjustment	-	(447,908)
Net Position, end of year	\$ 40,314,349	\$ 36,911,458

During the current fiscal year, net position for governmental activities increased \$3,402,891 from the prior fiscal year for an ending balance of \$40,314,349. Overall revenues were up \$3,050,181 due primarily to growth in the tax base while expenses were up \$2,173,710 due primarily to other infrastructure improvements to other area municipal governments.

Revenue by Source-Governmental Activities



Expenses - Governmental Activities



## 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 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, 2017, the County's governmental funds reported combined fund balances of \$49,965,302, a decrease of \$6,730,783 in comparison with the prior year. Approximately 15% of this amount \$7,739,608 constitutes *unassigned fund balance*, with 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 (\$3,333), 2) restricted for particular purposes (\$12,733,361), 3) committed for particular purposes (\$27,786,468), 4) assigned for particular purposes (\$1,702,532).

The general fund is the chief operating fund of the County. At June 30, 2017, unassigned fund balance of the general fund was \$7,739,608. 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 27% of total general expenditures, while total fund balance represents approximately 30%. 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 \$97,258. This increase represents an increase of 1.2% in fund balance that was based on revenues increasing by 6.7% that were in part offset by operating expenditures growth of 5.5% and transfer of \$2 million in available funds to the Capital Projects Fund to provide funding for Council approved projects.

During the current fiscal year, the fund balance of the County's capital projects fund decreased by \$8,247,612. This decrease was primarily related to the funds provided to either other governments or contracted vendors on the projects that were approved as part of the Capital Projects Sales Tax referendum approved by the voters in November 2014.

## Budgetary Highlights

General Fund - The County's actual amounts reported for revenues of \$30,122,391 were \$1,814,789 less than the final budgeted amount of \$31,937,180. This decrease \$(2,777,054) related to other income was offset by increases of \$420,365 in taxes, \$132,369 in ingovernmental and \$409,531 in fees and fines. Overall expenditures of \$28,223,290 were under the final budgeted amount of \$30,181,323 by \$1,958,033. The majority of this expenditure savings \$682,310 in current general government, \$396,157 in current roads and bridges, \$253,755 in capital outlay general government, \$390,919 in capital outlay sanitation and \$323,898 in capital outlay recreation and culture that was offset by \$(472,453) in current recreation and culture. Other financing sources (uses) reported an actual amount of \$(1,801,843) were \$(27,354) higher than the budgeted amount of \$(1,755,857).

**Capital Asset and Debt Administration**

**Capital Assets** – the County’s investment in capital assets for its governmental activities as of June 30, 2017, amounts to \$53,799,252 (net of accumulated depreciation) as compared to \$45,687,199 at June 30, 2016. This investment in capital assets of \$8,121,293 (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 2017 include some of the following:

- \$446 thousand for new/replacement public safety vehicles.
- \$496 thousand for new heavy equipment for use in facility maintenance, solid waste and roads and bridges departments.
- \$1.2 million for completed county road and drainage improvements
- \$188 thousand for new/replacement county fleet departmental assigned vehicles.
- \$324 thousand for new solid waste convenience site
- \$1.4 million for construction in progress related to capital sales tax projects approved in the November 2014 referendum, including:
  - \$377 thousand for the law enforcement center
  - \$753 thousand for the new solid waste transfer station
  - \$167 thousand for the Hampton Street auditorium renovations
  - \$30 thousand for renovations at the recreation center
  - \$77 thousand for the new customer service center
- \$7.3 million for construction in progress related to various ongoing county road improvement projects.

Additional information on the County’s capital assets can be found in note 5 on page 40 in the notes to the financial statements.

<b>COLLETON COUNTY, SOUTH CAROLINA CAPITAL ASSETS, NET OF DEPRECIATION</b>		
	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
Land and land infrastructure	\$ 7,204,545	\$ 7,202,399
Construction in progress	9,389,415	662,137
Buildings and improvements	17,602,241	18,643,424
Improvements other than buildings	7,266,515	7,393,689
Equipment and vehicles	6,121,866	5,850,954
Infrastructure	6,214,670	5,934,596
Total	<u>\$ 53,799,252</u>	<u>\$ 45,687,199</u>

**Debt Administration** - On June 30, 2017, Colleton County had long term obligations of \$69,144,658 compared to outstanding debt at June 30, 2016 totaling \$69,097,380, which represents an increase from the prior fiscal year of \$47,278. During the fiscal year, one new capital lease agreement in the amount of \$2 million was issued to finance the purchase of additions and replacements of county vehicles and equipment. Because of the County's implementation of the GASB 68, Accounting and Financial Reporting for Pensions, the County is reporting a \$27,322,372 net pension liability. Payments on debt were made in accordance with the scheduled debt payments.

**COLLETON COUNTY, SOUTH CAROLINA LONG-TERM OBLIGATIONS**

	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
General Obligation Bonds	\$ 35,440,618	\$ 38,989,949
Capital Leases	2,473,923	1,854,089
Net OPEB Obligation	1,838,977	1,565,263
Note Payable	880,032	880,032
Landfill Closure and Post Closure Cost	491,709	474,325
Compensated Absences	697,027	655,213
Net Pension Liability	27,322,372	24,678,509
Total	<u>\$ 69,144,658</u>	<u>\$ 69,097,380</u>

Additional information on the County's long-term obligations can be found in note 6 on page 43 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 eight percent 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 2017 tax assessment value of \$171,104,050 is \$13,688,324 for fiscal year ended June 30, 2017. As of June 30, 2017, the County has net debt applicable to the limit of \$8,301,301 which equals a 60.65% total net debt applicable to the limit percentage.

**Debt Rating** - During April 2017, Standard and Poor's reaffirmed their rating previously issued in the previous year. The County continued to receive a rating of AA-/Stable from Standard and Poor's. In its analysis, S&P noted the following positive attributes of Colleton County and its management:

- Strong budgetary performance with operating surpluses in both the general fund and governmental fund level;
- Strong budgetary flexibility with an available fund balance in fiscal 2016 of 30% of operating expenditures;
- Strong debt and contingent liability position, with debt service carrying charges at 6.7% of expenditures and net direct debt that is 102.4% of total governmental fund revenue as well as rapid amortization, with 8.2% of debt scheduled to be retired in 10 years.

**Economic Factors and Next Year's Budget**

The County passed budget ordinance no. 17-O-03 to provide for the levy of taxes in Colleton County, South Carolina with third and final reading on June 6, 2017 to be effective July 1, 2017 through June 30, 2018. The following budgets and millages were approved by this ordinance:

**COLLETON COUNTY, SOUTH CAROLINA 2017-2018 ORIGINAL FUND BUDGET**

	<u>Amount</u>	<u>Millage</u>
General Fund	\$ 26,622,205	114.81
Debt Service Fund	1,987,148	10.24
Fire Rescue Commission	8,716,753	33.56
Fire Rescue Commission Debt Service	2,182,881	22.66
Capital Projects Sales Tax Debt Service	4,080,850	-
Capital Fund	571,554	-
Special Revenue Fund (various grants)	945,532	-
State Aid to Library	-	-
Memorial Library Fund	598,837	-
IV-D Sheriff Unit Costs	14,190	-
IV-D Clerk of Court Unit Costs	164,977	-
IV-D Clerk of Court Fund Incentives	36,975	-
Victim Witness Services	57,802	-
Animal Care and Control	149,298	-
Solicitor Special Revenue	-	-
Non-GOB Related Debt Service	925,758	-
Emergency Telephone Fund	345,000	-
Infrastructure/Industrial Development Fund	-	-
County Hospitality Tax Fund	615,000	-
County Accomodations Tax Fund	1,100,915	-
Recreation Fund	1,727,541	-
Road and Bridges Fund	2,079,272	-
School District	-	110.42
Solid Waste Fund	2,247,801	-
Total	<u>\$ 55,170,289</u>	<u>291.69</u>

This budget represents similar non-personnel operating expense funding levels for departments as was provided during fiscal year 2016-2017 though revenues have been budgeted to increase. The increase in revenues was primarily in property taxes and is based on a conservative 2% increase in assessed real and personal property values given that 2017 is a reassessment year, though millage rates remain unchanged for businesses and residents in the County. The budget did provide adjustments in regard to personnel and benefit expenditures which include a minimum of two and half percent cost of living adjustment as well as an increase in retirement contributions (as mandated) on all active staff. Retirees insurance cost has been budgeted to continue at a fifty percent funding split between the County and the Retiree.

**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.

# BASIC FINANCIAL STATEMENTS

**COLLETON COUNTY, SOUTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

	Governmental	Component Units		
		Memorial	Fire and Rescue	Alcohol & Drug
	Activities	Library	Commission	Commission
<b>Assets</b>				
Cash and cash equivalents	\$ 47,173,604	\$ 91,408	\$ 305,629	\$ 36,925
Investments	366,133	-	-	118,669
Receivables, net of allowances	5,110,212	4,012	2,919,606	10,798
Due from state agency	-	-	-	62,262
Prepays and deposits	269,206	8,495	142,801	-
Assets held for resale	2,922,238	-	-	-
Capital assets				
Nondepreciable	16,593,960	-	529,165	-
Depreciable, net of accumulated depreciation	37,205,292	381,829	9,558,627	-
<b>Total assets</b>	<b>109,640,645</b>	<b>485,744</b>	<b>13,455,828</b>	<b>228,654</b>
<b>Deferred outflows of resources</b>				
Deferred outflows for net pension liability	4,588,988	103,632	1,809,386	-
<b>Total deferred outflows of resources</b>	<b>4,588,988</b>	<b>103,632</b>	<b>1,809,386</b>	<b>-</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 114,229,633</b>	<b>\$ 589,376</b>	<b>\$ 15,265,214</b>	<b>\$ 228,654</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 2,259,584	\$ 22,715	\$ 158,536	\$ 60,653
Payroll liabilities	743,739	6,311	119,269	10,807
Accrued liabilities	360,650	-	75,993	8,585
Unearned revenues	666,540	18,281	-	-
<b>Noncurrent liabilities</b>				
Due within one year	5,030,186	3,445	1,278,337	-
Due in more than one year	64,114,472	929,373	15,085,144	-
<b>Total liabilities</b>	<b>73,175,171</b>	<b>980,125</b>	<b>16,717,279</b>	<b>80,045</b>
<b>Deferred inflows of resources</b>				
Deferred inflows for net pension liability	740,113	14,756	348,932	-
<b>Total deferred inflows of resources</b>	<b>740,113</b>	<b>14,756</b>	<b>348,932</b>	<b>-</b>
<b>Net position</b>				
Net investment in capital assets	37,187,490	381,829	3,099,953	-
<b>Restricted</b>				
Emergency services	359,691	-	-	-
Courts administration	61,877	-	-	-
Law enforcement	588,993	-	-	-
Solid waste	364,000	-	-	-
<b>Economic development</b>				
Expendable	1,582,038	-	-	-
Nonexpendable	2,922,238	-	-	-
Debt service	6,455,359	-	137,518	-
Other purposes	399,165	-	-	-
Unrestricted (deficit)	(9,606,502)	(787,334)	(5,038,468)	148,609
<b>Total net position</b>	<b>40,314,349</b>	<b>(405,505)</b>	<b>(1,800,997)</b>	<b>148,609</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 114,229,633</b>	<b>\$ 589,376</b>	<b>\$ 15,265,214</b>	<b>\$ 228,654</b>

The notes to the financial statements are an integral part of this statement.



**COLLETON COUNTY, SOUTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

	General	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,643,420	\$ 30,050,089	\$ 9,480,095	\$ 47,173,604
Investments	366,133	-	-	366,133
Receivables, net of allowances	3,565,212	502,082	1,042,918	5,110,212
Due from other funds	-	-	11,949	11,949
Prepaid items	3,333	-	-	3,333
Assets held for resale	-	2,922,238	-	2,922,238
Total assets	<u>\$ 11,578,098</u>	<u>\$ 33,474,409</u>	<u>\$ 10,534,962</u>	<u>\$ 55,587,469</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 519,744	\$ 1,479,090	\$ 260,750	\$ 2,259,584
Accrued payroll and benefits	667,250	-	76,489	743,739
Accrued expenses	3,031	-	15,358	18,389
Due to other funds	-	-	11,949	11,949
Unearned revenue	46,219	518,255	102,066	666,540
Total liabilities	<u>1,236,244</u>	<u>1,997,345</u>	<u>466,612</u>	<u>3,700,201</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-fees	57,579	-	-	57,579
Unavailable revenue-property taxes	1,467,353	-	105,784	1,573,137
Unavailable revenue-spec assessments	291,250	-	-	291,250
Total deferred inflows of resources	<u>1,816,182</u>	<u>-</u>	<u>105,784</u>	<u>1,921,966</u>
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid items	3,333	-	-	3,333
Restricted				
Emergency services	-	-	359,691	359,691
Courts administration	-	-	61,877	61,877
Law enforcement	-	-	588,993	588,993
Solid waste	364,000	-	-	364,000
Economic development	-	4,504,276	-	4,504,276
Debt service	-	-	6,455,359	6,455,359
Other purposes	-	-	399,165	399,165
Committed				
General government	-	5,572,849	-	5,572,849
Economic development	-	976,302	-	976,302
Public Safety	-	4,715,454	-	4,715,454
Solid waste	-	2,728,600	-	2,728,600
Road and bridges	-	178,067	-	178,067
Recreation and culture	-	4,549,893	594,006	5,143,899
Intergovernmental	219,674	8,251,623	-	8,471,297
Assigned				
Solid waste	70,746	-	-	70,746
Road and bridges	-	-	-	-
Recreation and culture	128,311	-	-	128,311
Law enforcement	-	-	1,374,278	1,374,278
Health and welfare	-	-	129,197	129,197
Unassigned	7,739,608	-	-	7,739,608
Total fund balances	<u>8,525,672</u>	<u>31,477,064</u>	<u>9,962,566</u>	<u>49,965,302</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,578,098</u>	<u>\$ 33,474,409</u>	<u>\$ 10,534,962</u>	<u>\$ 55,587,469</u>

The notes to the financial statements are an integral part of this statement.

**COLLETON COUNTY, SOUTH CAROLINA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

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

Total fund balances - governmental funds	\$	49,965,302
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Land and land infrastructure	\$	7,204,545
Construction in progress		9,389,415
Buildings and improvements, net of accumulated depreciation of \$12,877,008		17,602,241
Improvements other than buildings, net of accumulated depreciation of \$4,416,652		7,266,515
Equipment and vehicles, net of accumulated depreciation of \$17,473,549		6,121,866
Infrastructure, net of accumulated depreciation of \$6,574,838		6,214,670
		53,799,252
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the funds:		
Property taxes and other special assessments		1,864,387
Solid waste receivables		57,579
		1,921,966
Deferred outflows and inflows of resources represents amounts applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows related to pensions		4,588,988
Deferred inflows related to pensions		(740,113)
Total deferred outflows and inflows of resources		3,848,875
Disbursements for insurance coverage reflected in the funds cover periods extending beyond year-end.		
		265,873
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period, and therefore, are not reported in the funds.		
General obligation bonds		(34,930,000)
Notes payable		(880,032)
Bond premiums		(510,618)
Capital leases		(2,473,923)
Compensated absences		(697,027)
Landfill closure and post closure cost		(491,709)
Accrued interest		(342,261)
Net pension liability		(27,322,372)
OPEB obligation		(1,838,977)
		(69,486,919)
Total net position - governmental activities	\$	40,314,349

The notes to the financial statement are an integral part of this statement.

**COLLETON COUNTY, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenue</b>				
Taxes	\$ 21,591,315	\$ -	\$ 7,037,982	\$ 28,629,297
Intergovernmental revenues	1,913,654	3,334,212	8,709,117	13,956,983
Fines and fees	5,857,180	-	659,403	6,516,583
Other income	760,242	403,890	75,134	1,239,266
Total revenue	<u>30,122,391</u>	<u>3,738,102</u>	<u>16,481,636</u>	<u>50,342,129</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	9,226,526	6,530	-	9,233,056
Judicial	1,368,904	-	4,310,488	5,679,392
Public safety	6,493,700	274	1,219,212	7,713,186
Roads and bridges	1,640,233	425,000	30,890	2,096,123
Solid waste	2,256,218	-	-	2,256,218
Recreation and culture	1,817,007	4,360	508,055	2,329,422
Health and human services	900,553	-	851,201	1,751,754
Economic development	253,021	181,433	468,220	902,674
Intergovernmental	3,698,499	5,282,949	782,525	9,763,973
<b>Capital Outlay</b>				
General government	114,214	151,826	-	266,040
Judicial	-	-	16,095	16,095
Public safety	17,385	708,806	239,013	965,204
Streets and highways	8,173	8,062,967	633,960	8,705,100
Sanitation	422,887	752,634	-	1,175,521
Recreation and culture	5,970	209,785	198,206	413,961
Economic development	-	147,731	-	147,731
<b>Debt Service</b>				
Principal retirement	-	-	4,860,166	4,860,166
Interest payments	-	-	854,370	854,370
Total expenditures	<u>28,223,290</u>	<u>15,934,295</u>	<u>14,972,401</u>	<u>59,129,986</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,899,101</u>	<u>(12,196,193)</u>	<u>1,509,235</u>	<u>(8,787,857)</u>
<b>Other financing sources (uses)</b>				
Issuance of Debt	-	2,000,000	-	2,000,000
Gain on sale of asset	3,000	24,093	1,318	28,411
Insurance recoveries	21,964	-	6,699	28,663
Transfers in	1,614,696	3,582,300	1,333,981	6,530,977
Transfers out	(3,441,503)	(1,657,812)	(1,431,662)	(6,530,977)
Total other financing sources (uses)	<u>(1,801,843)</u>	<u>3,948,581</u>	<u>(89,664)</u>	<u>2,057,074</u>
Net change in fund balance	97,258	(8,247,612)	1,419,571	(6,730,783)
Fund balances, beginning of year	8,428,414	39,724,676	8,542,995	56,696,085
Fund balances, end of year	<u>\$ 8,525,672</u>	<u>\$ 31,477,064</u>	<u>\$ 9,962,566</u>	<u>\$ 49,965,302</u>

The notes to the financial statements are an integral part of this statement.

**COLLETON COUNTY, SOUTH CAROLINA**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES FOR THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

Net change in fund balances - total governmental funds \$ (6,730,783)

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. This is the amount by which capital outlays exceeded depreciation in the current period.

Loss on disposal of capital assets	\$ (9,240)	
Capital outlay	11,689,651	
Depreciation expense	<u>(3,568,358)</u>	8,112,053

Because some revenues will not be collected for several months after the County's fiscal year end, they are not considered "available" revenues in the governmental funds. Amounts not meeting current year availability criteria, not recognized in governmental funds in the current year:

Property taxes and other special assessments	86,405	
Solid waste receivables	<u>15,604</u>	102,009

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The details of net changes in such accruals are as follows:

Compensated absences	(41,814)	
Landfill closure and postclosure cost	(17,384)	
OPEB obligation	(273,714)	
Accrued interest	95,285	
Pension expenses	<u>(722,880)</u>	(960,507)

The issuance of long-term debt (e.g., bonds, leases) 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. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Issuance of debt	(2,000,000)	
General obligation bonds	3,480,000	
Capital leases	<u>1,380,166</u>	2,860,166

Disbursements for insurance policies that cover periods extending beyond year-end are expenditures in the governmental funds but are amortized over the policy period in the statement of net position.

		<u>19,953</u>
Change in net position of governmental activities	\$	<u><u>3,402,891</u></u>

The notes to the financial statements are an integral part of this statement.

