



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2015**

**COUNTY COUNCIL**

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

**COUNTY ADMINISTRATOR**

J. Kevin Griffin

**CHIEF FINANCIAL OFFICER**

Dennis E. Averkin

PREPARED BY:  
FINANCE DEPARTMENT

**Colleton County, South Carolina**  
**Comprehensive Annual Financial Report**  
For the Year Ended June 30, 2015

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# INTRODUCTORY SECTION



December 10, 2015

**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, 2015.

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 of 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 Maudlin & Jenkins, 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, 2015 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, 2015 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 located 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 38,892 (2014 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. Policy-making and legislative authority are vested with the Council along with passing ordinances, adopting the budget, appointing committees, and hiring both the County Administrator and County Attorney. The government's 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, recreation, recreational 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 Colleton County are required to submit requests for appropriations to the manager 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 54 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.

### **Local Economy**

The County's fiscal year 2015 assessable property tax base is \$163,341,500. As reported by the US Census Bureau, per capita income for the County in 2012 was \$18,221 for Colleton County as a whole and \$23,906 for South Carolina. Median household income in the County was \$31,289 compared to \$44,623 for South Carolina.

The U.S. Census Bureau estimated the 2015 population for the Colleton County to be 37,771. For 2015, the U.S. Census Bureau estimates that the overall County population has declined by 3% since 2010. To date, there are approximately 12,500 single family housing units and 7,100 multi-family housing units in Colleton County. Historically, Colleton County has had fairly static growth in population since 1940, but the County has experienced some job growth and has seen significant

new investment over the past two years. The County population base is primarily located within the Walterboro City Census Division (CCD), which had 20,542 persons in 2000, nearly 54% of the total county population. The Hendersonville and Cottageville CCDs totaled 5,996 and 5,365 respectively or almost 30% of the county population in 2000.

Colleton County has 5 interchanges along Interstate 95 with Exits 42, 53, 57, 62, and 68. Two major arterials, US Highway 17 (running north/south) and SC Highway 17A (running north/south) accommodate a majority of the traffic in Colleton County that transits to Charleston, Beaufort, Savannah and Summerville respectively. The County seat, the City of Walterboro, is the economic center of the county and is located midway between exits 53 and 57.

Colleton County has been proactive in attracting new industry to its three industrial parks, the Colleton County Commerce Center, the Airport Industrial Park and the Colleton Venture Park. In the past two years, four new manufacturing industries have re-located to Colleton County creating over 299 jobs and over \$65 million dollars in new investment, thanks in part to a skilled workforce, attractively-priced industrial space and excellent road and airport connectivity. This past year alone, the county has attracted two new industries with a combined investment of over \$6.37 million with 129 jobs. Additionally, the newly-constructed Career Skills Center has been open for business in the Airport Industrial Park that allows employers to train their workforces using incentives provided by "*Workforce Training with ReadySC™*". Courses taught at this facility include welding, CNC machine operation, and industrial management. The Lowcountry Regional Airport located near Walterboro has a 6,002 ft runway with ILS, GPS, ADS-B Tower and RCO with parallel taxiway. Prospects for industrial development with a heavy focus on exporting are encouraging, due to numerous available Level IV certified Foreign Trade Zone sites combined with interstate, rail or airport access connections. Colleton County is attractively situated approximately 45 miles from the Port of Charleston, South Carolina and 68 miles from the Port of Savannah, Georgia. Economic development remains the chief driver of the County's efforts at improving the quality of life for residents. A major cornerstone of this effort is recent completion of the County's Commerce Center Speculative Building II located at Exit 62 off Interstate 95 which was completed in November, 2014.

Civic uses have also increased in recent years. The County has recently completed construction of one of the most modern multi-field baseball recreation complexes in the state of South Carolina, the ACE Basin Sports Complex, which hosts baseball and softball tournaments that include participants from throughout the Southeast. The County has also purchased and rehabilitated the existing Dogwood Hills Golf Course, which opened for business in July, 2015. The nationally acclaimed, award-winning Colleton Museum and Farmer's market has been a major success in drawing tourists and locals alike to the County also saw the opening of the new Colleton Commercial Kitchen, which provides the physical kitchen infrastructure and training opportunities needed to support, incubate, and educate present and future local food business entrepreneurs in order to assist in the creation of farm-to-table food service business ventures, restaurant start-ups, and commercial food preparation, presentation, and production job opportunities. Located within County limits, The University of South Carolina - Salkehatchie ("USC-Salk") has a four-year university campus established in 1965 as a regional center of the University of South Carolina with over 900 students enrolled. USC-Salkehatchie offers bachelor degrees in Elementary Education, Nursing, Liberal Studies and Organizational Leadership. The 131 bed, acute-care Colleton Medical Center Hospital facility is regionally affiliated with 6-member HCA South Atlantic network and has provided services for over 50 years. Colleton County has significant tourism that includes Edisto Beach and the Ashepoo, Combahee, and Edisto River Basins also known as the ACE Basin. Tourism is vibrant within these areas of the County with abundant recreational and eco-tourism opportunities.