**COLLETON COUTY, SOUTH CAROLINA  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
JUNE 30, 2017**

	Agency Funds
<b>Assets</b>	
Cash and equivalents	\$ 10,876,528
Accounts receivable	2,378
Total assets	\$ 10,878,906
 <b>Liabilities</b>	
Accounts payable	\$ 40,837
Assets held for others	10,838,069
Total liabilities	\$ 10,878,906

The notes to the financial statements are an integral part of this statement.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**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's (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.

**Blended Component Units**

The Colleton County Development Board, an entity legally separate from the County, is governed by a seven-member board appointed by 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.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**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 & 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 government 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.

In addition, the County reports the following non-major 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. The Capital Sales Tax Debt Service Fund collects the local option special purpose sales taxes to pay the debt service for the Capital Penny Sales Tax Bond that was passed by voter referendum.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

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.

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.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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 Sheriffs Discretionary Fund, Public Defender 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.

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 good 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.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

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 \$1.00.

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.

Prepaid items

Certain payments to vendors for services that will benefit period beyond June 30, 2017 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.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - 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:

	Years		
	County	Component Units	
		Library and Fire and Rescue	Alcohol and Drug
Buildings and improvements			
Buildings	45	45	n/a
Building improvements	10	10	n/a
Improvements other than buildings			
Improvements other than buildings	10	10	n/a
Radio and fire towers	10	10	n/a
Library materials	n/a	5	n/a
Machinery and equipment			
Furniture and office equipment	5	5	3 – 20
Fire and medical equipment	5	5	n/a
Heavy vehicles and equipment	10	10	n/a
Vehicles			
Airplanes	6	n/a	n/a
Law enforcement vehicles	3	n/a	n/a
Other vehicles	5	5	3 – 20
Infrastructure	20	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 a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County reports deferred outflows related to its net pension liability in the statement of net position.

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 a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has unavailable revenues from property taxes and special assessments 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. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

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.

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.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**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.

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 15<sup>th</sup>. 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.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 2 – DEPOSITS AND INVESTMENTS**

*Primary Government, Fire and Rescue Commission, and Library*

As of June 30, 2017, the County reported investments of \$366,133 in the general fund with the following investment maturities:

Investment Type	Fair Value	(in years) Less than 1
Certificates of deposits	\$ 366,133	\$ 366,133
Total fair value	\$ 366,133	\$ 366,133

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.

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

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 2 DEPOSITS AND INVESTMENTS - CONTINUED**

**Deposits and Investments - Continued**

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.

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 investment credit risk and concentration of credit risk. 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.

	<u>Fair Value at June 30, 2017</u>	<u>Percentage of Portfolio</u>	<u>Credit Rating</u>
Repurchase agreements	\$ 19,869,094	34%	Unrated
Certificates of deposit	366,133	1%	N/A
Savings accounts	1,443,938	2%	N/A
Checking accounts	37,130,841	63%	N/A
Cash on hand	3,296	0%	
Deposits and investments held by County Treasurer	<u>\$ 58,813,302</u>	<u>100%</u>	

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.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 2 DEPOSITS AND INVESTMENTS – CONTINUED**

As of June 30, 2017, the County’s bank balance of \$58,813,302 was fully collateralized by pledging financial institutions trust departments in the County’s name.

**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.

As of June 30, 2017, \$19,869,094 of investments were in repurchase agreements held by either the counterparty, its trust department, or agent for the County.

**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			Component Units		
	General	Capital Projects Fund	Nonmajor Governmental Funds	Fire and Rescue	Library	Alcohol & Drug Commission
Receivables						
Taxes	\$ 4,350,936	\$ -	\$ 333,079	\$ 1,338,858	\$ -	\$ -
Accounts	1,321,361	-	-	10,006,936	-	10,798
Other	1,107,905	502,082	899,153	43,131	4,012	-
Gross receivables	<u>6,780,202</u>	<u>502,082</u>	<u>1,232,232</u>	<u>11,388,925</u>	<u>4,012</u>	<u>10,798</u>
Allowance for uncollectibles						
Taxes	2,465,091	-	189,314	763,978	-	-
Accounts	749,899	-	-	7,705,341	-	-
Total allowance	<u>3,214,990</u>	<u>-</u>	<u>189,314</u>	<u>8,469,319</u>	<u>-</u>	<u>-</u>
Net total receivables	<u>\$ 3,565,212</u>	<u>\$ 502,082</u>	<u>\$ 1,042,918</u>	<u>\$ 2,919,606</u>	<u>\$ 4,012</u>	<u>\$ 10,798</u>

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 4 INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2017 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds		
General	\$ 1,614,696	\$ 3,441,503
Capital Projects Fund	3,582,300	1,657,812
Nonmajor governmental funds	1,333,981	1,431,662
Total interfund balances	<u>\$ 6,530,977</u>	<u>\$ 6,530,977</u>

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, 2017 was as follows:

<u>Governmental Activities</u>	<u>June 30, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2017</u>
Capital assets not being depreciated				
Land	\$ 2,694,881	\$ 2,146	\$ -	\$ 2,697,027
Land - infrastructure	4,507,518	-	-	4,507,518
Construction in progress	662,138	8,727,277	-	9,389,415
Total capital assets, not being depreciated	<u>7,864,537</u>	<u>8,729,423</u>	<u>-</u>	<u>16,593,960</u>
Capital assets being depreciated				
Buildings and improvements	30,429,222	50,027	-	30,479,249
Improvements other than buildings	11,109,909	573,258	-	11,683,167
Equipment and vehicles	22,338,190	1,632,243	375,018	23,595,415
Infrastructure	12,084,808	704,700	-	12,789,508
Total capital assets, being depreciated	<u>75,962,129</u>	<u>2,960,228</u>	<u>375,018</u>	<u>78,547,339</u>
Less accumulated depreciation for:				
Buildings and improvements	11,785,798	1,091,210	-	12,877,008
Improvements other than buildings	3,716,220	700,432	-	4,416,652
Equipment and vehicles	16,487,236	1,352,091	365,778	17,473,549
Infrastructure	6,150,213	424,625	-	6,574,838
Total accumulated depreciation	<u>38,139,467</u>	<u>3,568,358</u>	<u>365,778</u>	<u>41,342,047</u>
Total capital assets being depreciated, net	<u>37,822,662</u>	<u>(608,130)</u>	<u>9,240</u>	<u>37,205,292</u>
Governmental activities capital assets, net	<u>\$ 45,687,199</u>	<u>\$ 8,121,293</u>	<u>\$ 9,240</u>	<u>\$ 53,799,252</u>

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 5 CAPITAL ASSETS - CONTINUED**

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

<b>Government Activities</b>	
General government	\$ 391,500
Judicial	420,964
Public safety	675,582
Roads and bridges	712,906
Solid waste	257,719
Recreation and culture	550,014
Health and human service	95,404
Economic development	464,269
Total depreciation expense - governmental activities	<b>\$ 3,568,358</b>

**Discretely Presented Component Units**

Activity for the year ended June 30, 2017 is as follows:

<b>Fire and Rescue Commission</b>	<b>June 30, 2016</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2017</b>
Capital assets not being depreciated				
Land	\$ 529,165	\$ -	\$ -	\$ 529,165
Total capital assets, not being depreciated	529,165	-	-	529,165
Capital assets being depreciated				
Buildings and improvements	6,908,991	-	-	6,908,991
Improvements other than buildings	147,532	-	-	147,532
Equipment and vehicles	18,842,006	5,420	-	18,847,426
Total capital assets, being depreciated	25,898,529	5,420	-	25,903,949
Less accumulated depreciation for:				
Buildings and improvements	1,752,000	183,856	-	1,935,856
Improvements other than buildings	110,260	8,018	-	118,278
Equipment and vehicles	13,317,323	973,865	-	14,291,188
Total accumulated depreciation	15,179,583	1,165,739	-	16,345,322
Total capital assets being depreciated, net	10,718,946	(1,160,319)	-	9,558,627
Fire and Rescue Commission capital assets, net	\$ 11,248,111	\$ (1,160,319)	\$ -	\$ 10,087,792

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 5 CAPITAL ASSETS - CONTINUED**

<u>Library</u>	<u>June 30, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2017</u>
Capital assets being depreciated				
Buildings and improvements	\$ 119,026	\$ -	\$ -	\$ 119,026
Library materials	1,977,387	94,338	21,294	2,050,431
Equipment and vehicles	211,658	163,955	-	375,613
Total capital assets, being depreciated	<u>2,308,071</u>	<u>258,293</u>	<u>21,294</u>	<u>2,545,070</u>
Less accumulated depreciation for:				
Buildings and improvements	119,026	-	-	119,026
Library materials	1,783,027	71,556	21,294	1,833,289
Equipment and vehicles	208,596	2,330	-	210,926
Total accumulated depreciation	<u>2,110,649</u>	<u>73,886</u>	<u>21,294</u>	<u>2,163,241</u>
Total capital assets being depreciated, net	<u>197,422</u>	<u>184,407</u>	<u>-</u>	<u>381,829</u>
 Library capital assets, net	 <u>\$ 197,422</u>	 <u>\$ 184,407</u>	 <u>\$ -</u>	 <u>\$ 381,829</u>
<u>Alcohol and Drug Commission</u>	<u>June 30, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2017</u>
Capital assets being depreciated				
Vehicles	\$ 41,016	\$ -	\$ -	\$ 41,016
Total capital assets, being depreciated	<u>41,016</u>	<u>-</u>	<u>-</u>	<u>41,016</u>
Less accumulated depreciation for:				
Vehicles	41,016	-	-	41,016
Total accumulated depreciation	<u>41,016</u>	<u>-</u>	<u>-</u>	<u>41,016</u>
Total capital assets being depreciated, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Alcohol and Drug Commission capital assets, net	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

Depreciation expense incurred by the component units during the year ended June 30, 2017 was as follows:

Fire and rescue commission	\$ 1,165,739
Library	73,886
Total depreciation expense - governmental activities	<u>\$ 1,239,625</u>

**Assets held for sale**

As of June 30, 2017, the County owns several parcels of land in the Colleton County Commerce Center for speculative purposes and to date on one parcel has constructed an industrial building for sale that have a fair market value of \$2,922,238 and are actively being marketed. These assets are considered held for sale and have been separated from capital assets on the Statement of Net Position and no depreciation will be taken on this asset since it is considered held for sale.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6 – LONG-TERM OBLIGATIONS**

Long-term obligations for the year ended June 30, 2017 is as follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Due within</u> <u>one year</u>
<b>Primary Government</b>					
<u>Governmental activities</u>					
Bonds					
General obligation	\$ 38,410,000	\$ -	\$ 3,480,000	\$ 34,930,000	\$ 4,055,000
Bond premiums	579,949	-	69,331	510,618	-
Capital leases	1,854,089	2,000,000	1,380,166	2,473,923	870,632
Net OPEB obligation	1,565,263	296,475	22,761	1,838,977	-
Note payable	880,032	-	-	880,032	-
Landfill closure and postclosure costs	474,325	17,384	-	491,709	-
Net pension liability	24,678,509	4,180,643	1,536,780	27,322,372	-
Compensated absences	655,213	351,862	310,048	697,027	104,554
Total long-term liabilities	<u>\$ 69,097,380</u>	<u>\$ 6,846,364</u>	<u>\$ 6,799,086</u>	<u>\$ 69,144,658</u>	<u>\$ 5,030,186</u>
<b>Component Units</b>					
<u>Fire and Rescue Commission</u>					
General obligation bonds	\$ 5,700,000	\$ -	\$ 910,000	\$ 4,790,000	\$ 940,000
Capital Lease	2,484,043	-	286,204	2,197,839	292,845
Net OPEB obligation	296,901	41,989	3,220	335,670	-
Net pension liability	8,012,024	1,324,538	599,872	8,736,690	-
Compensated absences	250,343	213,971	161,032	303,282	45,492
Total Fire and Rescue	<u>\$ 16,743,311</u>	<u>\$ 1,580,498</u>	<u>\$ 1,960,328</u>	<u>\$ 16,363,481</u>	<u>\$ 1,278,337</u>
<u>Library</u>					
Compensated absences	\$ 21,595	\$ 15,974	\$ 14,602	\$ 22,967	\$ 3,445
Net pension liability	635,958	86,765	35,922	686,801	-
Net OPEB obligation	181,314	41,736	-	223,050	-
Total Library	<u>\$ 838,867</u>	<u>\$ 144,475</u>	<u>\$ 50,524</u>	<u>\$ 932,818</u>	<u>\$ 3,445</u>

**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, 2017, the County was in compliance with this requirement.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED**

The following is a summary of each long-term bond obligation of the governmental activities of the County at June 30, 2017:

<b><u>General Obligation Bonds</u></b>	<b><u>Balance</u></b>
\$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.	\$ 5,115,000
\$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.	3,140,000
\$29,700,000 General Obligation Bond Series 2015, 1.82% annual interest, annual principal and interest payments beginning in 2016, matures 2024, for the purpose of county-wide projects approved by voters.	<u>26,675,000</u>
	<u><u>\$ 34,930,000</u></u>

The annual requirements to amortize the bonds are as follows:

<b><u>Fiscal Year Ending June 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2018	\$ 4,055,000	\$ 740,378	\$ 4,795,378
2019	4,105,000	673,965	4,778,965
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
2023-2027	10,765,000	985,695	11,750,695
2028-2032	3,175,000	340,151	3,515,151
	<u><u>\$ 34,930,000</u></u>	<u><u>\$ 4,268,423</u></u>	<u><u>\$ 39,198,423</u></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.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED**

<b><u>Capital Leases Payable</u></b>	<b><u>Balance</u></b>
Lease #1 - The County has entered into a capital lease agreement, secured by a civic center, bearing interest at 4.87% with annual payments of \$119,515, maturing August 2017.	\$ 113,923
Lease #2- The County has entered into a capital lease agreement, secured by 221.11 acres of land being entitled "Dogwood Hills Golf Club," bearing interest at 2.53% with annual principal payments of \$90,000 plus interest, maturing 2021.	360,000
Lease #3 - The County has entered into a capital lease agreement, secured by vehicles & equipment, bearing interest at 1.2% with annual payments of \$666,667, maturing 2020.	2,000,000
	<b><u>\$ 2,473,923</u></b>

**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 \$5,626,148 with accumulated amortization of \$1,740,047 for a net \$3,886,101 value. Depreciation expense was \$351,480 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, 2017 are as follows:

<b><u>Fiscal Year Ending June 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2018	\$ 870,632	\$ 37,526	\$ 908,158
2019	756,667	22,067	778,734
2020	756,666	11,767	768,433
2021	89,958	1,450	91,408
	<b><u>\$ 2,473,923</u></b>	<b><u>\$ 72,810</u></b>	<b><u>\$ 2,546,733</u></b>

The interest paid on the capital lease obligations for the year ended June 30, 2017 was approximately \$34,880.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED**

<u>Notes Payable</u>	<u>Balance</u>
\$1.2 million loan from the South Carolina Public Authority for economic development with annual interest payments only at a rate of 2% until January 2021. Each year beginning with January 2021 through the remainder of the loan term the interest rate for any outstanding principal balance shall be reset to the current rate of interest on the ten year United States treasury note.	\$ 880,032
	<u>\$ 880,032</u>

Future debt service requirements for notes payable at June 30, 2017 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ -	\$ 17,601	\$ 17,601
2019	171,429	20,571	192,000
2020	171,429	56,937	228,366
2021	171,429	-	171,429
2022	171,429	-	171,429
2023-2025	194,316	-	194,316
	<u>\$ 880,032</u>	<u>\$ 95,109</u>	<u>\$ 975,141</u>

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.

The \$491,709 reported as an accrual for landfill closure and post closure care costs at June 30, 2017 includes the cumulative amount reported less amounts paid to date for the open site based on the following information.

<u>Estimated Remaining Landfill Life</u>	<u>Percentage Balance of Capacity Used</u>	<u>Estimated Total Costs</u>			<u>Remaining To Be Recognized</u>
		<u>Closure</u>	<u>Postclosure</u>	<u>Total</u>	
18 years	50.10%	<u>\$ 670,680</u>	<u>\$ 116,568</u>	<u>\$ 787,248</u>	<u>\$ 295,539</u>

These amounts are based on what it would cost to perform all closure and post closure care in fiscal year 2017. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. The Council has designated cash of \$364,000 for payment of closure and post closure care costs.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED**

**Discretely Presented Component Units**

Fire and rescue general obligation bonds payable at June 30, 2017 consist of the following:

<b>General Obligation Bonds</b>	<b>Balance</b>
\$4,000,000 Fire Protection Service General Obligation Bonds, Series 2008, 3.39% annual interest, annual principal and interest payments beginning in 2008, matures 2018.	\$ 500,000
\$6,445,000 Fire Protection Service General Obligation Bonds, Series 2012, 0.4% to 2.6% annual interest, annual principal and interest payments beginning in 2013, matures 2026.	4,290,000
	\$ 4,790,000

Future debt service requirements for fire and rescue general obligation bonds outstanding at June 30, 2017 are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 940,000	\$ 109,120	\$ 1,049,120
2019	450,000	85,570	535,570
2020	455,000	76,570	531,570
2021	465,000	67,470	532,470
2022	475,000	58,170	533,170
2023-2026	2,005,000	125,133	2,130,133
	\$ 4,790,000	\$ 522,033	\$ 5,312,033

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED**

<b>Capital Lease Payable</b>	<b>Balance</b>
\$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.	\$ 2,197,839
	\$ 2,197,839

Equipment Under Capitalized Leases

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 amortization of \$661,582 with a net value of \$2,761,202. 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, 2017 are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 292,845	\$ 50,934	\$ 343,779
2019	299,583	44,197	343,780
2020	306,533	37,246	343,779
2021	313,644	30,135	343,779
2022	320,921	22,858	343,779
2023-2024	664,313	23,245	687,558
	\$ 2,197,839	\$ 208,615	\$ 2,406,454

**Other Postemployment Benefits**

Plan Description:

The County administers a single-employer defined benefit healthcare plan (the Retiree Health Plan). The Plan provides lifetime healthcare insurance for eligible retirees and their spouses through the County's group health insurance plan, which covers both active and retired members. Benefit provisions are established by the County Council. The Retiree Health Plan does not issue a publicly available financial report.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED**

Funding Policy:

Contribution requirements are established annually by the County Council. The required contribution is based on projected pay-as-you-go financing requirements. Medical coverage levels and premiums for retirees and their families are the same as coverage provided to active County employees under the State Health Insurance Plan. Subject to an annual appropriation, the County pays 50% of individual coverage for individuals who:

- are at least 62 years of age,
- were employed by the County at the time of their retirement,
- had twenty years of qualifying full-time employment with the County,
- were covered by the County's health/dental insurance program, and
- retired under the South Carolina Retirement System or the South Carolina Police Officers' Retirement System.

The above individuals pay the remaining 50% of the premium for individual coverage and 100% of any premium for family coverage. Any person who retires from County employment meeting all requirements except age will qualify for the funded percentage of assistance upon reaching the age of 62, provided he or she has participated in the County's plan, paying 100% of the individual or family coverage in the interim.

The state health insurance plan prohibits its participants from rating retirees and active employees separately. The County, therefore, pays an equal blended rate premium for both groups. Although both groups are charged the same rate, GASB 45 requires the actuarial figures to be calculated using age adjusted premiums approximating claim costs for retirees separately from active employees. The use of age adjusted premiums results in the addition of an implicit rate subsidy into the actuarial accrued liability.

For the fiscal year 2017, the County contributed \$25,981 to the plan.