### **Long-Term Financial Planning**

The County closed FY15 with a strong financial position as noted with Moody's rating on Colleton County Government debt which was re-affirmed in September, 2015 at Aa3. Additionally, Standard & Poor's rating on County Debt was also re-affirmed in September, 2015 to AA-. Total fund balance and unassigned fund balance as of June 30, 2015 in the General Fund was \$7,013,800 compared to \$7,054,019 in 2014. These figures represent 26% and 24% of total expenditures, respectively. County budget ordinance requires the general fund balance to be 20.3% of total expenditures. As a reference point, 15% is the minimum level of general fund unassigned fund balance recommended by the GFOA in its 2002 and 2009 "Best Practice" bulletins.

### **Pension Plans**

Eligible employees of the County are participants in the South Carolina Retirement System (SCRS) and the South Carolina Police 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. The County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* which required a restatement of the beginning net position in governmental activities.

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

The County actively promotes quality land use development, provides exceptional educational opportunities to the existing work force, facilitates the expansion of existing businesses, and actively assists/promotes with the location of new industries in Colleton County. The County continues to improve educational and training opportunities to help Colleton County residents improve their job skills and train for new careers. Lastly, the County actively encourages expansion of existing facilities and the location of new industries to help diversify the existing opportunities for employment in Colleton County by working with the 7-member board of the Colleton County Development Board whose mission is to "promote the economic growth of Colleton County through new and expanding manufacturing, distribution, aviation, and healthcare investments which will create quality jobs, improve per-capita income, and broaden the tax base".

### **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 Budget and Control Board 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. In order 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. In 2014, the County was 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 staff of the County Treasurer, County Auditor, County Assessor, Fire-Rescue Commission, and the Planning & Development department. 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,



Dennis E. Averkin  
Chief Financial Officer



J. Kevin Griffin  
County Administrator



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, 2014**

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  
Fixed Assets/ Reporting  
Procurement

Government Affairs Manager

Administrative Services  
Public Relations  
Insurance Services  
Legal Liaison

County Engineer

Project Management  
CTC

### 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
- 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

### Recreation

- Parks
- Active Recreation
- Fitness

### Register of Deeds

- Plats
- Deeds
- Recording

### EMERGENCY PREPAREDNESS

- Disaster Planning
- EOP
- EOC
- LEPC



**COLLETON COUNTY  
SOUTH CAROLINA**

**LIST OF PRINCIPAL OFFICIALS  
JUNE 30, 2015**

<b>TITLE</b>	<b>NAME</b>
County Administrator .....	J. Kevin Griffin
Chairman .....	Steven D. Murdaugh
Council Member.....	Evon Robinson, Sr.
Council Member.....	Phillip M. Taylor Sr.
Council Member.....	Gene Whetsell
Council Member.....	Joseph F. Flowers, M.D.
Chief Financial Officer.....	Dennis E. Averkin
Auditor .....	James O. Hiott, Jr. (until 6/30/15)
Auditor .....	Jeff Slocum (effective 7/1/15)
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.

# FINANCIAL SECTION



## INDEPENDENT AUDITOR'S REPORT

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**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, 2015, 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, 10% of the net position and 7% 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, 2015, 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.

### **Emphasis of Matter**

As discussed in Note 8, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014. Our opinion is not modified with respect to this matter.

### **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 62), the Schedule of Funding Progress (on page 63), the Schedules of the Proportionate Share of the Net Pension Liability (on pages 64 through 66), and the Schedules of Contributions (on pages 67 through 69) 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.

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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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, statement of changes in assets and liabilities – agency funds, the individual financial statements and schedules of the County's discretely presented component units, the 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 10, 2015, 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 10, 2015

## **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, 2015. Please read this information in conjunction with the detail statements and notes to the financial statements in order to achieve a better understanding of the County's financial performance for the fiscal year.