Annual OPEB Cost and Net OPEB Obligation

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of not to exceed thirty years.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED**

The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation to the Retiree Health Plan, which have been allocated between the primary government and component units based on current payroll:

	Primary Government	Component Units		Total
		Fire and Rescue	Library	
Annual required contribution	\$ 292,549	\$ 41,257	\$ 41,257	\$ 375,063
Interest on net OPEB obligation	66,525	12,618	7,706	86,849
ARC adjustment	(62,599)	(11,886)	(7,227)	(81,712)
Annual OPEB cost	296,475	41,989	41,736	380,200
Contributions made	(22,761)	(3,220)	-	(25,981)
Increase in net OPEB obligation	273,714	38,769	41,736	354,219
Net OPEB obligation - beginning of year	1,565,263	296,901	181,314	2,043,478
Net OPEB obligation - end of year	\$ 1,838,977	\$ 335,670	\$ 223,050	\$ 2,397,697

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2017 and the two succeeding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Amount Contributed	Percentage Annual Cost Contributed	Net OPEB Obligation
<i>Primary Government</i>				
6/30/2017	\$ 296,475	\$ 22,761	7.68%	\$ 1,838,977
6/30/2016	295,461	24,719	8.37%	1,565,263
6/30/2015	253,652	22,577	8.90%	1,333,440
<i>Fire and Rescue</i>				
6/30/2017	\$ 41,989	\$ 3,220	7.67%	\$ 335,670
6/30/2016	41,822	3,486	8.34%	296,901
6/30/2015	36,053	3,152	8.74%	258,565
<i>Library</i>				
6/30/2017	\$ 41,736	\$ -	0.00%	\$ 223,050
6/30/2016	41,569	3,486	8.39%	181,314
6/30/2015	35,576	3,152	8.86%	143,231

**Funded Status and Funding Progress**

As of June 30, 2015, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$3,179,537, and the actuarial value of the assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,179,537. The covered payroll (annual payroll of active employees covered by the plan) was \$17,798,208 and the ratio of the UAAL to the covered payroll was 17.9%.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED**

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

The following information is provided using the assumption that the County will continue its current pay-as-you-go funding policy for the foreseeable future. In that scenario the annual employer contributions each year are equal to the benefits that are paid on behalf of the retirees. Under this funding policy, GASB 45 requires the use of a discount rate consistent with the expected investment returns on the County's general assets. The June 30, 2015 actuarial valuation assumed a 4.25% discount rate. The projected unit credit cost method was used to calculate the ARC for the June 30, 2015 valuation, and an annual healthcare cost trend rate of 3.41% initially, increased to an ultimate rate of 4.3% after ten years, which includes a 2.5% inflation assumption. The UAAL is being amortized as a level percentage of active member payrolls over an open period of 30 years.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Unit Credit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2017	\$ -	\$ 3,179,537	\$ 3,179,537	0.0%	\$ 17,798,208	17.9%
6/30/2016	-	3,179,537	3,179,537	0.0%	15,771,489	20.2%
6/30/2015	-	2,608,908	2,608,908	0.0%	15,326,465	17.0%

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED**

**Pension Plan**

Description of the Entity

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (Systems) and serves as a co-trustee of the Systems in conducting that review.

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

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available on the Retirement Benefits' link on PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Description

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

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

In addition to the plans described above, PEBA also administers three single-employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for Judges and Solicitors of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED**

Membership

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

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; 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.

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

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.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED**

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

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

**Contributions**

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. Upon recommendation by the actuary in the annual actuarial valuation, the PEBA board may adopt and present to the Budget and Control Board for approval an increase in the SCRS and PORS employer and employee contribution rates, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9 percent of earnable compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the board are insufficient to maintain a thirty-year amortization schedule of the unfunded liabilities of the plans, the board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; and, this increase is not limited to one-half of one percent per year.

Required employee contribution rates<sup>1</sup> are as follows:

	<b>Fiscal Year 2017</b>	<b>Fiscal Year 2016</b>
<b>SCRS</b>		
Employee Class Two	8.66%	8.16%
Employee Class Three	8.66%	8.16%
<b>PORS</b>		
Employee Class Two	9.24%	8.74%
Employee Class Three	9.24%	8.74%

<sup>1</sup>Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED**

Required employer contribution rates<sup>1</sup> are as follows:

	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016</u>
<b>SCRS</b>		
Employer Class Two	11.41%	10.91%
Employer Class Three	11.41%	10.91%
Employer Incidental Death Benefit	0.15%	0.15%
<b>PORS</b>		
Employer Class Two	13.84%	13.34%
Employer Class Three	13.84%	13.34%
Employer Accidental Death Program	0.20%	0.20%
Employer Incidental Death Benefit	0.20%	0.20%

<sup>1</sup>Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws

**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. Actuarial assumptions and methods used during the evaluation process are subject to periodic revision, typically with an experience study, as actual results over an extended period of time are compared with past expectations and new estimates are made about the future.

South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued as of July 1, 2015. As a result of the experience study, the actuary recommended adjustments to the actuarial assumptions, which included salary increase, payroll growth, mortality, retirement, terminations, refunds, disability, inflation, and asset valuation method. The experience study also recommended reducing the long-term investment rate of return assumption, which is a prescribed assumption that is set in state statute by the General Assembly, from 7.50 to 7.25 percent. With the exception of the rate of return, all recommended assumption and method changes were adopted by both the PEBA Board and SFAA, as co-fiduciaries. The General Assembly did not change the assumed annual rate of return during the 2016 legislative session so that assumption currently remains at 7.50 percent. The newly adopted assumptions and methods will be first used to perform the July 1, 2016, actuarial valuation, the results of which will be used in determining the total pension liability as of the June 30, 2017, measurement date.

The June 30, 2016, total pension liability, net pension liability, and sensitivity information were determined by consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2015, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board which utilized membership data as of July 1, 2015. The total pension liability was rolled forward from the valuation date to the plan's fiscal year ended June 30, 2016, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED**

The following provides a summary of the actuarial assumptions and methods used in the July 1, 2015, valuations for SCRS and PORS.

	<b><u>SCRS</u></b>	<b><u>PORS</u></b>
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return <sup>1</sup>	7.5%	7.5%
Projected salary increases	3.5% to 12.5% (varies by service) <sup>1</sup>	4.0% to 10.0% (varies by service) <sup>1</sup>
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

<sup>1</sup> includes inflation at 2.75%

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000. Assumptions used in the July 1, 2015, valuations for SCRS are as follows:

<b><u>Former Job Class</u></b>	<b><u>Males</u></b>	<b><u>Females</u></b>
Educators	RP-2000 Males (with White Collar adjustment) multiplied by 110%	RP-2000 Females (with White Collar adjustment) multiplied by 95%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 90%
Public Safety and Firefighters	RP-2000 Males (with Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

**Net Pension Liability**

The net pension liability (NPL) 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. NPL proportionate share, as of June 30, 2016, for SCRS and PORS are presented as follows:

<b><u>Total Pension Liability</u></b>	<b><u>Plan Fiduciary Net Position</u></b>	<b><u>Employers' Net Pension Liability</u></b>	<b><u>Plan Fiduciary Net Position as a % of the Total Pension Liability</u></b>
\$ 44,038,163	\$ 23,299,028	\$ 20,739,135	52.9%
40,466,788	24,460,060	16,006,728	60.4%

The total pension liability is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The net pension liability is disclosed in accordance with the requirements of GASB 67 in the System's notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans funding requirements.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED**

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments, as used in the July 1, 2015 actuarial valuations, is based upon the 30-year capital market outlook at the end of the third quarter 2015. The long-term expected rates of returns represent assumptions developed using an arithmetic building block approach, primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation as adopted beginning January 1, 2016. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.50 percent assumed annual investment rate of return used in the calculation of the total pension liability includes 4.75 percent real rate of return and a 2.75 percent 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>
<b>Global Equity</b>	<b>43.0%</b>		
Global Public Equity	34.0%	6.52%	2.22%
Private Equity	9.0%	9.30%	0.84%
<b>Real Assets</b>	<b>8.0%</b>		
Real Estate	5.0%	4.32%	0.22%
Commodities	3.0%	4.53%	0.13%
<b>Opportunistic</b>	<b>20.0%</b>		
GTAA/Risk Parity	10.0%	3.90%	0.39%
HF (Low Beta)	10.0%	3.87%	0.39%
<b>Diversified Credit</b>	<b>17.0%</b>		
Mixed Credit	5.0%	3.52%	0.17%
Emerging Markets Debt	5.0%	4.91%	0.25%
Private Debt	7.0%	4.47%	0.31%
<b>Conservative Fixed Income</b>	<b>12.0%</b>		
Core Fixed Income	10.0%	1.72%	0.17%
Cash and Short Duration (Net)	2.0%	0.71%	0.01%
Total Expected Real Return	<u>100.0%</u>		<u>5.10%</u>
Inflation for Actuarial Purposes			<u>2.75%</u>
Total Expected Nominal Return			<u>7.85%</u>

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED**

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that the funding policy specified in the South Carolina Code of Laws will remain unchanged in future years. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The following table presents the proportionate net position of the participating employers calculated using the discount rate of 7.50%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.50%) or 1.00 % higher (8.50 %) than the current rate.

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

<u>System</u>	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
SCRS	\$ 25,871,503	\$ 20,739,135	\$ 16,466,632
PORS	20,978,122	16,006,728	11,538,902

Pension Expense

Components of the proportionate share of pension expense reported in the Schedules of Pension Amounts by Employer for the fiscal year ended June 30, 2016, are presented below:

<u>Description</u>	<u>SCRS</u>	<u>PORS</u>
Service cost (annual cost of current service)	\$ 741,174	\$ 988,036
Interest on the total pension liability	3,137,662	2,863,093
Plan administrative costs	12,767	12,964
Plan member contributions	(732,237)	(726,906)
Expected return on plan assets	(1,794,792)	(1,863,007)
Recognition of current year amortization - Difference between expected and actual experience	147,123	108,185
Recognition of current year amortization - Difference between projected and actual investment earnings	333,808	353,950
Other	968	(7,230)
Total	<u>\$ 1,846,473</u>	<u>\$ 1,729,085</u>

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED**

Additional items included in Total Employer Pension Expense in the Schedules of Pension Amounts by Employer are the current period amortized portions of deferred outflows and/or inflows of resources related to changes in employers' proportionate share of the collective net pension liability and differences between actual employer contributions and proportionate share of total plan employer contributions. These two deferrals are specific to cost-sharing multiple-employer defined benefit pension plans as discussed in paragraphs 54 and 55 of GASB 68.

Deferred Outflows of Resources and Deferred Inflows of Resources

The following schedule reflects the amortization of collective deferred outflows/inflows of resources related to pension outstanding as of June 30, 2016.

	<b>Outflows of Resources</b>	<b>Inflows of Resources</b>
Difference between expected and actual experience	\$ 452,494	\$ 22,523
Net difference between projected and actual earnings	3,559,849	-
Changes in proportion and differences between contributions and proportionate share of contributions	78,351	1,081,278
Contributions subsequent to the measurement date	2,411,312	-
Total	\$ 6,502,006	\$ 1,103,801

**Difference between expected and actual experience**

	<b>SCRS</b>	<b>PORS</b>	<b>Total</b>
<b>Balance</b>	\$ 192,462	\$ 237,509	\$ 429,971
<b>Amortization period<sup>1</sup></b>	4.17	4.77	4.47
<b>Amortized<sup>2</sup> period ending June 30,</b>			
2017	\$ (147,123)	\$ (108,185)	\$ (255,308)
2018	(34,749)	(96,145)	(130,894)
2019	(9,313)	(22,759)	(32,072)
2020	(1,277)	(10,420)	(11,697)

**Difference between projected and actual investment earnings**

	<b>SCRS</b>	<b>PORS</b>	<b>Total</b>
<b>Initial Balance</b>	\$ 1,744,827	\$ 1,815,022	\$ 3,559,849
<b>Amortization period<sup>3</sup></b>	5	5	5
<b>Amortized<sup>2</sup> period ending June 30,</b>			
2017	\$ (333,808)	\$ (353,950)	\$ (687,758)
2018	(333,808)	(353,950)	(687,758)
2019	(686,136)	(703,421)	(1,389,557)
2020	(391,075)	(403,701)	(794,776)

<sup>1</sup>In accordance with GASB 68, paragraph 71a, the difference between each year's expected and actual experience is required to be amortized over the average remaining service lives of all employees provided with pensions through the plan at June 30.

<sup>2</sup>Amount amortized and included in pension expense during the measurement period listed.

<sup>3</sup>In accordance with GASB 68, paragraph 71b, the difference between each year's projected and actual investment earnings is required to be amortized over a closed, 5 year period.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED**

As discussed in paragraph 71b of GASB 68, collective deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in difference measurement periods should be aggregated and included as a net collective deferred outflow of resources related to pensions or a new collective deferred inflow of resources related to pension. Accordingly, the Outstanding Balance of Deferred Outflows of Resources in the Schedules of Pension Amounts by Employer reflects the current net difference between projected and actual pension plan investment earnings.

Additional items reported within the Outstanding Balance of Deferred Outflows and Inflows of Resources in the Schedules of Pension Amounts by Employer result from the two cost-sharing multiple-employer defined benefit pension plan-specific deferrals previously discussed in Pension Expense.

Employer Contributions

Employers' proportionate shares were calculated on the basis of employer contributions actually remitted to the plan for the fiscal year ended June 30, 2016. Employer contributions recognized by the Systems that are not representative of future contribution effort are excluded in the determination of employers' proportionate shares. Examples of employer contributions not representative of future contribution effort are contributions towards the purchase of employee service purchases and employer contributions paid by employees.

The following table provides a reconciliation of employer contributions in the plans' Statement of Changes in Fiduciary Net Position (per the Systems' separately issued financial statements) to the employer contributions used in the determination of employers' proportionate shares of collective pension amounts reported in the Schedules of Employer Allocations.

	<u>SCRS</u>	<u>PORS</u>
Employer Contributions Reported in SCRS Statement of Changes in Net Position for the fiscal year ended June 30, 2016	\$ 1,041,488	\$ 1,105,762
Deduct: Employer Contributions Not Representative of Future Contribution Effort	<u>(1,597)</u>	<u>(352)</u>
Employer Contributions Used as the Basis for Allocating Employers' Proportionate Shares of Collective Pension Amounts - June 30, 2016 Measurement Date	<u>\$ 1,039,891</u>	<u>\$ 1,105,410</u>

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled for the Systems' audited financial statements for the fiscal year ended June 30, 2016, and the accounting and financial reporting actuarial valuation as of June 30, 2016. Additional information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the System CAFR.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**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.

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.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 7 OTHER INFORMATION – CONTINUED**

Commitments

Construction Commitments: On June 30, 2017, the County has commitments under contracts for various architectural and engineering services and construction projects not completed of approximately \$10,308,592 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:

<u>Governmental Fund</u>	<u>Amount</u>
Capital projects fund	\$ 11,070,672
General fund	225,904
Nonmajor governmental fund	8,285
Total	<u>\$ 11,304,861</u>

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, 2017 are as follows:

<u>Year ending June 30,</u>	<u>Total</u>
2018	\$ 54,401
2019	40,522
2020	11,391
2021	2,620
Total Payments	<u>\$ 108,934</u>

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. As part of the Deposit and Reimbursement agreement on these bonds, the County has provided the following:

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 Nonappropriation.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**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 \$22,182,811. The list of projects includes asset acquisitions as well as assistance to other entities within the County. The net investment in capital assets is summarized below:

	County	Component Units	
	Governmental Activities	Memorial Library	Fire and Rescue
Capital Assets, Net	\$ 53,799,252	\$ 381,829	\$ 10,087,792
Long-term obligations	(69,144,658)	(932,818)	(16,363,481)
Net pension liability	27,322,372	686,801	8,736,690
Compensated absences	697,027	22,967	303,282
OPEB liability	1,838,977	223,050	335,670
Landfill closure	491,709	-	-
Bond proceeds on hand	22,182,811	-	-
Net Investment in Capital Assets	<u>\$ 37,187,490</u>	<u>\$ 381,829</u>	<u>\$ 3,099,953</u>

**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, 2017:

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	58%	\$135,763	\$60,289	25 years
Manufacturing facility locates in the area and provides employment opportunities for citizens	25%	\$50,019	\$22,212	25 years
Provide health care to citizens in the area	47%	\$19,350	\$0	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  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 21,170,950	\$ 21,170,950	\$ 21,591,315	\$ 420,365
Intergovernmental revenues	1,629,026	1,781,285	1,913,654	132,369
Fines and fees	5,447,649	5,447,649	5,857,180	409,531
Other income	442,789	3,537,296	760,242	(2,777,054)
Total revenues	<u>28,690,414</u>	<u>31,937,180</u>	<u>30,122,391</u>	<u>(1,814,789)</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	9,274,925	9,908,836	9,226,526	682,310
Judicial	1,422,644	1,432,644	1,368,904	63,740
Public safety	6,643,023	6,678,409	6,493,700	184,709
Roads and bridges	2,053,623	2,036,390	1,640,233	396,157
Solid waste	1,816,868	2,358,800	2,256,218	102,582
Recreation and culture	1,142,049	1,344,554	1,817,007	(472,453)
Health and human services	785,273	898,273	900,553	(2,280)
Economic development	259,339	259,339	253,021	6,318
Intergovernmental	3,698,499	3,698,499	3,698,499	-
<b>Capital Outlay</b>				
General government	381,823	367,969	114,214	253,755
Public safety	48,763	48,763	17,385	31,378
Streets and highways	5,173	5,173	8,173	(3,000)
Sanitation	524,752	813,806	422,887	390,919
Recreation and culture	329,868	329,868	5,970	323,898
Total expenditures	<u>28,386,622</u>	<u>30,181,323</u>	<u>28,223,290</u>	<u>1,958,033</u>
Excess (deficiency) of revenues over (under) expenditures	<u>303,792</u>	<u>1,755,857</u>	<u>1,899,101</u>	<u>143,244</u>
<b>Other financing sources (uses)</b>				
Sales of capital assets	12,316	12,316	3,000	(9,316)
Insurance recoveries	36,019	51,528	21,964	(29,564)
Transfers in	2,033,816	2,373,044	1,614,696	(758,348)
Transfers out	(2,385,943)	(4,192,745)	(3,441,503)	751,242
Total other financing sources (uses)	<u>(303,792)</u>	<u>(1,755,857)</u>	<u>(1,801,843)</u>	<u>(45,986)</u>
Net change in fund balances	-	-	97,258	97,258
Fund balance, beginning of year	8,428,414	8,428,414	8,428,414	-
Fund balance, end of year	<u>\$ 8,428,414</u>	<u>\$ 8,428,414</u>	<u>\$ 8,525,672</u>	<u>\$ 97,258</u>

**NOTES TO REQUIRED SUPPLEMENTARY SCHEDULE:**

The basis of budgeting is the same as generally accepted accounting principles. The County adopts annual budgets using the modified accrual basis. Appropriations lapse at the end of the year.

**COLLETON COUNTY, SOUTH CAROLINA  
OTHER POST EMPLOYMENT BENEFITS PLAN  
SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Accrued Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (b/a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
6/30/2017	\$ -	\$ 3,179,537	\$ 3,179,537	0.0%	\$ 17,798,208	17.9%
6/30/2016	-	3,179,537	3,179,537	0.0%	15,771,489	20.2%
6/30/2015	-	2,608,908	2,608,908	0.0%	15,326,465	17.0%
6/30/2014	-	2,608,908	2,608,908	0.0%	14,020,788	18.6%
6/30/2013	-	2,625,858	2,625,858	0.0%	15,973,784	16.4%

**COLLETON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**STATE PENSION PLAN - GOVERNMENTAL ACTIVITIES**  
**LAST TEN FISCAL YEARS**

**GENERAL GOVERNMENT**

<u>SCRS</u>	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Proportion of the Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.094651%	0.092174%	0.092799%
Proportionate Share of the Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 16,295,756	\$ 17,480,579	\$ 19,526,510
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 8,614,344	\$ 8,710,229	\$ 8,800,266
Proportionate Share of the Net Pension Liability as a Percentage of Its Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	189.17%	200.69%	221.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	59.90%	57.00%	52.90%

9

<u>PORS</u>	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Proportion of the Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.314595%	0.330253%	0.318141%
Proportionate Share of the Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 6,022,663	\$ 7,197,930	\$ 7,795,862
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 3,641,573	\$ 3,964,012	\$ 3,956,317
Proportionate Share of the Net Pension Liability as a Percentage of Its Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	165.39%	181.58%	197.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	67.50%	64.60%	60.40%

N/A - Not Available

**COLLETON COUNTY, SOUTH CAROLINA  
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
STATE PENSION PLAN - COMPONENT UNITS  
LAST TEN FISCAL YEARS**

**FIRE & RESCUE**

<u>SCRS</u>	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Proportion of the Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.002650%	0.003117%	0.001193%
Proportionate Share of the Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 456,236	\$ 591,963	\$ 525,824
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 189,312	\$ 243,862	\$ 297,612
Proportionate Share of the Net Pension Liability as a Percentage of Its Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	241.00%	242.75%	176.68%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	59.90%	57.00%	52.90%

67

<u>PORS</u>	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Proportion of the Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.349565%	0.340447%	0.031292%
Proportionate Share of the Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 6,692,122	\$ 7,420,061	\$ 8,210,866
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 4,343,910	\$ 4,404,638	\$ 4,078,445
Proportionate Share of the Net Pension Liability as a Percentage of Its Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	154.06%	168.46%	201.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	67.50%	64.60%	60.40%

N/A - Not Available

**COLLETON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**STATE PENSION PLAN - COMPONENT UNITS**  
**LAST TEN FISCAL YEARS**

**LIBRARY**

<u>SCRS</u>	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Proportion of the Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.003503%	0.003354%	0.003102%
Proportionate Share of the Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 603,114	\$ 635,958	\$ 686,800
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 350,642	\$ 322,367	\$ 320,215
Proportionate Share of the Net Pension Liability as a Percentage of Its Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	172.00%	197.28%	214.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	59.90%	57.00%	52.90%

**COLLETON COUNTY, SOUTH CAROLINA  
SCHEDULE OF CONTRIBUTIONS  
STATE PENSION PLAN - GOVERNMENTAL ACTIVITIES  
LAST TEN FISCAL YEARS**

**PRIMARY GOVERNMENT**

SCRS

Fiscal Year

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Contractually Required Contribution	N/A	\$ 949,415	\$ 973,309	\$ 1,158,674						
Contributions in Relation to the Contractually Required Contribution	N/A	949,415	973,309	1,158,674						
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	N/A	\$ 8,710,229	\$ 8,800,266	\$ 10,023,134						
Contributions as a Percentage of Covered-Employee Payroll	N/A	10.90%	11.06%	11.56%						

PORS

Fiscal Year

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Contractually Required Contribution	N/A	\$ 531,574	\$ 543,598	\$ 647,610						
Contributions in Relation to the Contractually Required Contribution	N/A	531,574	543,598	647,610						
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	N/A	\$ 3,964,012	\$ 3,956,317	\$ 4,547,825						
Contributions as a Percentage of Covered-Employee Payroll	N/A	13.41%	13.74%	14.24%						

N/A - Not Available

**COLLETON COUNTY, SOUTH CAROLINA  
SCHEDULE OF CONTRIBUTIONS  
STATE PENSION PLAN - COMPONENT UNITS  
LAST TEN FISCAL YEARS**

**FIRE & RESCUE**

SCRS

Fiscal Year

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Contractually Required Contribution	N/A	\$ 26,581	\$ 32,916	\$ 14,891						
Contributions in Relation to the Contractually Required Contribution	N/A	26,581	32,916	14,891						
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	N/A	\$ 243,862	\$ 297,612	\$ 128,815						
Contributions as a Percentage of Covered-Employee Payroll	N/A	10.90%	11.06%	11.56%						

PORS

Fiscal Year

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Contractually Required Contribution	N/A	\$ 590,662	\$ 560,378	\$ 636,980						
Contributions in Relation to the Contractually Required Contribution	N/A	590,662	560,378	636,980						
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	N/A	\$ 4,404,638	\$ 4,078,445	\$ 4,473,174						
Contributions as a Percentage of Covered-Employee Payroll	N/A	13.41%	13.74%	14.24%						

N/A - Not Available

**COLLETON COUNTY, SOUTH CAROLINA  
SCHEDULE OF CONTRIBUTIONS  
STATE PENSION PLAN - COMPONENT UNITS  
LAST TEN FISCAL YEARS**

**LIBRARY**

SCRS

Fiscal Year

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Contractually Required Contribution	N/A	\$ 35,138	\$ 35,416	\$ 38,731						
Contributions in Relation to the Contractually Required Contribution	N/A	35,138	35,416	38,731						
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	N/A	\$ 322,367	\$ 320,215	\$ 335,043						
Contributions as a Percentage of Covered-Employee Payroll	N/A	10.90%	11.06%	11.56%						

SUPPLEMENTARY INFORMATION  
SECTION

## 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.

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

**Public Defender Corporation Fund** – to account for the activities of the Public Defender that is mandated to defend in the State court system all persons within Colleton County who are required by Statute, State or Federal Constitution to be provided with a legal counsel at public expense.

**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.

### 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.

**Capital Sales Tax Debt Service** – used to collect local option special purpose taxes and disburse debt payments for the Capital Penny Sales Tax Bond.

**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, 2017**

	Special Revenue Funds			
	Sheriffs Discretionary Funds	Sheriffs Title IV D	Clerk of Court IV Incentives	Clerk of Court IV Unit Costs
<b>Assets</b>				
Cash and cash equivalents	\$ 459,983	\$ -	\$ 48,419	\$ -
Receivables, net of allowances	-	1,766	1,320	15,900
Due from other funds	450	-	11,499	-
Total assets	<u>\$ 460,433</u>	<u>\$ 1,766</u>	<u>\$ 61,238</u>	<u>\$ 15,900</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 2,470
Accrued payroll and benefits	-	-	-	1,292
Accrued liabilities	15,358	-	-	-
Due to other funds	-	450	-	11,499
Unearned revenues	-	-	-	-
Total liabilities	<u>15,358</u>	<u>450</u>	<u>-</u>	<u>15,261</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues-property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Assigned	-	-	-	-
Committed	-	-	-	-
Restricted	445,075	1,316	61,238	639
Total fund balances	<u>445,075</u>	<u>1,316</u>	<u>61,238</u>	<u>639</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 460,433</u>	<u>\$ 1,766</u>	<u>\$ 61,238</u>	<u>\$ 15,900</u>

**COLLETON COUNTY, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	Special Revenue Funds			
	Victim Witness Services	14th Circuit Court Solicitor	Public Defender Corporation	Special Revenue
<b>Assets</b>				
Cash and cash equivalents	\$ 149,082	\$ 1,330,338	\$ -	\$ 153,834
Receivables, net of allowances	4,881	107,808	-	580,232
Due from other funds	-	-	-	-
Total assets	<u>\$ 153,963</u>	<u>\$ 1,438,146</u>	<u>\$ -</u>	<u>\$ 734,066</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 10,854	\$ 20,620	\$ -	\$ 216,953
Accrued payroll and benefits	507	43,248	-	21,567
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	102,066
Total liabilities	<u>11,361</u>	<u>63,868</u>	<u>-</u>	<u>340,586</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues-property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Assigned	-	1,374,278	-	-
Committed	-	-	-	-
Restricted	142,602	-	-	393,480
Total fund balances	<u>142,602</u>	<u>1,374,278</u>	<u>-</u>	<u>393,480</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 153,963</u>	<u>\$ 1,438,146</u>	<u>\$ -</u>	<u>\$ 734,066</u>

**COLLETON COUNTY, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	Special Revenue Funds			
	Animal Care Control Donations	Emergency Telephone	County Hospitality Tax	County Accommodations Tax
<b>Assets</b>				
Cash and cash equivalents	\$ 129,430	\$ 316,311	\$ 48,932	\$ 427,057
Receivables, net of allowances	-	46,350	49,656	84,886
Due from other funds	-	-	-	-
Total assets	<u>\$ 129,430</u>	<u>\$ 362,661</u>	<u>\$ 98,588</u>	<u>\$ 511,943</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 233	\$ 1,642	\$ 118	\$ 7,860
Accrued payroll and benefits	-	1,328	-	8,547
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>233</u>	<u>2,970</u>	<u>118</u>	<u>16,407</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues-property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Assigned	129,197	-	-	-
Committed	-	-	98,470	495,536
Restricted	-	359,691	-	-
Total fund balances	<u>129,197</u>	<u>359,691</u>	<u>98,470</u>	<u>495,536</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 129,430</u>	<u>\$ 362,661</u>	<u>\$ 98,588</u>	<u>\$ 511,943</u>

**COLLETON COUNTY, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	Special Revenue Funds		Debt Service	
	State		GO Bond	
	Accommodations		Debt Service	Fund
	Tax			
<b>Assets</b>				
Cash and cash equivalents	\$ 5,685	\$ 475,540	\$ 1,510,657	
Receivables, net of allowances	-	150,119	-	
Due from other funds	-	-	-	
Total assets	<u>\$ 5,685</u>	<u>\$ 625,659</u>	<u>\$ 1,510,657</u>	
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	
Accrued payroll and benefits	-	-	-	
Accrued liabilities	-	-	-	
Due to other funds	-	-	-	
Unearned revenues	-	-	-	
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	
<b>Deferred Inflows of Resources</b>				
Unavailable revenues-property taxes	-	105,784	-	
Total deferred inflows of resources	<u>-</u>	<u>105,784</u>	<u>-</u>	
<b>Fund Balances</b>				
Assigned	-	-	-	
Committed	-	-	-	
Restricted	5,685	519,875	1,510,657	
Total fund balances	<u>5,685</u>	<u>519,875</u>	<u>1,510,657</u>	
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 5,685</u>	<u>\$ 625,659</u>	<u>\$ 1,510,657</u>	

**COLLETON COUNTY, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	Debt Service		Total Nonmajor Governmental Funds
	Capital	Debt Service	
	Sales Tax Debt Service	Non-GOB	
<b>Assets</b>			
Cash and cash equivalents	\$ 4,295,262	\$ 129,565	\$ 9,480,095
Receivables, net of allowances	-	-	1,042,918
Due from other funds	-	-	11,949
Total assets	<u>\$ 4,295,262</u>	<u>\$ 129,565</u>	<u>\$ 10,534,962</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ 260,750
Accrued payroll and benefits	-	-	76,489
Accrued liabilities	-	-	15,358
Due to other funds	-	-	11,949
Unearned revenues	-	-	102,066
Total liabilities	<u>-</u>	<u>-</u>	<u>466,612</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues-property taxes	-	-	105,784
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>105,784</u>
<b>Fund Balances</b>			
Assigned	-	-	1,503,475
Committed	-	-	594,006
Restricted	4,295,262	129,565	7,865,085
Total fund balances	<u>4,295,262</u>	<u>129,565</u>	<u>9,962,566</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 4,295,262</u>	<u>\$ 129,565</u>	<u>\$ 10,534,962</u>

**COLLETON COUNTY, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds			
	Sheriffs Discretionary Funds	Sheriffs Title IV D	Clerk of Court IV Incentives	Clerk of Court IV Unit Costs
	-	-	-	-
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	440,002	11,252	42,571	91,368
Fines and fees	-	-	-	-
Other income	7,811	1	165	4
Total revenues	<u>447,813</u>	<u>11,253</u>	<u>42,736</u>	<u>91,372</u>
<b>Expenditures</b>				
Current				
Judicial	-	-	4,390	135,735
Public safety	48,079	12,141	-	-
Roads and Bridges	-	-	-	-
Recreation and culture	-	-	-	-
Health and human services	-	-	-	-
Economic development	-	-	-	-
Intergovernmental	-	-	-	-
Capital outlay				
Judicial	-	-	16,095	-
Public safety	81,135	-	-	-
Roads and Bridges	-	-	-	-
Recreation and culture	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>129,214</u>	<u>12,141</u>	<u>20,485</u>	<u>135,735</u>
Excess (deficiency) of revenues over (under) expenditures	<u>318,599</u>	<u>(888)</u>	<u>22,251</u>	<u>(44,363)</u>
Other financing sources (uses)				
Proceeds from sales of capital assets	1,318	-	-	-
Insurance proceeds	-	-	-	-
Transfers in	-	-	-	19,885
Transfers out	-	-	(52,265)	-
Total other financing sources (uses)	<u>1,318</u>	<u>-</u>	<u>(52,265)</u>	<u>19,885</u>
Net change in fund balances	319,917	(888)	(30,014)	(24,478)
Fund balances, beginning of year	125,158	2,204	91,252	25,117
Fund balances, end of year	<u>\$ 445,075</u>	<u>\$ 1,316</u>	<u>\$ 61,238</u>	<u>\$ 639</u>

**COLLETON COUNTY, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds			
	Victim Witness Services	14th Circuit Court Solicitor	Public Defender Corporation	Special Revenue
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	76,377	3,645,609	-	4,008,768
Fines and fees	-	374,442	-	-
Other income	332	2,111	-	53,891
Total revenues	<u>76,709</u>	<u>4,022,162</u>	<u>-</u>	<u>4,062,659</u>
<b>Expenditures</b>				
<b>Current</b>				
Judicial	-	3,943,653	-	226,710
Public safety	66,079	-	-	697,934
Roads and Bridges	-	-	-	22,500
Recreation and culture	-	-	-	24,564
Health and human services	-	-	-	851,201
Economic development	-	-	-	354,093
Intergovernmental	-	-	-	750,823
<b>Capital outlay</b>				
Judicial	-	-	-	-
Public safety	-	-	-	157,878
Roads and Bridges	-	-	-	633,960
Recreation and culture	-	-	-	198,206
<b>Debt service</b>				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>66,079</u>	<u>3,943,653</u>	<u>-</u>	<u>3,917,869</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,630</u>	<u>78,509</u>	<u>-</u>	<u>144,790</u>
<b>Other financing sources (uses)</b>				
Proceeds from sales of capital assets	-	-	-	-
Insurance proceeds	-	6,699	-	-
Transfers in	-	-	-	174,333
Transfers out	(3,042)	(26,486)	(41,040)	(22,000)
Total other financing sources (uses)	<u>(3,042)</u>	<u>(19,787)</u>	<u>(41,040)</u>	<u>152,333</u>
Net change in fund balances	7,588	58,722	(41,040)	297,123
Fund balances, beginning of year	135,014	1,315,556	41,040	96,357
Fund balances, end of year	<u>\$ 142,602</u>	<u>\$ 1,374,278</u>	<u>\$ -</u>	<u>\$ 393,480</u>

**COLLETON COUNTY, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds			
	Animal Care Control	Emergency Telephone	County Hospitality	County Accommodations
	Donations		Tax	Tax
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ 565,686	\$ 482,991
Intergovernmental revenues	1,898	98,452	-	-
Fines and fees	12,800	263,465	-	-
Other income	297	742	216	995
Total revenues	<u>14,995</u>	<u>362,659</u>	<u>565,902</u>	<u>483,986</u>
<b>Expenditures</b>				
Current				
Judicial	-	-	-	-
Public safety	15,097	379,882	-	-
Roads and Bridges	-	-	-	8,390
Recreation and culture	-	-	18,871	464,620
Health and human services	-	-	-	-
Economic development	-	-	114,127	-
Intergovernmental	-	-	6,000	25,702
Capital outlay				
Judicial	-	-	-	-
Public safety	-	-	-	-
Roads and Bridges	-	-	-	-
Recreation and culture	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>15,097</u>	<u>379,882</u>	<u>138,998</u>	<u>498,712</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(102)</u>	<u>(17,223)</u>	<u>426,904</u>	<u>(14,726)</u>
Other financing sources (uses)				
Proceeds from sales of capital assets	-	-	-	-
Insurance proceeds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(391,266)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(391,266)</u>	<u>-</u>
Net change in fund balances	(102)	(17,223)	35,638	(14,726)
Fund balances, beginning of year	129,299	376,914	62,832	510,262
Fund balances, end of year	<u>\$ 129,197</u>	<u>\$ 359,691</u>	<u>\$ 98,470</u>	<u>\$ 495,536</u>

**COLLETON COUNTY, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds		Debt Service Funds	
	State			GO Bond
	Accommodations	Tax	Debt Service	Fund
<b>Revenues</b>				
Taxes	\$ -		\$ 1,791,275	\$ -
Intergovernmental revenues	-		-	-
Fines and fees	-		8,696	-
Other income	13		1,972	3,475
Total revenues	<u>13</u>		<u>1,801,943</u>	<u>3,475</u>
<b>Expenditures</b>				
<b>Current</b>				
Judicial	-		-	-
Public safety	-		-	-
Roads and Bridges	-		-	-
Recreation and culture	-		-	-
Health and human services	-		-	-
Economic development	-		-	-
Intergovernmental	-		-	-
<b>Capital outlay</b>				
Judicial	-		-	-
Public safety	-		-	-
Roads and Bridges	-		-	-
Recreation and culture	-		-	-
<b>Debt service</b>				
Principal retirement	-		455,000	-
Interest and fiscal charges	-		261,428	-
Total expenditures	<u>-</u>		<u>716,428</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13</u>		<u>1,085,515</u>	<u>3,475</u>
<b>Other financing sources (uses)</b>				
Proceeds from sales of capital assets	-		-	-
Insurance proceeds	-		-	-
Transfers in	-		-	-
Transfers out	-		(895,563)	-
Total other financing sources (uses)	<u>-</u>		<u>(895,563)</u>	<u>-</u>
Net change in fund balances	13		189,952	3,475
Fund balances, beginning of year	5,672		329,923	1,507,182
Fund balances, end of year	<u>\$ 5,685</u>		<u>\$ 519,875</u>	<u>\$ 1,510,657</u>

**COLLETON COUNTY, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Debt Service Funds		Total Nonmajor Governmental Funds
	Capital	Debt Service	
	Sales Tax Debt Service	Non-GOB	
<b>Revenues</b>			
Taxes	\$ 4,198,030	\$ -	\$ 7,037,982
Intergovernmental revenues	-	292,820	8,709,117
Fines and fees	-	-	659,403
Other income	3,047	62	75,134
Total revenues	4,201,077	292,882	16,481,636
<b>Expenditures</b>			
<b>Current</b>			
Judicial	-	-	4,310,488
Public safety	-	-	1,219,212
Roads and Bridges	-	-	30,890
Recreation and culture	-	-	508,055
Health and human services	-	-	851,201
Economic development	-	-	468,220
Intergovernmental	-	-	782,525
<b>Capital outlay</b>			
Judicial	-	-	16,095
Public safety	-	-	239,013
Roads and Bridges	-	-	633,960
Recreation and culture	-	-	198,206
<b>Debt service</b>			
Principal retirement	3,025,000	1,380,166	4,860,166
Interest and fiscal charges	540,463	52,479	854,370
Total expenditures	3,565,463	1,432,645	14,972,401
Excess (deficiency) of revenues over (under) expenditures	635,614	(1,139,763)	1,509,235
<b>Other financing sources (uses)</b>			
Proceeds from sales of capital assets	-	-	1,318
Insurance proceeds	-	-	6,699
Transfers in	-	1,139,763	1,333,981
Transfers out	-	-	(1,431,662)
Total other financing sources (uses)	-	1,139,763	(89,664)
Net change in fund balances	635,614	-	1,419,571
Fund balances, beginning of year	3,659,648	129,565	8,542,995
Fund balances, end of year	\$ 4,295,262	\$ 129,565	\$ 9,962,566

**COLLETON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<b>Sheriff's Title IV D</b>				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ 13,981	\$ 13,981	\$ 11,252	\$ (2,729)
Other income	505	505	1	(504)
<b>Total revenues</b>	<b>14,486</b>	<b>14,486</b>	<b>11,253</b>	<b>(3,233)</b>
<b>Expenditures</b>				
<b>Current</b>				
Public safety	14,486	14,486	12,141	2,345
<b>Total expenditures</b>	<b>14,486</b>	<b>14,486</b>	<b>12,141</b>	<b>2,345</b>
Net change in fund balances	-	-	(888)	(888)
Fund balance, beginning of year	2,204	2,204	2,204	-
Fund balance, end of year	<b>\$ 2,204</b>	<b>\$ 2,204</b>	<b>\$ 1,316</b>	<b>\$ (888)</b>

<b>Sheriff's Discretionary Fund</b>				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ -	\$ 53,727	\$ 440,002	\$ 386,275
Other income	-	-	7,811	7,811
<b>Total revenues</b>	<b>-</b>	<b>53,727</b>	<b>447,813</b>	<b>394,086</b>
<b>Expenditures</b>				
<b>Current</b>				
Public safety	-	8,285	48,079	(39,794)
<b>Capital Outlay</b>				
Public safety	-	45,442	81,135	(35,693)
<b>Total expenditures</b>	<b>-</b>	<b>53,727</b>	<b>129,214</b>	<b>(75,487)</b>
Excess (deficiency) of revenues over (under) expenditures	-	-	318,599	318,599
<b>Other financing sources (uses)</b>				
Proceeds from sales of capital assets	-	-	1,318	1,318
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>1,318</b>	<b>1,318</b>
Net change in fund balances	-	-	319,917	319,917
Fund balance, beginning of year	125,158	125,158	125,158	-
Fund balance, end of year	<b>\$ 125,158</b>	<b>\$ 125,158</b>	<b>\$ 445,075</b>	<b>\$ 319,917</b>

**COLLETON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<b>Clerk of Court IV Incentives</b>				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ 36,975	\$ 36,975	\$ 42,571	\$ 5,596
Other income	19,290	36,869	165	(36,704)
Total revenues	<u>56,265</u>	<u>73,844</u>	<u>42,736</u>	<u>(31,108)</u>
<b>Expenditures</b>				
<b>Current</b>				
Judicial	5,000	5,000	4,390	610
<b>Capital Outlay</b>				
Judicial	-	17,579	16,095	1,484
Total expenditures	<u>5,000</u>	<u>22,579</u>	<u>20,485</u>	<u>2,094</u>
Excess (deficiency) of revenues over (under) expenditures	<u>51,265</u>	<u>51,265</u>	<u>22,251</u>	<u>(29,014)</u>
<b>Other financing sources (uses)</b>				
Transfers out	(51,265)	(51,265)	(52,265)	(1,000)
Total other financing sources (uses)	<u>(51,265)</u>	<u>(51,265)</u>	<u>(52,265)</u>	<u>(1,000)</u>
Net change in fund balances	-	-	(30,014)	(30,014)
Fund balance, beginning of year	91,252	91,252	91,252	-
Fund balance, end of year	<u>\$ 91,252</u>	<u>\$ 91,252</u>	<u>\$ 61,238</u>	<u>\$ (30,014)</u>

<b>Clerk of Court IV Unit Costs</b>				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ 119,303	\$ 119,303	\$ 91,368	\$ (27,935)
Other income	25,104	25,104	4	(25,100)
Total revenues	<u>144,407</u>	<u>144,407</u>	<u>91,372</u>	<u>(53,035)</u>
<b>Expenditures</b>				
<b>Current</b>				
Judicial	163,292	163,292	135,735	27,557
Total expenditures	<u>163,292</u>	<u>163,292</u>	<u>135,735</u>	<u>27,557</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,885)</u>	<u>(18,885)</u>	<u>(44,363)</u>	<u>(25,478)</u>
<b>Other financing sources (uses)</b>				
Transfers in	18,885	18,885	19,885	1,000
Total other financing sources (uses)	<u>18,885</u>	<u>18,885</u>	<u>19,885</u>	<u>1,000</u>
Net change in fund balances	-	-	(24,478)	(24,478)
Fund balance, beginning of year	25,117	25,117	25,117	-
Fund balance, end of year	<u>\$ 25,117</u>	<u>\$ 25,117</u>	<u>\$ 639</u>	<u>\$ (24,478)</u>

**COLLETON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<b>Victim Witness</b>				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ 54,539	\$ 54,539	\$ 76,377	\$ 21,838
Other income	-	17,542	332	(17,210)
Total revenues	<u>54,539</u>	<u>72,081</u>	<u>76,709</u>	<u>4,628</u>
<b>Expenditures</b>				
<b>Current</b>				
Public safety	51,497	69,039	66,079	2,960
Total expenditures	<u>51,497</u>	<u>69,039</u>	<u>66,079</u>	<u>2,960</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,042</u>	<u>3,042</u>	<u>10,630</u>	<u>7,588</u>
<b>Other financing sources (uses)</b>				
Transfers out	(3,042)	(3,042)	(3,042)	-
Total other financing sources (uses)	<u>(3,042)</u>	<u>(3,042)</u>	<u>(3,042)</u>	<u>-</u>
Net change in fund balances	-	-	7,588	7,588
Fund balance, beginning of year	135,014	135,014	135,014	-
Fund balance, end of year	<u>\$ 135,014</u>	<u>\$ 135,014</u>	<u>\$ 142,602</u>	<u>\$ 7,588</u>

<b>14th Circuit Court Solicitor</b>				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ 2,954,555	\$ 3,645,609	\$ 3,645,609	\$ -
Fines and fees	456,832	374,442	374,442	-
Other income	2,053	2,113	2,111	(2)
Total revenues	<u>3,413,440</u>	<u>4,022,164</u>	<u>4,022,162</u>	<u>(2)</u>
<b>Expenditures</b>				
<b>Current</b>				
Judicial	3,284,201	3,987,834	3,943,653	44,181
<b>Capital Outlay</b>				
Judicial	129,239	18,835	-	18,835
Total expenditures	<u>3,413,440</u>	<u>4,006,669</u>	<u>3,943,653</u>	<u>63,016</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>15,495</u>	<u>78,509</u>	<u>63,014</u>
<b>Other financing sources (uses)</b>				
Insurance proceeds	-	6,699	6,699	-
Transfers out	-	(22,194)	(26,486)	(4,292)
Total other financing sources (uses)	<u>-</u>	<u>(15,495)</u>	<u>(19,787)</u>	<u>(4,292)</u>
Net change in fund balances	-	-	58,722	58,722
Fund balance, beginning of year	1,315,556	1,315,556	1,315,556	-
Fund balance, end of year	<u>\$ 1,315,556</u>	<u>\$ 1,315,556</u>	<u>\$ 1,374,278</u>	<u>\$ 58,722</u>

**COLLETON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<b>Public Defender</b>				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Other income	\$ -	\$ 41,040	\$ -	\$ (41,040)
Total revenues	-	41,040	-	(41,040)
Excess (deficiency) of revenues over (under) expenditures	-	41,040	-	(41,040)
Other financing sources (uses)				
Transfers out	-	(41,040)	(41,040)	-
Total other financing sources (uses)	-	(41,040)	(41,040)	-
Net change in fund balances	-	-	(41,040)	(41,040)
Fund balance, beginning of year	41,040	41,040	41,040	-
Fund balance, end of year	\$ 41,040	\$ 41,040	\$ -	\$ (41,040)
<b>Special Revenue</b>				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 851,027	\$ 7,660,552	\$ 4,008,768	\$ (3,651,784)
Other income	-	1,720	53,891	52,171
Total revenues	851,027	7,662,272	4,062,659	(3,599,613)
Expenditures				
Current				
Judicial	-	288,499	226,710	61,789
Public safety	219,286	757,609	697,934	59,675
Roads and Bridges	-	196,664	22,500	174,164
Recreation and culture	-	35,156	24,564	10,592
Health and human services	544,460	1,429,809	851,201	578,608
Economic development	-	1,325,000	354,093	970,907
Intergovernmental	-	1,194,692	750,823	443,869
Capital Outlay				
Public safety	110,801	159,172	157,878	1,294
Roads and Bridges	-	2,210,886	633,960	1,576,926
Recreation and culture	-	181,015	198,206	(17,191)
Total expenditures	874,547	7,778,502	3,917,869	3,860,633
Excess (deficiency) of revenues over (under) expenditures	(23,520)	(116,230)	144,790	261,020
Other financing sources (uses)				
Transfers in	23,520	213,949	174,333	(39,616)
Transfers out	-	(97,719)	(22,000)	75,719
Total other financing sources (uses)	23,520	116,230	152,333	36,103
Net change in fund balances	-	-	297,123	297,123
Fund balance, beginning of year	96,357	96,357	96,357	-
Fund balance, end of year	\$ 96,357	\$ 96,357	\$ 393,480	\$ 297,123

**COLLETON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<b>Animal Care Control Donations</b>				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ -	\$ -	\$ 1,898	\$ 1,898
Fines and fees	20,000	20,000	12,800	(7,200)
Other income	-	-	297	297
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>14,995</u>	<u>(5,005)</u>
<b>Expenditures</b>				
<b>Current</b>				
Public safety	20,000	20,000	15,097	4,903
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>15,097</u>	<u>4,903</u>
Net change in fund balances	-	-	(102)	(102)
Fund balance, beginning of year	129,299	129,299	129,299	-
Fund balance, end of year	<u>\$ 129,299</u>	<u>\$ 129,299</u>	<u>\$ 129,197</u>	<u>\$ (102)</u>

<b>Emergency Telephone</b>				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ 77,096	\$ 77,096	\$ 98,452	\$ 21,356
Fines and fees	314,220	314,220	263,465	(50,755)
Other income	48,971	48,971	742	(48,229)
Total revenues	<u>440,287</u>	<u>440,287</u>	<u>362,659</u>	<u>(77,628)</u>
<b>Expenditures</b>				
<b>Current</b>				
Public safety	440,287	440,287	379,882	60,405
Total expenditures	<u>440,287</u>	<u>440,287</u>	<u>379,882</u>	<u>60,405</u>
Net change in fund balances	-	-	(17,223)	(17,223)
Fund balance, beginning of year	376,914	376,914	376,914	-
Fund balance, end of year	<u>\$ 376,914</u>	<u>\$ 376,914</u>	<u>\$ 359,691</u>	<u>\$ (17,223)</u>

**COLLETON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<b>County Hospitality Tax</b>				
	Budgeted Amounts			Variance with final budget - positive (negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 549,854	\$ 549,854	\$ 565,686	\$ 15,832
Other income	1,681	1,681	216	(1,465)
Total revenues	<u>551,535</u>	<u>551,535</u>	<u>565,902</u>	<u>14,367</u>
Expenditures				
Current				
Recreation and culture	15,000	16,371	18,871	(2,500)
Economic development	124,152	124,152	114,127	10,025
Intergovernmental	6,000	6,000	6,000	-
Capital Outlay				
Recreation and culture	15,117	13,746	-	13,746
Total expenditures	<u>160,269</u>	<u>160,269</u>	<u>138,998</u>	<u>21,271</u>
Excess (deficiency) of revenues over (under) expenditures	<u>391,266</u>	<u>391,266</u>	<u>426,904</u>	<u>35,638</u>
Other financing sources (uses)				
Transfers out	(391,266)	(391,266)	(391,266)	-
Total other financing sources (uses)	<u>(391,266)</u>	<u>(391,266)</u>	<u>(391,266)</u>	<u>-</u>
Net change in fund balances	-	-	35,638	35,638
Fund balance, beginning of year	62,832	62,832	62,832	-
Fund balance, end of year	<u>\$ 62,832</u>	<u>\$ 62,832</u>	<u>\$ 98,470</u>	<u>\$ 35,638</u>

<b>County Accommodations Tax</b>				
	Budgeted Amounts			Variance with final budget - positive (negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 460,000	\$ 460,000	\$ 482,991	\$ 22,991
Other income	154,381	156,381	995	(155,386)
Total revenues	<u>614,381</u>	<u>616,381</u>	<u>483,986</u>	<u>(132,395)</u>
Expenditures				
Current				
Roads and Bridges	5,424	5,424	8,390	(2,966)
Recreation and culture	438,740	440,740	464,620	(23,880)
Intergovernmental	25,702	25,702	25,702	-
Capital Outlay				
Recreation and culture	25,000	25,000	-	25,000
Total expenditures	<u>494,866</u>	<u>496,866</u>	<u>498,712</u>	<u>(1,846)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>119,515</u>	<u>119,515</u>	<u>(14,726)</u>	<u>(134,241)</u>
Other financing sources (uses)				
Transfers out	(119,515)	(119,515)	-	119,515
Total other financing sources (uses)	<u>(119,515)</u>	<u>(119,515)</u>	<u>-</u>	<u>119,515</u>
Net change in fund balances	-	-	(14,726)	(14,726)
Fund balance, beginning of year	510,262	510,262	510,262	-
Fund balance, end of year	<u>\$ 510,262</u>	<u>\$ 510,262</u>	<u>\$ 495,536</u>	<u>\$ (14,726)</u>

**COLLETON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Debt Service</b>			Variance with final budget - positive (negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 1,709,140	\$ 1,709,140	\$ 1,791,275	\$ 82,135
Fines and fees	7,100	7,100	8,696	1,596
Other income	-	292,820	1,972	(290,848)
Total revenues	<u>1,716,240</u>	<u>2,009,060</u>	<u>1,801,943</u>	<u>(207,117)</u>
<b>Expenditures</b>				
<b>Debt Service</b>				
Principal retirement	852,070	852,070	455,000	397,070
Interest and fiscal charges	261,428	261,428	261,428	-
Total expenditures	<u>1,113,498</u>	<u>1,113,498</u>	<u>716,428</u>	<u>397,070</u>
Excess (deficiency) of revenues over (under) expenditures	<u>602,742</u>	<u>895,562</u>	<u>1,085,515</u>	<u>189,953</u>
<b>Other financing sources (uses)</b>				
Transfers out	(602,742)	(895,562)	(895,563)	(1)
Total other financing sources (uses)	<u>(602,742)</u>	<u>(895,562)</u>	<u>(895,563)</u>	<u>(1)</u>
Net change in fund balances	-	-	189,952	189,952
Fund balance, beginning of year	<u>329,923</u>	<u>329,923</u>	<u>329,923</u>	<u>-</u>
Fund balance, end of year	<u>\$ 329,923</u>	<u>\$ 329,923</u>	<u>\$ 519,875</u>	<u>\$ 189,952</u>

**COLLETON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<b>GO Bond Fund</b>				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
<b>Revenues</b>				
Other income	\$ -	\$ 1,504,430	\$ 3,475	\$ (1,500,955)
Total revenues	<u>-</u>	<u>1,504,430</u>	<u>3,475</u>	<u>(1,500,955)</u>
<b>Expenditures</b>				
<b>Capital Outlay</b>				
Economic development	-	1,504,430	-	1,504,430
Total expenditures	<u>-</u>	<u>1,504,430</u>	<u>-</u>	<u>1,504,430</u>
Net change in fund balances	-	-	3,475	3,475
Fund balance, beginning of year	1,507,182	1,507,182	1,507,182	-
Fund balance, end of year	<u>\$ 1,507,182</u>	<u>\$ 1,507,182</u>	<u>\$ 1,510,657</u>	<u>\$ 3,475</u>

<b>Capital Sales Tax Debt Service</b>				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 3,565,462	\$ 3,565,462	\$ 4,198,030	\$ 632,568
Other income	-	-	3,047	3,047
Total revenues	<u>3,565,462</u>	<u>3,565,462</u>	<u>4,201,077</u>	<u>635,615</u>
<b>Expenditures</b>				
<b>Debt Service</b>				
Principal retirement	3,025,000	3,025,000	3,025,000	-
Interest and fiscal charges	540,462	540,462	540,463	(1)
Total expenditures	<u>3,565,462</u>	<u>3,565,462</u>	<u>3,565,463</u>	<u>(1)</u>
Net change in fund balances	-	-	635,614	635,614
Fund balance, beginning of year	3,659,648	3,659,648	3,659,648	-
Fund balance, end of year	<u>\$ 3,659,648</u>	<u>\$ 3,659,648</u>	<u>\$ 4,295,262</u>	<u>\$ 635,614</u>

**COLLETON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<b>Debt Service Non-GOB</b>				
	Budgeted Amounts		Actual	Variance with final
	Original	Final		budget - positive (negative)
<b>Revenues</b>				
Intergovernmental revenues	\$ 292,820	\$ 292,820	\$ 292,820	\$ -
Other income	96,525	-	62	62
Total revenues	<u>389,345</u>	<u>292,820</u>	<u>292,882</u>	<u>62</u>
<b>Expenditures</b>				
<b>Debt Service</b>				
Principal retirement	881,759	1,370,874	1,380,166	(9,292)
Interest and fiscal charges	61,709	61,709	52,479	9,230
Total expenditures	<u>943,468</u>	<u>1,432,583</u>	<u>1,432,645</u>	<u>(62)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(554,123)</u>	<u>(1,139,763)</u>	<u>(1,139,763)</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Transfers in	554,123	1,139,763	1,139,763	-
Total other financing sources (uses)	<u>554,123</u>	<u>1,139,763</u>	<u>1,139,763</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	129,565	129,565	129,565	-
Fund balance, end of year	<u>\$ 129,565</u>	<u>\$ 129,565</u>	<u>\$ 129,565</u>	<u>\$ -</u>

**NOTES TO REQUIRED SUPPLEMENTARY SCHEDULE:**

The basis of budgeting is the same as generally accepted accounting principles. The County adopts annual budgets using the modified accrual basis. Appropriations lapse at the end of the year.

**COLLETON COUNTY, SOUTH CAROLINA  
CAPITAL PROJECTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with final
	Original	Final		budget - positive (negative)
<b>Revenues</b>				
Intergovernmental revenues	\$ -	\$ 4,010,114	\$ 3,334,212	\$ (675,902)
Other income	1,398,366	37,231,910	403,890	(36,828,020)
Total revenues	<u>1,398,366</u>	<u>41,242,024</u>	<u>3,738,102</u>	<u>(37,503,922)</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	-	198,890	6,530	192,360
Public safety	-	680,154	274	679,880
Roads and bridges	-	425,000	425,000	-
Solid waste	-	196,865	-	196,865
Recreation and culture	-	300,340	4,360	295,980
Economic development	15,000	179,162	181,433	(2,271)
Intergovernmental	-	14,827,313	5,282,949	9,544,364
<b>Capital Outlay</b>				
General government	500,000	5,532,315	151,826	5,380,489
Public safety	338,712	4,744,380	708,806	4,035,574
Roads and bridges	-	9,228,485	8,062,967	1,165,518
Solid waste	-	3,284,369	752,634	2,531,735
Recreation and culture	-	4,463,698	209,785	4,253,913
Economic development	1,383,366	1,126,304	147,731	978,573
Intergovernmental	-	3,330	-	3,330
Total expenditures	<u>2,237,078</u>	<u>45,190,605</u>	<u>15,934,295</u>	<u>29,256,310</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(838,712)</u>	<u>(3,948,581)</u>	<u>(12,196,193)</u>	<u>(8,247,612)</u>
<b>Other financing sources (uses)</b>				
Proceeds from sales of capital assets	-	24,093	24,093	-
Issuance of debt	-	2,000,000	2,000,000	-
Transfers in	838,712	3,582,300	3,582,300	-
Transfers out	-	(1,657,812)	(1,657,812)	-
Total other financing sources (uses)	<u>838,712</u>	<u>3,948,581</u>	<u>3,948,581</u>	<u>-</u>
Net change in fund balances	-	-	(8,247,612)	(8,247,612)
Fund balance, beginning of year	39,724,676	39,724,676	39,724,676	-
Fund balance, end of year	<u>\$ 39,724,676</u>	<u>\$ 39,724,676</u>	<u>\$ 31,477,064</u>	<u>\$ (8,247,612)</u>

**NOTES TO REQUIRED SUPPLEMENTARY SCHEDULE:**

The basis of budgeting is the same as generally accepted accounting principles. The County adopts annual budgets using the modified accrual basis. Appropriations lapse at the end of the year.

## 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.

**14<sup>th</sup> Circuit Court Solicitor Fund** – to account for receipts and disbursements by the 14<sup>th</sup> 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.

**Magistrates Fund** – to account for fines collected that have not been disposed of by the court.

**Probate Judge Fund** – to account for receipts and disbursements held in trust of the probate judge.

**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**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<b>TOTAL</b>				
<b>Assets</b>				
Cash and equivalents	\$ 12,994,151	\$ 118,268,555	\$ 120,386,178	\$ 10,876,528
Accounts receivable, net	143,098	82,746	223,466	2,378
<b>Total assets</b>	<b>\$ 13,137,249</b>	<b>\$ 118,351,301</b>	<b>\$ 120,609,644</b>	<b>\$ 10,878,906</b>
<b>Liabilities</b>				
Accounts payable	\$ 27,075	\$ 41,413	\$ 27,651	\$ 40,837
Assets held for others	13,110,174	90,801,236	93,073,341	10,838,069
<b>Total liabilities</b>	<b>\$ 13,137,249</b>	<b>\$ 90,842,649</b>	<b>\$ 93,100,992</b>	<b>\$ 10,878,906</b>
<b>SHERIFF'S SEIZURE FUND</b>				
<b>Assets</b>				
Cash and equivalents	\$ 226,569	\$ 10,888	\$ 22,047	\$ 215,410
<b>Total assets</b>	<b>\$ 226,569</b>	<b>\$ 10,888</b>	<b>\$ 22,047</b>	<b>\$ 215,410</b>
<b>Liabilities</b>				
Assets held for others	\$ 226,569	\$ 10,888	\$ 22,047	\$ 215,410
<b>Total liabilities</b>	<b>\$ 226,569</b>	<b>\$ 10,888</b>	<b>\$ 22,047</b>	<b>\$ 215,410</b>
<b>WILLOW SWAMP WATER SHED FUND</b>				
<b>Assets</b>				
Cash and equivalents	\$ 23,644	\$ 4,266	\$ -	\$ 27,910
<b>Total assets</b>	<b>\$ 23,644</b>	<b>\$ 4,266</b>	<b>\$ -</b>	<b>\$ 27,910</b>
<b>Liabilities</b>				
Assets held for others	\$ 23,644	\$ 4,266	\$ -	\$ 27,910
<b>Total liabilities</b>	<b>\$ 23,644</b>	<b>\$ 4,266</b>	<b>\$ -</b>	<b>\$ 27,910</b>
<b>LAW OFFICER'S MEMORIAL FUND</b>				
<b>Assets</b>				
Cash and equivalents	\$ 580	\$ 100	\$ -	\$ 680
<b>Total assets</b>	<b>\$ 580</b>	<b>\$ 100</b>	<b>\$ -</b>	<b>\$ 680</b>
<b>Liabilities</b>				
Assets held for others	\$ 580	\$ 100	\$ -	\$ 680
<b>Total liabilities</b>	<b>\$ 580</b>	<b>\$ 100</b>	<b>\$ -</b>	<b>\$ 680</b>
<b>TREASURER FUND</b>				
<b>Assets</b>				
Cash and equivalents	\$ 330,687	\$ 9,626,110	\$ 9,701,214	\$ 255,583
Accounts receivable, net	2,599	72,885	73,968	1,516
<b>Total assets</b>	<b>\$ 333,286</b>	<b>\$ 9,698,995</b>	<b>\$ 9,775,182</b>	<b>\$ 257,099</b>
<b>Liabilities</b>				
Accounts payable	\$ 44	\$ -	\$ 44	\$ -
Assets held for others	333,242	16,051,800	16,127,943	257,099
<b>Total liabilities</b>	<b>\$ 333,286</b>	<b>\$ 16,051,800</b>	<b>\$ 16,127,987</b>	<b>\$ 257,099</b>
<b>14TH CIRCUIT COURT SOLICITOR FUND</b>				
<b>Assets</b>				
Cash and equivalents	\$ 28,870	\$ 520,446	\$ 514,517	\$ 34,799
Accounts receivable, net	617	9,861	9,616	862
<b>Total assets</b>	<b>\$ 29,487</b>	<b>\$ 530,307</b>	<b>\$ 524,133</b>	<b>\$ 35,661</b>
<b>Liabilities</b>				
Accounts payable	\$ 26,229	\$ 576	\$ 26,805	\$ -
Assets held for others	3,258	497,472	465,069	35,661
<b>Total liabilities</b>	<b>\$ 29,487</b>	<b>\$ 498,048</b>	<b>\$ 491,874</b>	<b>\$ 35,661</b>

**COLLETON COUNTY, SOUTH CAROLINA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<b>DELINQUENT TAX FUND</b>				
Assets				
Cash and equivalents	\$ 666,966	\$ 13,715,087	\$ 12,789,789	\$ 1,592,264
Total assets	<u>\$ 666,966</u>	<u>\$ 13,715,087</u>	<u>\$ 12,789,789</u>	<u>\$ 1,592,264</u>
Liabilities				
Assets held for others	\$ 666,966	\$ 6,252,669	\$ 5,327,371	\$ 1,592,264
Total liabilities	<u>\$ 666,966</u>	<u>\$ 6,252,669</u>	<u>\$ 5,327,371</u>	<u>\$ 1,592,264</u>
<b>CLERK OF COURT FUND</b>				
Assets				
Cash and equivalents	\$ 340,687	\$ 21,343	\$ 88,559	\$ 273,471
Total assets	<u>\$ 340,687</u>	<u>\$ 21,343</u>	<u>\$ 88,559</u>	<u>\$ 273,471</u>
Liabilities				
Assets held for others	\$ 340,687	\$ 21,343	\$ 88,559	\$ 273,471
Total liabilities	<u>\$ 340,687</u>	<u>\$ 21,343</u>	<u>\$ 88,559</u>	<u>\$ 273,471</u>
<b>MAGISTRATE FUND</b>				
Assets				
Cash and equivalents	\$ 103,561	\$ -	\$ 10,393	\$ 93,168
Total assets	<u>\$ 103,561</u>	<u>\$ -</u>	<u>\$ 10,393</u>	<u>\$ 93,168</u>
Liabilities				
Assets held for others	\$ 103,561	\$ -	\$ 10,393	\$ 93,168
Total liabilities	<u>\$ 103,561</u>	<u>\$ -</u>	<u>\$ 10,393</u>	<u>\$ 93,168</u>
<b>PROBATE JUDGE FUND</b>				
Assets				
Cash and equivalents	\$ 7,224	\$ -	\$ 7,224	\$ -
Total assets	<u>\$ 7,224</u>	<u>\$ -</u>	<u>\$ 7,224</u>	<u>\$ -</u>
Liabilities				
Assets held for others	\$ 7,224	\$ -	\$ 7,224	\$ -
Total liabilities	<u>\$ 7,224</u>	<u>\$ -</u>	<u>\$ 7,224</u>	<u>\$ -</u>
<b>FIREMENS FUND</b>				
Assets				
Cash and equivalents	\$ 79,734	\$ 279,776	\$ 269,474	\$ 90,036
Accounts receivable, net	139,882	-	139,882	-
Total assets	<u>\$ 219,616</u>	<u>\$ 279,776</u>	<u>\$ 409,356</u>	<u>\$ 90,036</u>
Liabilities				
Accounts payable	\$ 802	\$ 40,837	\$ 802	\$ 40,837
Assets held for others	218,814	345,122	514,737	49,199
Total liabilities	<u>\$ 219,616</u>	<u>\$ 385,959</u>	<u>\$ 515,539</u>	<u>\$ 90,036</u>
<b>COLLETON COUNTY SCHOOL FUND</b>				
Assets				
Cash and equivalents	\$ 11,185,629	\$ 94,090,539	\$ 96,982,961	\$ 8,293,207
Total assets	<u>\$ 11,185,629</u>	<u>\$ 94,090,539</u>	<u>\$ 96,982,961</u>	<u>\$ 8,293,207</u>
Liabilities				
Assets held for others	\$ 11,185,629	\$ 67,617,576	\$ 70,509,998	\$ 8,293,207
Total liabilities	<u>\$ 11,185,629</u>	<u>\$ 67,617,576</u>	<u>\$ 70,509,998</u>	<u>\$ 8,293,207</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, 2017**

	General	Debt Service	Total
<b>Assets</b>			
Cash and equivalents	\$ 124,730	\$ 180,899	\$ 305,629
Receivables, net of allowances	2,680,614	238,992	2,919,606
<b>Total assets</b>	<b>\$ 2,805,344</b>	<b>\$ 419,891</b>	<b>\$ 3,225,235</b>
<b>Liabilities</b>			
Accounts payable	\$ 158,536	-	\$ 158,536
Accrued payroll liabilities	119,269	-	119,269
<b>Total liabilities</b>	<b>277,805</b>	<b>-</b>	<b>277,805</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue-property taxes	254,790	155,560	410,350
Unavailable revenue-fees	2,140,497	-	2,140,497
<b>Total deferred inflows of resources</b>	<b>2,395,287</b>	<b>155,560</b>	<b>2,550,847</b>
<b>Fund Balances</b>			
Restricted	-	264,331	264,331
Unassigned	132,252	-	132,252
<b>Total fund balances</b>	<b>132,252</b>	<b>264,331</b>	<b>396,583</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,805,344</b>	<b>\$ 419,891</b>	<b>\$ 3,225,235</b>

**COLLETON COUNTY, SOUTH CAROLINA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**FIRE AND RESCUE COMMISSION**  
**JUNE 30, 2017**

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

Total fund balance - fire and rescue commission	\$	396,583
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Land	\$ 529,165	
Buildings & improvements, net of accumulated depreciation of \$1,935,856	4,973,135	
Other improvements, net of accumulated depreciation of \$118,278	29,254	
Equipment & vehicles, net of accumulated depreciation of \$14,291,188	<u>4,556,238</u>	
		10,087,792
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Property taxes	410,350	
EMS fee receivables	<u>2,140,497</u>	
		2,550,847
Deferred outflows and inflows of resources represents amounts applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows related to pensions	1,809,386	
Deferred inflows related to pensions	<u>(348,932)</u>	
Total deferred outflows and inflows of resources		1,460,454
Disbursements for insurance coverage reflected in the funds cover periods extending beyond year-end.		
		142,801
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore, are not reported as liabilities in the funds.		
General obligation bonds	(4,790,000)	
Capital Lease	(2,197,839)	
Compensated absences	(303,282)	
Accrued interest	(75,993)	
Net pension liability	(8,736,690)	
OPEB obligation	<u>(335,670)</u>	
		<u>(16,439,474)</u>
Total net position - governmental activities	\$	<u><u>(1,800,997)</u></u>

**COLLETON COUNTY, SOUTH CAROLINA  
 COMPONENT UNIT - FIRE AND RESCUE COMMISSION  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2017**

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
Revenues			
Taxes	\$ 3,291,769	\$ 2,214,658	\$ 5,506,427
Intergovernmental revenues	3,326,851	-	3,326,851
Fees	1,580,881	-	1,580,881
Other income	313	1,387	1,700
Total revenues	<u>8,199,814</u>	<u>2,216,045</u>	<u>10,415,859</u>
Expenditures			
Current			
Public safety	8,612,448	292,820	8,905,268
Capital outlay			
Public Safety	5,420	-	5,420
Debt service			
Principal retirement	-	1,196,204	1,196,204
Interest payments	-	188,237	188,237
Total expenditures	<u>8,617,868</u>	<u>1,677,261</u>	<u>10,295,129</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(418,054)</u>	<u>538,784</u>	<u>120,730</u>
Other financing sources (uses)			
Proceeds from sales of capital assets	1,740	-	1,740
Proceeds from insurance settlements	10,910	-	10,910
Transfers in	411,971	-	411,971
Transfers out	-	(411,971)	(411,971)
Total other financing sources (uses)	<u>424,621</u>	<u>(411,971)</u>	<u>12,650</u>
Net change in fund balances	6,567	126,813	133,380
Fund balances, beginning of year	125,685	137,518	263,203
Fund balances, end of year	<u>\$ 132,252</u>	<u>\$ 264,331</u>	<u>\$ 396,583</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 YEAR ENDED JUNE 30, 2017**

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

Total net change in fund balance - fire and rescue commission	\$	133,380
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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. This is the amount by which capital outlays was less than depreciation in the current period.

Capital outlay	\$ 5,420		
Depreciation expense	<u>(1,165,739)</u>		(1,160,319)

Because some revenues will not be collected for several months after the County's fiscal year end, they are not considered "available" revenues in the governmental funds. Amounts not meeting current year availability criteria, not recognized in governmental funds in the current year:

Property taxes and other special assessments	931		
EMS fees receivable	<u>133,664</u>		134,595

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The details of net changes in such accruals are as follows:

Compensated absences	(52,939)		
OPEB obligation	(38,769)		
Accrued interest	15,482		
Pension expenses	<u>(150,213)</u>		(226,439)

The issuance of long-term debt (e.g., bonds, leases) 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.

Principal payments on general obligation bonds and capital leases		1,196,204
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Disbursements for insurance policies that cover periods extending beyond year-end are expenditures in the governmental funds but are deferred and amortized over the policy period in the statement of net position.

		<u>3,805</u>
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Changes in net position of governmental activities	\$	<u><u>81,226</u></u>
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**COLLETON COUNTY, SOUTH CAROLINA  
 COMPONENT UNIT - FIRE AND RESCUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 5,359,319	\$ 5,359,319	\$ 5,506,427	\$ 147,108
Intergovernmental revenues	3,119,761	3,326,851	3,326,851	-
Fees	1,465,040	1,487,954	1,580,881	92,927
Other income	5,001	346,476	1,700	(344,776)
Total revenues	<u>9,949,121</u>	<u>10,520,600</u>	<u>10,415,859</u>	<u>(104,741)</u>
<b>Expenditures</b>				
<b>Current</b>				
Public safety	7,885,907	8,791,350	8,905,268	(113,918)
<b>Capital outlay</b>				
Public safety	2,450	18,108	5,420	12,688
<b>Debt Service</b>				
Principal retirement	1,196,151	1,196,151	1,196,204	(53)
Interest and fiscal charges	188,289	188,289	188,237	52
Total expenditures	<u>9,272,797</u>	<u>10,193,898</u>	<u>10,295,129</u>	<u>(101,231)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>676,324</u>	<u>326,702</u>	<u>120,730</u>	<u>(205,972)</u>
<b>Other financing sources (uses)</b>				
Proceeds from sales of capital assets	-	-	1,740	1,740
Proceeds from insurance settlements	1,100	12,010	10,910	(1,100)
Transfers in	411,971	411,971	411,971	-
Transfers out	(1,089,395)	(750,683)	(411,971)	338,712
Total other financing sources (uses)	<u>(676,324)</u>	<u>(326,702)</u>	<u>12,650</u>	<u>339,352</u>
Net change in fund balances	-	-	133,380	133,380
Fund balances, beginning of year	263,203	263,203	263,203	-
Fund balances, end of year	<u>\$ 263,203</u>	<u>\$ 263,203</u>	<u>\$ 396,583</u>	<u>\$ 133,380</u>

**NOTES TO REQUIRED SUPPLEMENTARY SCHEDULE:**

The basis of budgeting is the same as generally accepted accounting principles. The County adopts annual budgets for the fire and rescue fund using the modified accrual basis. Appropriations lapse at the end of the year.

**COLLETON COUNTY, SOUTH CAROLINA  
 COMPONENT UNIT - MEMORIAL LIBRARY  
 BALANCE SHEET  
 JUNE 30, 2017**

	General Fund	Special Revenue Fund	Total
<b>Assets</b>			
Cash and equivalents	\$ 86,531	\$ 4,877	\$ 91,408
Receivables, net of allowances	4,012	-	4,012
Total assets	<u>\$ 90,543</u>	<u>\$ 4,877</u>	<u>\$ 95,420</u>
<b>Liabilities</b>			
Accounts payable	\$ 18,938	\$ 3,777	\$ 22,715
Accrued payroll and benefits	6,311	-	6,311
Unearned revenues	18,281	-	18,281
Total liabilities	<u>43,530</u>	<u>3,777</u>	<u>47,307</u>
<b>Fund Balances</b>			
Assigned	-	1,100	1,100
Unassigned	47,013	-	47,013
Total fund balances	<u>47,013</u>	<u>1,100</u>	<u>48,113</u>
Total liabilities and fund balances	<u>\$ 90,543</u>	<u>\$ 4,877</u>	<u>\$ 95,420</u>

**COLLETON COUNTY, SOUTH CAROLINA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
MEMORIAL LIBRARY  
JUNE 30, 2017**

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

Total fund balance - Memorial Library	\$	48,113
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds		
Library materials, net of accumulated depreciation of \$1,833,289	\$ 217,142	
Equipment & vehicles, net of accumulated depreciation of \$210,926	<u>164,687</u>	
		381,829
Deferred outflows and inflows of resources represents amounts applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows related to pensions	103,632	
Deferred inflows related to pensions	<u>(14,756)</u>	
Total deferred outflows and inflows of resources		88,876
Disbursements for insurance coverage reflected in the funds cover periods extending beyond year-end		8,495
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Compensated absences	(22,967)	
OPEB Obligation	(223,050)	
Net pension liability	<u>(686,801)</u>	
		<u>(932,818)</u>
Total net position - governmental activities	\$	<u><u>(405,505)</u></u>

**COLLETON COUNTY, SOUTH CAROLINA  
 COMPONENT UNIT - MEMORIAL LIBRARY  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2017**

	General Fund	Special Revenue Fund	Total
<b>Revenues</b>			
Intergovernmental revenues	\$ 615,335	\$ 275,000	\$ 890,335
Fines and	27,801	-	27,801
Other income	50,288	282	50,570
Total revenues	<u>693,424</u>	<u>275,282</u>	<u>968,706</u>
<b>Expenditures</b>			
Current			
Recreation and culture	575,847	110,735	686,582
Capital outlay			
Recreation and culture	94,338	163,955	258,293
Total expenditures	<u>670,185</u>	<u>274,690</u>	<u>944,875</u>
Net change in fund balances	23,239	592	23,831
Fund balances, beginning of year	23,774	508	24,282
Fund balances, end of year	<u>\$ 47,013</u>	<u>\$ 1,100</u>	<u>\$ 48,113</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 YEAR ENDED JUNE 30, 2017**

Total net change in fund balance - Memorial Library \$ 23,831

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. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 258,293	
Depreciation expense	(73,886)	
		184,407

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The details of net changes in such accruals are as follows:

Compensated absences	(1,372)	
OPEB obligation	(41,736)	
Pension expense	(2,158)	
		(45,266)

Disbursements for insurance policies that cover periods extending beyond year-end are expenditures in the governmental funds but are deferred and amortized over the policy period in the statement of net position.

		368
Changes in net position of governmental activities	\$	163,340

**COLLETON COUNTY, SOUTH CAROLINA  
 COMPONENT UNIT - MEMORIAL LIBRARY  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with final
	Original	Final		budget - positive (negative)
<b>Revenues</b>				
Intergovernmental revenues	\$ 653,735	\$ 891,692	\$ 890,335	\$ (1,357)
Fines, fees, and service charges	-	-	27,801	27,801
Other income	-	53,960	50,570	(3,390)
Total revenues	<u>653,735</u>	<u>945,652</u>	<u>968,706</u>	<u>23,054</u>
<b>Expenditures</b>				
Current				
Recreation and culture	634,490	781,380	686,582	94,798
Capital outlay				
Recreation and culture	19,245	164,272	258,293	(94,021)
Total expenditures	<u>653,735</u>	<u>945,652</u>	<u>944,875</u>	<u>777</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>23,831</u>	<u>23,831</u>
<b>Other financing sources (uses)</b>				
Transfers in	7,600	-	-	-
Transfers out	(7,600)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	23,831	23,831
Fund balances, beginning of year	<u>24,282</u>	<u>24,282</u>	<u>24,282</u>	<u>-</u>
Fund balances, end of year	<u>\$ 24,282</u>	<u>\$ 24,282</u>	<u>\$ 48,113</u>	<u>\$ 23,831</u>

**NOTES TO REQUIRED SUPPLEMENTARY SCHEDULE:**

The basis of budgeting is the same as generally accepted accounting principles. The County adopts annual budgets for the memorial library fund using the modified accrual basis. Appropriations lapse at the end of the year.

**COLLETON COUNTY, SOUTH CAROLINA  
SCHEDULE OF COURT FINES, ASSESSMENTS, AND SURCHARGES  
FOR THE YEAR ENDED JUNE 30, 2017**

Court fines, surcharges, and assessments	
Collected	\$ 1,636,258
Remitted to State Treasurer	829,553
Retained by County	<u>\$ 806,705</u>
Fines, surcharges and assessments retained by County	
General fund	\$ 710,108
Other agencies	33,964
Victims' advocate services	62,633
Total surcharges and assessments	<u>\$ 806,705</u>
Funds allocated to victims' advocate service	
Carryover funds from prior year	\$ 135,014
Other income	13,744
Interest earned	332
Surcharges and assessments retained	62,633
Expenditures for victims advocate retained	(69,121)
Balance of victims funds at end of year	<u>\$ 142,602</u>

# STATISTICAL SECTION

# COLLETON COUNTY, SOUTH CAROLINA

## 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 These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	109-112
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	113-115
Debt Capacity 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.	116-121
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help comparisons over time and with other governments.	122-123
Operating Information 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.	124-126

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 COMPONENTS  
LAST TEN FISCAL YEARS**

**Schedule 1**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>GOVERNMENTAL ACTIVITIES</b>										
Net Investment in Capital Assets	\$ 26,304,536	\$ 24,511,294	\$ 26,613,252	\$ 30,234,540	\$ 28,162,225	\$ 29,208,570	\$ 31,257,962	\$ 33,464,047	\$ 31,778,627	\$ 37,187,490
Restricted	4,323,292	7,104,250	8,210,458	8,509,085	10,192,511	8,976,701	10,305,751	9,738,050	17,017,936	12,733,361
Unrestricted	5,039,767	7,260,956	8,282,389	9,942,615	12,627,357	10,997,674	14,202,852	(8,369,151)	(11,885,105)	(9,606,502)
Total Governmental Activities Net Position	<u>\$ 35,667,595</u>	<u>\$ 38,876,500</u>	<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>

Source: County Audit Reports

**COLLETON COUNTY, SOUTH CAROLINA  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)**

Schedule 2

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental Activities:										
General government	\$ 6,581,507	\$ 6,646,119	\$ 6,593,093	\$ 7,228,887	\$ 8,000,488	\$ 8,178,472	\$ 10,740,147	\$ 8,811,200	\$ 9,227,968	\$ 9,810,028
Judicial	2,130,954	2,137,323	1,973,222	5,010,233	4,996,680	4,594,583	4,957,014	5,255,325	5,871,221	6,309,402
Public safety	10,114,552	10,634,142	10,232,152	8,244,482	8,202,681	8,410,210	8,589,140	8,642,672	8,319,638	8,702,190
Roads and bridges	2,250,684	2,302,900	1,774,066	2,313,953	2,320,046	2,496,358	4,182,236	4,949,171	6,405,248	2,975,077
Solid Waste	2,056,866	2,124,328	1,730,522	2,244,813	2,280,816	2,449,740	2,568,610	2,509,851	2,418,936	2,575,815
Recreation and culture	1,139,480	1,182,007	1,285,985	819,698	1,038,373	1,313,153	1,743,106	2,906,984	2,627,302	2,927,170
Health and human services	1,113,018	1,172,954	1,084,829	1,818,338	1,672,744	1,789,799	1,925,374	1,928,313	1,908,438	1,888,520
Economic development	402,344	637,276	259,688	380,812	2,027,728	3,373,628	1,569,363	1,568,862	1,650,684	1,377,821
Intergovernmental	638,346	262,917	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 charges	714,427	740,453	3,422,305	655,432	560,225	500,152	437,611	469,185	895,063	759,085
Total Expenses	<u>27,142,178</u>	<u>27,840,419</u>	<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>
<b>Revenues</b>										
Governmental Activities:										
Program Revenues										
Charges for Services:										
General government	560,509	594,443	461,919	434,053	407,482	483,659	568,195	531,064	1,231,180	1,407,234
Judicial	531,060	354,456	845,808	3,052,629	2,852,878	2,769,668	1,159,451	1,117,461	1,058,359	1,090,259
Public safety	1,390,379	1,342,620	149,508	512,453	352,108	364,705	357,982	342,051	282,939	296,497
Streets and highways	-	762,092	979,340	913,889	964,525	1,015,102	911,965	895,833	934,318	1,071,442
Sanitation	508,640	399,346	1,106,419	1,443,781	1,150,138	1,636,460	1,737,436	1,802,512	2,071,414	2,150,225
Recreation and culture	130,601	3,570	-	160,145	175,987	210,835	330,566	326,236	464,510	500,940
Health and human services	497,112	-	139,036	708,738	725,761	627,354	633,729	33,107	25,911	40,276
Economic development	-	-	295,251	-	-	-	1,541,360	677,045	-	-
Operating Grants and Contributions	974,119	1,561,311	3,225,446	2,049,525	2,102,187	3,073,637	9,860,851	8,629,703	11,726,799	12,448,200
Capital Grants and Contributions	174,643	440,452	621,186	3,181,056	1,438,292	-	-	4,473,000	-	-
General Revenues										
Taxes	21,185,136	23,190,793	22,999,176	23,662,008	24,538,580	22,956,394	21,029,359	21,343,703	27,045,537	28,691,017
Grants and contributions not restricted to specific program	2,277,220	2,174,986	1,755,788	1,419,929	1,197,122	1,430,665	1,436,657	1,445,663	1,875,873	1,508,783
Interest and investment earnings	525,192	132,325	52,452	89,429	79,474	-	-	-	-	-
Miscellaneous	157,455	47,202	108,356	24,912	311,507	271,784	438,004	428,830	724,951	1,287,099
Gain (loss) on sale of assets	45,847	45,728	95,889	129,976	227,984	66,667	-	-	-	-
Transfers in (out)	-	-	-	-	-	(52,796)	90,713	-	-	-
Total Revenues	<u>28,957,913</u>	<u>31,049,324</u>	<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>
Change in net position	1,815,735	3,208,905	4,229,599	5,580,141	2,295,853	(1,612,637)	(277,705)	1,168,121	2,526,420	3,402,891
Net Position-Beginning	33,851,860	35,667,595	38,876,500	43,106,099	48,686,240	50,982,093	49,182,945	55,766,565	34,832,946	36,911,458
Prior Period Adjustment	-	-	-	-	-	(186,511)	6,861,325	(22,101,740)	(447,908)	-
Net Position-Ending	<u>\$ 35,667,595</u>	<u>\$ 38,876,500</u>	<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>

110

Source: County Audit Reports

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

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

Schedule 3

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>GENERAL FUND</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ 2,442	\$ 6,718	\$ 6,076	\$ 14,004	\$ 10,534	\$ 11,570	\$ 3,333
Restricted	4,512	7,092	2,592	-	204,307	2,101	362,911	363,272	363,636	364,000
Committed	-	-	-	-	-	-	-	-	-	219,674
Assigned	-	-	-	-	-	-	695,942	893,097	968,193	199,057
Unassigned	7,031,667	8,947,550	7,433,900	8,735,361	8,975,864	7,921,046	5,981,162	5,746,897	7,085,015	7,739,608
Total General Fund	<u>\$ 7,036,179</u>	<u>\$ 8,954,642</u>	<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>
<b>ECONOMIC DEVELOPMENT AND CAPITAL IMPROVEMENTS FUND</b>										
Nonspendable	\$ 4,123,586	\$ 2,737,489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Economic Development Fund	<u>\$ 4,123,586</u>	<u>\$ 2,737,489</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>CAPITAL PROJECTS FUND</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,700,933	\$ 2,922,238	\$ -	\$ -
Restricted	-	-	-	-	-	-	5,214,418	4,954,705	10,170,294	4,504,276
Committed	-	-	-	-	-	-	4,221,199	34,062,547	29,554,382	26,972,788
Total Economic Development Fund	<u>\$ -</u>	<u>\$ -</u>	<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>
<b>2005 BOND FUND</b>										
Nonspendable	\$ 135,200	\$ 1,061	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Economic Development Fund	<u>\$ 135,200</u>	<u>\$ 1,061</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Restricted	\$ 366,834	\$ 369,375	\$ 1,825,429	\$ 4,752,641	\$ 4,338,743	\$ 7,728,952	\$ 2,027,489	\$ 1,497,835	\$ 6,484,006	\$ 7,865,085
Committed	320,844	348,042	356,323	722,624	1,873,050	3,136,266	1,238,084	831,384	573,094	594,006
Nonspendable	-	-	-	-	-	567,675	38,487	-	-	-
Assigned	4,914,462	4,925,295	6,346,099	4,896,457	6,193,164	162,302	1,811,461	1,625,160	1,485,895	1,503,475
Total All Other Governmental Funds	<u>\$ 5,602,140</u>	<u>\$ 5,642,712</u>	<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>\$ 9,962,566</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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Taxes	\$ 21,404,626	\$ 23,256,592	\$ 23,859,750	\$ 24,966,426	\$ 25,323,266	\$ 23,885,157	\$ 21,090,421	\$ 21,299,184	\$ 27,396,764	\$ 28,629,297
Licenses and permits	223,315	156,842	-	-	-	-	-	-	-	-
Fines and fees	2,506,477	2,839,939	2,223,421	2,474,493	2,021,074	7,107,783	7,212,428	10,075,366	13,602,672	13,956,983
Intergovernmental	3,832,211	3,985,122	4,684,025	6,748,815	6,266,017	4,504,302	11,297,508	5,811,340	6,030,559	6,516,583
Interest	525,308	132,442	97,238	89,338	79,470	-	-	-	-	-
Other	297,356	298,610	139,684	124,420	515,179	173,666	300,227	302,635	627,055	1,239,266
Total Revenues	<u>28,789,293</u>	<u>30,669,547</u>	<u>31,004,118</u>	<u>34,403,492</u>	<u>34,205,006</u>	<u>35,670,908</u>	<u>39,900,584</u>	<u>37,488,525</u>	<u>47,657,050</u>	<u>50,342,129</u>
<b>Expenditures</b>										
<b>Current:</b>										
General government	6,455,603	6,292,313	7,865,398	6,756,544	7,344,982	7,688,345	10,293,376	8,357,765	8,705,075	9,233,056
Judicial	1,719,488	1,695,299	1,962,697	2,344,951	2,122,867	4,157,881	4,456,189	4,658,249	5,275,752	5,679,392
Public safety	9,644,962	9,763,712	9,335,109	7,345,678	7,440,052	7,468,560	7,723,408	7,668,476	7,348,907	7,713,186
Streets and highways	1,612,068	1,649,944	2,711,965	1,608,064	1,655,724	1,833,460	3,466,507	4,257,082	5,644,622	2,096,123
Sanitation	2,110,483	1,850,461	1,750,312	1,917,542	1,972,315	2,156,449	2,240,650	2,208,389	2,127,950	2,256,218
Recreation and culture	1,127,037	1,179,546	758,729	761,261	872,178	1,055,271	1,300,883	2,462,699	2,038,864	2,329,422
Health and human services	1,019,031	1,320,906	1,109,046	1,002,283	833,863	1,674,861	1,794,798	1,797,883	1,780,141	1,751,754
Economic development	389,283	622,021	2,844,242	235,493	1,864,496	3,101,594	1,097,322	1,110,361	1,186,504	902,674
Intergovernmental	594,082	218,773	3,227,967	3,441,590	6,006,861	3,360,676	3,661,372	3,836,524	5,590,873	9,763,973
Capital Outlay	2,970,732	2,996,675	63,109	5,424,846	5,315,933	3,082,720	3,332,868	7,569,037	3,178,051	11,689,652
<b>Debt Service</b>										
Principal	2,525,062	1,927,818	1,632,045	2,347,982	5,325,472	2,246,834	2,294,878	2,528,493	2,286,585	4,860,166
Interest	727,785	763,115	675,223	676,249	388,136	536,892	466,532	393,567	768,914	854,370
Total Expenditures	<u>30,895,616</u>	<u>30,280,583</u>	<u>33,935,842</u>	<u>33,862,483</u>	<u>41,142,879</u>	<u>38,363,543</u>	<u>42,128,783</u>	<u>46,848,525</u>	<u>45,932,238</u>	<u>59,129,986</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,106,323)</u>	<u>388,964</u>	<u>(2,931,724)</u>	<u>541,009</u>	<u>(6,937,873)</u>	<u>(2,692,635)</u>	<u>(2,228,199)</u>	<u>(9,360,000)</u>	<u>1,724,812</u>	<u>(8,787,857)</u>
<b>Other Financing Sources (Uses)</b>										
Proceeds from sale of property	48,028	18,492	9,441	39,330	53,082	66,667	90,713	46,578	184,544	-
Issuance of debt	4,000,000	-	1,462,500	2,452,446	6,519,794	-	-	33,362,384	5,395,000	2,000,000
Donation of capital asset	-	-	-	-	-	-	-	4,473,000	-	-
Legal settlement	-	-	-	-	-	-	-	7,411	-	-
Debt payments	(1,314,241)	-	-	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-	-	51,278	-
Payment to refund debt escrow	-	-	-	-	-	-	-	-	(3,710,000)	-
Gain/loss on sale of asset	-	-	-	-	-	-	-	-	5,295	-
Insurance proceeds	4,800	31,343	87,372	112,399	177,318	98,118	137,777	72,206	137,487	57,074
Transfers in	3,267,296	4,263,137	7,601,471	6,420,790	9,559,323	4,251,121	6,220,775	4,255,156	8,423,212	6,530,977
Transfers out	(3,267,296)	(4,263,137)	(7,600,621)	(6,420,789)	(9,559,323)	(4,303,917)	(6,220,775)	(4,255,156)	(8,423,212)	(6,530,977)
Total other financing sources (uses)	<u>2,738,587</u>	<u>49,835</u>	<u>1,560,163</u>	<u>2,604,176</u>	<u>6,750,194</u>	<u>111,989</u>	<u>228,490</u>	<u>37,961,579</u>	<u>2,063,604</u>	<u>2,057,074</u>
Net Change in Fund Balances	632,264	438,799	(1,371,561)	3,145,185	(187,679)	(2,580,646)	(1,999,709)	28,601,579	3,788,416	(6,730,783)
Other changes in fund balance	-	-	-	-	2,669,997	513,218	6,781,381	-	-	-
Fund Balances, Beginning	16,264,841	16,897,105	17,335,904	15,964,343	19,109,528	21,591,846	19,524,418	24,306,090	52,907,669	56,696,085
Fund Balances, Ending	<u>\$ 16,897,105</u>	<u>\$ 17,335,904</u>	<u>\$ 15,964,343</u>	<u>\$ 19,109,528</u>	<u>\$ 21,591,846</u>	<u>\$ 19,524,418</u>	<u>\$ 24,306,090</u>	<u>\$ 52,907,669</u>	<u>\$ 56,696,085</u>	<u>\$ 49,965,302</u>
Debt service as a percentage of noncapital expenditures	11.6%	9.9%	6.8%	10.6%	15.9%	7.9%	7.1%	7.4%	7.1%	12.0%

Source: County Audit Reports

**COLLETON COUNTY, SOUTH CAROLINA**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

**Schedule 5**

FISCAL YEAR ENDED	ASSESSED VALUE			MARKET VALUE			TOTAL DIRECT TAX
	REAL PROPERTY	PERSONAL PROPERTY	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	TOTAL	RATE
<u>JUNE 30,</u>							
2008	\$ 126,823,441	\$ 41,473,101	\$ 168,296,542	\$ 1,729,360,519	\$ 591,825,021	\$ 2,321,185,540	115.60
2009	129,036,420	40,735,379	169,771,799	1,965,699,616	607,984,487	2,573,684,103	116.20
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

113

\* Reassessment Year.

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

Data Source: County Auditor

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

Schedule 6

FISCAL YEAR ENDED JUNE 30,	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
2008	104.20	11.40	115.60	101.44	44.50	29.00	18.40	17.00	81.00
2009	104.20	12.00	116.20	104.38	46.50	29.84	20.50	18.00	83.00
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	79.46
2013	108.45	7.41	115.86	104.31	46.50	33.56	17.67	19.53	88.00
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	49.50	33.56	22.66	20.23	88.00
2017	114.81	10.24	125.05	110.42	49.50	33.56	22.66	20.71	88.00

Source: County Auditor's Office

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

Schedule 7

TAXPAYER	2017			2008			
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL COUNTY TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL COUNTY TAXABLE ASSESSED VALUE	
South Carolina Electric & Gas	\$ 8,165,650	1	4.77%	N/A	-	N/A	%
Coastal Electric Coop	2,903,270	2	1.70%	N/A	-	N/A	
Walterboro Community Hospital	987,310	3	0.58%	N/A	-	N/A	
CSX Transportation, Inc	839,050	4	0.49%	N/A	-	N/A	
Central Electric Power Coop	833,030	5	0.49%	N/A	-	N/A	
Wal-Mart Real Estate	765,000	6	0.45%	N/A	-	N/A	
Cherokee Plantation Owners LLC	569,376	7	0.33%	N/A	-	N/A	
Dayco Products LLC	443,230	8	0.26%	N/A	-	N/A	
Hinesville Shopping LLC	391,800	9	0.23%	N/A	-	N/A	
Comcast Cablevision of Carolina Inc.	366,130	10	0.21%	N/A	-	N/A	
Total	<u>\$ 16,263,846</u>		<u>9.51%</u>	<u>\$ -</u>		<u>-</u>	<u>%</u>

115

Source: County Auditor

N/A - Information is not available.

**COLLETON COUNTY, SOUTH CAROLINA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

**Schedule 8**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
		AMOUNT	PERCENTAGE		AMOUNT	PERCENTAGE
			OF LEVY			OF LEVY
2008	\$ 44,016,278	\$ 36,218,618	82.28 %	\$ 1,046,912	\$ 37,265,530	84.66 %
2009	45,342,652	39,783,212	87.74	1,284,317	41,067,529	90.57
2010	44,078,603	42,885,742	97.29	1,157,894	44,043,636	99.92
2011	46,726,207 *	40,532,303	86.74	1,582,450	42,114,753	90.13
2012	47,115,937	44,705,792	94.88	2,270,821	46,976,613	99.70
2013	52,100,048	44,052,013	84.55	1,751,253	45,803,266	87.91
2014	48,000,778	46,192,180	96.23	878,584	47,070,764	98.06
2015	14,791,090	13,733,646	92.85	880,013	14,613,659	98.80
2016	16,482,359	15,385,339	93.34	636,779	16,022,118	97.21
2017	16,903,737	15,970,838	94.48	-	15,970,838	94.48

116

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

All figures up to 2014 include county, fire & rescue, and school district.  
County only in year 2015.

\* Reassessment year

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

Schedule 9

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES				TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BOND	NOTES PAYABLE	LEASES PAYABLE	SPECIAL REVENUE BOND			
2008	\$ 9,224,660	\$ 1,252,488	\$ 928,720	\$ 5,460,768	\$ 16,866,636	15.40	\$ 432
2009	7,958,135	1,117,283	854,433	5,008,967	14,938,818	14.00	384.39
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	2,473,923	-	38,794,573	31.18	1,023

117

Source: County Audit Report, US Census Bureau

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

See schedule 14 for personal income and population.

These ratios are calculated using personal income and population for the prior calendar year.

N/A - Information is not available.

**COLLETON COUNTY, SOUTH CAROLINA  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

Schedule 10

<b>FISCAL YEAR ENDED JUNE 30,</b>	<b>GENERAL OBLIGATION BONDS</b>	<b>LESS AMOUNTS AVAILABLE IN DEBT SERVICE FUNDS</b>	<b>TOTAL</b>	<b>PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF PROPERTY</b>	<b>PER CAPITA</b>
2008	\$ 9,224,660	\$ 1,078,471	\$ 8,146,189	4.8 %	\$ 209
2009	7,958,135	1,228,570	6,729,565	4.0	173
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

**COLLETON COUNTY, SOUTH CAROLINA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2017**

<u>GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE</u>	<u>ESTIMATED SHARE OF OVERLAPPING DEBT</u>
<b>Debt repaid with property taxes</b>			
Colleton County School District	\$ 83,370,979	100.00%	\$ 83,370,979
Fire and Rescue Commission	6,987,839	100.00%	6,987,839
City of Walterboro	2,726,112	100.00%	2,726,112
Subtotal overlapping debt	<u>93,084,930</u>		<u>93,084,930</u>
<b>County direct debt</b>	<u>38,794,573</u>	100.00%	<u>38,794,573</u>
Total direct and overlapping debt	<u><u>\$ 131,879,503</u></u>		<u><u>\$ 131,879,503</u></u>

Sources: Assessed value data used to estimated applicable percentage provided by Colleton County Auditor.  
Debt outstanding data provided by each governmental unit.

**COLLETON COUNTY, SOUTH CAROLINA  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

**Schedule 12**

<b>Legal Debt Margin Calculation for Fiscal Year 2017</b>	
Assessed Value	\$ 171,104,050
Debt limit (8% of assessed value)	13,688,324
Debt applicable to limit:	
General Obligation	<u>8,301,301</u>
Total net debt applicable to limit	<u>8,301,301</u>
Legal Debt Margin	<u><u>\$ 5,387,023</u></u>

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt Limit	\$ 13,463,723	\$ 13,581,744	\$ 13,203,116	\$ 9,855,492	\$ 10,068,526	\$ 10,536,276	\$ 13,649,065	\$ 13,067,320	\$ 13,349,358	\$ 13,688,324
Total net debt applicable to limit	<u>9,224,660</u>	<u>7,958,135</u>	<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>
Legal debt margin	<u><u>\$ 4,239,063</u></u>	<u><u>\$ 5,623,609</u></u>	<u><u>\$ 6,196,180</u></u>	<u><u>\$ 3,869,891</u></u>	<u><u>\$ 1,862,286</u></u>	<u><u>\$ 3,256,276</u></u>	<u><u>\$ 7,539,065</u></u>	<u><u>\$ 8,327,320</u></u>	<u><u>\$ 4,590,526</u></u>	<u><u>\$ 5,387,023</u></u>
Total net debt applicable to the limit as a percentage of debt limit	<u><u>68.51%</u></u>	<u><u>58.59%</u></u>	<u><u>53.07%</u></u>	<u><u>60.73%</u></u>	<u><u>81.50%</u></u>	<u><u>69.09%</u></u>	<u><u>44.76%</u></u>	<u><u>36.27%</u></u>	<u><u>65.61% %</u></u>	<u><u>60.65%</u></u>

120

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 since 2015 because voter approval was obtained for the issuance of the bonds.

Source: County Audit Report  
County Auditor

**COLLETON COUNTY, SOUTH CAROLINA  
 PLEDGED REVENUE COVERAGE  
 LAST TEN FISCAL YEARS**

Schedule 13

FISCAL YEAR ENDED JUNE 30,	DEBT SERVICE COLLECTIONS	DEBT SERVICE		COVERAGE
		PRINCIPAL	INTEREST	
2008	\$ 1,120,422	\$ 473,947	\$ 161,793	1.76
2009	743,473	451,800	286,474	1.01
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	6,006,495	3,480,000	801,890	1.40

**COLLETON COUNTY, SOUTH CAROLINA  
DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>FISCAL YEAR ENDED JUNE 30,</b>	<b>POPULATION</b>	<b>PERSONAL INCOME (thousands of dollars)</b>	<b>PER CAPITA PERSONAL INCOME</b>	<b>MEDIAN AGE</b>	<b>SCHOOL ENROLLMENT</b>	<b>UNEMPLOYMENT RATE %</b>
2008	39,014	\$ 1,094,915	\$ 28,065	N/A	6,036	8.4 %
2009	38,864	1,067,388	27,465	N/A	5,968	14.4
2010	38,892	1,099,299	28,251	40.7	5,991	13.4
2011	38,429	1,131,725	29,311	41.3	5,872	13.9
2012	38,153	1,161,213	30,436	41.7	5,885	12.2
2013	38,153	1,190,505	31,505	N/A	5,830	10.8
2014	38,892	1,216,892	31,289	40.7	5,763	7.7
2015	37,771	1,249,641	33,120	40.0	5,713	7.5
2016	37,731	1,249,641	33,120	41.5	6,545	6.1
2017	37,923	1,244,027	32,804	43.0	6,889	4.8

122

Data Source:

- (1) US Census Bureau
- (2) US Department of Commerce, Bureau of Economic Analysis
- (3) Lowcountry Council of Governments
- (4) South Carolina Department of Education
- (5) South Carolina Employment Security Commission

N/A - Information is not available.

**COLLETON COUNTY, SOUTH CAROLINA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

<u>EMPLOYER</u>	<u>2017</u>			<u>2008</u>		
	<u>FTE EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY EMPLOYMENT</u>	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY EMPLOYMENT</u>
Colleton County School District	900	1	5.4%	N/A		N/A %
Colleton County Government	522	2	3.1%	N/A		N/A
Colleton Medical Center	420	3	2.5%	N/A		N/A
Walmart	300	4	1.8%	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
Carolina Visuals, LLC	90	7	0.5%	N/A		N/A
Rockford Manufacturing	75	8	0.5%	N/A		N/A
Palmetto Rural Telephone Cooperative	70	9	0.4%	N/A		N/A
Crescent Dairy and Beverages, LLC	60	10	0.4%	N/A		N/A
Total	<u>2,659</u>		<u>16.0%</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/PROGRAM**  
**LAST TEN FISCAL YEARS**

**Schedule 16**

<b>FUNCTION/PROGRAM</b>	<b>Fiscal Year</b>									
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
General Government	89.0	88.5	81.5	87.5	85.5	93.0	77.0	76.5	84.0	79.0
Judicial	20.5	20.0	19.5	20.0	20.0	18.5	58.0	55.0	78.0	80.5
Public Safety	135.0	135.0	134.5	132.5	133.0	132.0	116.0	103.0	135.0	144.5
Roads and Bridges	28.5	28.5	28.5	28.5	27.5	27.5	17.0	15.0	25.0	24.0
Solid Waste	15.0	14.5	14.5	15.5	15.5	15.5	12.0	23.5	44.0	31.2
Recreation and Culture	9.5	9.0	9.0	9.0	10.0	9.0	13.0	15.0	28.0	23.0
Health and Human Services	1.5	1.5	1.5	1.5	1.5	1.5	2.0	6.0	17.0	6.5
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	10.0	10.5	10.5	10.5	10.5	10.5	9.0	8.5	11.0	8.0
Library	1.5	1.5	1.5	2.5	4.0	5.0	10.0	12.5	16.0	12.8
Fire and Rescue	69.0	69.0	69.0	77.0	75.5	77.5	76.0	77.5	82.0	78.0
Total	381.5	380.0	372.0	386.5	385.0	392.0	392.0	394.5	522.0	489.5

Source: County Human Resources Dept.

**COLLETON COUNTY, SOUTH CAROLINA  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Schedule 17

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>GENERAL GOVERNMENT</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>JUDICIAL</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>PUBLIC SAFETY</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>EMS Transports</b>	N/A	N/A	N/A	N/A	N/A	4,878	4,881	5,225	5,155	5,423
<b>STREETS AND HIGHWAYS</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>SANITATION</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>RECREATION AND CULTURE</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>HEALTH &amp; HUMAN SERVICES</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>ECONOMIC DEVELOPMENT</b>	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. THIS SCHEDULE IS A WORK IN PROCESS THAT WILL BE UPDATED IN THE FOLLOWING YEAR WHEN INFORMATION BECOMES AVAILABLE.

**COLLETON COUNTY, SOUTH CAROLINA  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

**Schedule 18**

<u>FUNCTION/PROGRAM</u>	<u>Fiscal Year</u>									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>RECREATION AND CULTURE</b>										
Community Centers	N/A	N/A	N/A	N/A	N/A	13	13	13	13	13
Recreation Complex	N/A	N/A	N/A	N/A	N/A	1	1	1	1	1
Golf Course	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1
<b>EMERGENCY SERVICES:</b>										
Number of fire stations	30	30	30	30	30	33	34	34	34	34
Number of fire trucks	97	106	105	108	109	119	106	106	115	103
Number of Ambulances	9	10	10	10	11	12	12	12	16	11
<b>STREETS AND HIGHWAYS</b>										
Miles of roads	N/A	N/A	347.8	347.8	347.8	347.8	362.7	362.7	362.7	362.7
Collection sites	13	13	13	13	13	13	13	13	13	15
<b>SHERIFF:</b>										
Patrol units	86	86	86	86	86	86	86	86	92	96
<b>HEALTH, EDUCATION &amp; WELFARE</b>										
County libraries	1	1	1	1	1	1	1	1	1	2
Book Mobiles	1	1	1	1	1	1	1	1	1	1

N/A - Information is not available.

Source: County Engineering, Fleet, Facilities Departments

# COMPLIANCE SECTION

**COLLETON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended June 30, 2017**

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures	Sub-Recipient
<b>U.S. Department of Agriculture:</b>				
Passed through S.C. Department of Social Services				
Child and Adult Care Food Program	10.558	AR20260	\$ 97,633	\$ -
Child and Adult Care Food Program	10.558	AR20260	11,586	-
	Total 10.558		<u>109,219</u>	<u>-</u>
Passed through S.C. Department of Education Office of Health & Nutrition				
Summer Food Service Program for Children	10.559	SF-6388	214,141	-
Summer Food Service Program for Children	10.559	SF-6388	70,860	-
Total Child Nutrition Cluster	Total 10.559		<u>285,001</u>	<u>-</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>394,220</u></b>	<b><u>-</u></b>
<b>U.S. Department of Commerce:</b>				
Direct				
EDA Economic Adjustment Assistance	11.307	04-79-07083	3,513	-
Total Economic Development Cluster			3,513	-
<b>Total U.S. Department of Commerce</b>			<b><u>3,513</u></b>	<b><u>-</u></b>
<b>U.S. Department of Health and Human Services:</b>				
Passed through S.C. Department of Social Services				
Child Support Enforcement IV-D Incentive Payments	93.563	C70015C-4	42,571	-
Child Support Enforcement IV-D Sheriff's Department	93.563	C70061C-3	11,253	-
Child Support Enforcement IV-D Family Court	93.563	C70015C-3	91,368	-
	Total 93.563		<u>145,193</u>	<u>-</u>
<b>Total U.S. Department of Health and Human Services</b>			<b><u>145,193</u></b>	<b><u>-</u></b>
<b>U.S. Department of Homeland Security:</b>				
Passed through S.C. Emergency Management Agency				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	029-99029-00	88,246	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	029-99029-00	750	-
	Total 97.036		<u>88,996</u>	<u>-</u>
Passed through S.C. Emergency Management Agency				
Hazard Mitigation Grant	97.039	DR-4166-SC-0066	4,290	-
Hazard Mitigation Grant	97.039	DR-4166-SC-0065	30,938	-
	Total 97.039		<u>35,228</u>	<u>-</u>
Passed through S.C. Emergency Management Agency				
Emergency Management Performance Grant	97.042	15EMPG01	22,557	-
Emergency Management Performance Grant	97.042	16EMPG01	58,859	-
	Total 97.042		<u>81,416</u>	<u>-</u>
Direct				
FEMA Assistance to Firefighters Grants	97.044	EMW-2015-FO-00119	187,660	-
	Total 97.044		<u>187,660</u>	<u>-</u>
<b>Total U.S. Department of Homeland Security</b>			<b><u>393,300</u></b>	<b><u>-</u></b>
<b>U.S. Department of Housing and Urban Development:</b>				
Passed through S. C. Department of Commerce:				
Community Development Block Grants	14.228	4-A-15-001	549,908	-
Community Development Block Grants	14.228	4-CI-15-009	505,617	-
	Total 14.228		<u>1,055,525</u>	<u>-</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<b><u>1,055,525</u></b>	<b><u>-</u></b>

See accompanying notes to schedule of expenditures of federal awards.

**COLLETON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended June 30, 2017**

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures	Sub-Recipient
<b>U.S. Department of Justice:</b>				
Direct				
Equitable Sharing Program	16.922	N/A	107,504	-
	Total 16.922		<u>107,504</u>	<u>-</u>
Passed through S.C. Department of Public Safety				
Crime Victim Assistance	16.575	1V14127	(3,042)	-
Crime Victim Assistance	16.575	1V15154	41,083	-
	Total 16.575		<u>38,041</u>	<u>-</u>
Direct				
State Criminal Alien Assistance Program	16.606	2014-AP-BX-0264	113	-
State Criminal Alien Assistance Program	16.606	2015-AP-BX-0339	309	-
State Criminal Alien Assistance Program	16.606	2016-AP-BX-0378	728	-
	Total 16.606		<u>1,150</u>	<u>-</u>
Direct				
Bulletproof Vest Partnership Program	16.607	N/A	4,820	-
	Total 16.607		<u>4,820</u>	<u>-</u>
Direct				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0696	18,107	-
Passed through S.C. Department of Public Safety				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	1G15034	62,667	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	1G15038	145,924	-
	Total 16.738		<u>226,698</u>	<u>-</u>
<b>Total U.S. Department of Justice</b>			<b><u>378,213</u></b>	<b><u>-</u></b>
<b>U. S. Department of Transportation:</b>				
Direct				
Airport Improvement Program	20.106	3-45-0057-014-2015	89,625	89,625
Airport Improvement Program	20.106	3-45-0057-015-2016	586,116	586,116
	Total 20.106		<u>675,741</u>	<u>675,741</u>
Passed through S.C. Department of Transportation				
Highway Planning and Construction	20.205	LPA-3-17	2,000	-
Total Highway Planning & Construction Cluster	Total 20.205		<u>2,000</u>	<u>-</u>
Passed through S.C. Department of Parks Recreation & Tourism				
Recreational Trails Program	20.219	P28051700317	100,000	-
Total Highway Planning & Construction Cluster	Total 20.219		<u>100,000</u>	<u>-</u>
Passed through S.C. Department of Public Safety				
State and Community Highway Safety Grant	20.600	PT-2016-HS-34-16	122,181	-
State and Community Highway Safety Grant	20.600	PT-2016-HS-34-17	107,493	-
Total Highway Safety Cluster	Total 20.600		<u>229,674</u>	<u>-</u>
Passed through S.C. Emergency Management Agency				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HM_HMP-0477-15-01-00	2,760	-
	Total 20.703		<u>2,760</u>	<u>-</u>
<b>Total U. S. Department of Transportation</b>			<b><u>1,010,175</u></b>	<b><u>675,741</u></b>
<b>U.S. Institute of Museum Library Services</b>				
Passed through S. C. State Library				
Grants to States	45.310	IID-16-116	1,000	-
	Total 45.310		<u>1,000</u>	<u>-</u>
<b>Total U.S. Institute of Museum Library Services</b>			<b><u>1,000</u></b>	<b><u>-</u></b>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 3,381,139</u></b>	<b><u>\$ 675,741</u></b>

See accompanying notes to schedule of expenditures of federal awards.

**COLLETON COUNTY, SOUTH CAROLINA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Colleton County, South Carolina (the County) under programs of the federal government for the year ended June 30, 2017. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The County has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3 MEASUREMENT FOCUS**

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

**NOTE 4 PROGRAM TYPE DETERMINATION**

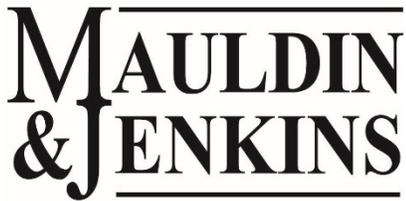
Type A programs are defined as federal programs with federal expenditures exceeding the larger of \$750,000 or three percent of total federal expenditures. The threshold of \$750,000 was used in distinguishing between Type A and Type B programs.

**NOTE 5 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, 2017.

**NOTE 6 SUBRECIPIENTS**

During the fiscal year ended June 30, 2017, 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 drainage 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**

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**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, 2017, 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 19, 2017. 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.

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Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

**Compliance and Other Matters**

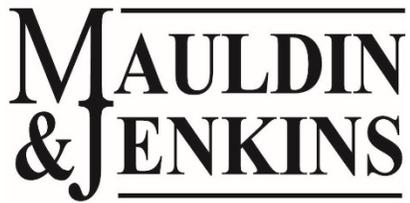
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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*

Macon, Georgia  
December 19, 2017



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

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**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, 2017. 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, 2017.

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### **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*

Macon, Georgia  
December 19, 2017

COLLETON COUNTY, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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SECTION I  
SUMMARY OF AUDIT RESULTS

**Financial Statements**

Type of auditor's report issued Unmodified

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

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

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal Control over major programs:  
Material weaknesses identified?  Yes  No

Significant deficiencies identified not considered to be material weaknesses?  Yes  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  No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.228	U.S. Department of Housing and Urban Development – Passed Through S.C. Department of Commerce: Community Development Block Grants
20.106	U.S. Department of Transportation – Airport Improvement Program (AIP)

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

Auditee qualified as low-risk auditee?  Yes  No

**COLLETON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**SECTION II**  
**FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported.

**SECTION III**  
**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None reported.

**COLLETON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**SECTION IV**  
**SCHEDULE OF PRIOR YEAR FINDINGS**

**2016-001. Management of Capital Assets**

Criteria: Generally Accepted Accounting Principles (GAAP) require the cost of capitalized assets be spread over the expected useful life of the asset in such a way as to allocate the cost as equitably as possible during which services are obtained from the use of the asset.

Condition: The County, the Memorial Library, and the Fire and Rescue Commission improperly recorded certain assets as non-depreciable in the period in which they were acquired. Thus, no depreciation expense had been recognized related to these assets in prior periods.

Context: We addressed this matter with County, Library, and Commission officials and they were able to determine the useful life and amount of depreciation expense that should be recognized retrospectively as of June 30, 2016.

Effect: A prior period adjustment to increase accumulated depreciation and decrease governmental activities net position in the amount of \$447,908 was required to be reported as of June 30, 2016. In addition, the Memorial Library and the Fire and Rescue Commission were required to record a prior period adjustment to increase accumulated depreciation and decrease net position in the amounts of \$85,375 and \$61,771, respectively, as of June 30, 2016.

Cause: At the time these assets were acquired, the County, Library, and Commission incorrectly entered the pertinent information in its capital asset accounting system, resulting in the assets not being depreciated.

Status: Corrected.