#### **Financial Highlights**

- The County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which required a restatement of the beginning net position in governmental activities of \$22,101,740 for the County and \$7,750,921 for the component units and an end of year balance of \$22,318,419 for the County and \$7,751,472 for the component units net pension liability.
- The assets of the County exceed its liabilities at the close of the most recent fiscal year by \$34,832,946 (net position). The County's net position increased by \$1,168,121.
- At the close of the current fiscal year the County's governmental funds reported combined ending fund balances of \$52,907,669, an increase of \$28,601,579.
- FY 2015 general fund revenues were \$25,268,920 and general fund expenditures were \$26,621,371 with other financing sources of \$1,312,232. The County's general fund decreased \$40,219 from \$7,054,019 at the beginning of FY 2014 to \$7,013,800 at the end of FY 2015.
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#### **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 and deferred outflows less its liabilities and deferred inflows at June 30, 2015. The difference between these 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 61 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 62. Also included is the schedule of funding progress for the OPEB health plan on page 63. Historical pension information is located on pages 64 through 69 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 70 – 92 of this report.

Component unit financial statements are presented for the memorial library and the fire and rescue commission on pages 93 – 103 of this report.

**Government-wide Financial Analysis**

As noted earlier, over time net position may serve as a useful indicator of a government’s financial position. The government-wide statements encompass all the funds of the county, not just the general operational fund. The County’s total assets exceeded liabilities by \$34,832,946 at June 30, 2015, as compared to \$55,766,565 at June 30, 2014.

<b>COLLETON COUNTY, SOUTH CAROLINA NET POSITION</b>		
	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
<b>Assets</b>		
Current and other assets	\$ 57,733,711	\$ 32,144,094
Capital assets	46,791,710	42,742,405
Total assets	<u>104,525,421</u>	<u>74,886,499</u>
<b>Deferred Outflows of Resources</b>	<u>2,103,460</u>	
<b>Liabilities</b>		
Long-term liabilities	67,072,385	13,564,330
Other liabilities	2,652,833	5,555,604
Total liabilities	<u>69,725,218</u>	<u>19,119,934</u>
<b>Deferred Inflows of Resources</b>	<u>2,070,717</u>	
<b>Net Position</b>		
Net investment in capital assets	33,464,047	31,257,962
Restricted	9,738,050	10,305,751
Unrestricted	<u>(8,369,151)</u>	<u>14,202,852</u>
Total net position	<u>\$ 34,832,946</u>	<u>\$ 55,766,565</u>

By far the largest portion of the County net position \$33,464,047 (96%) 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, 2015, as compared to \$31,257,962 (56%) at June 30, 2014. 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, 2015, the County had a net position restricted for debt service in the amount of \$536,614, as compared to \$1,092,993 restricted at June 30, 2014.

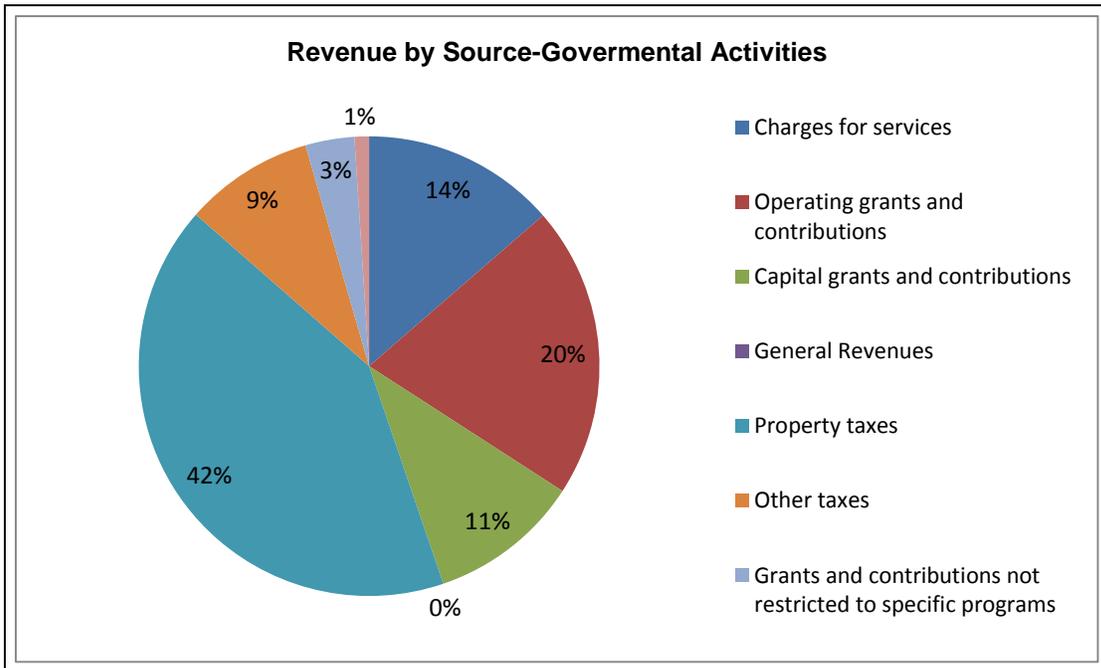
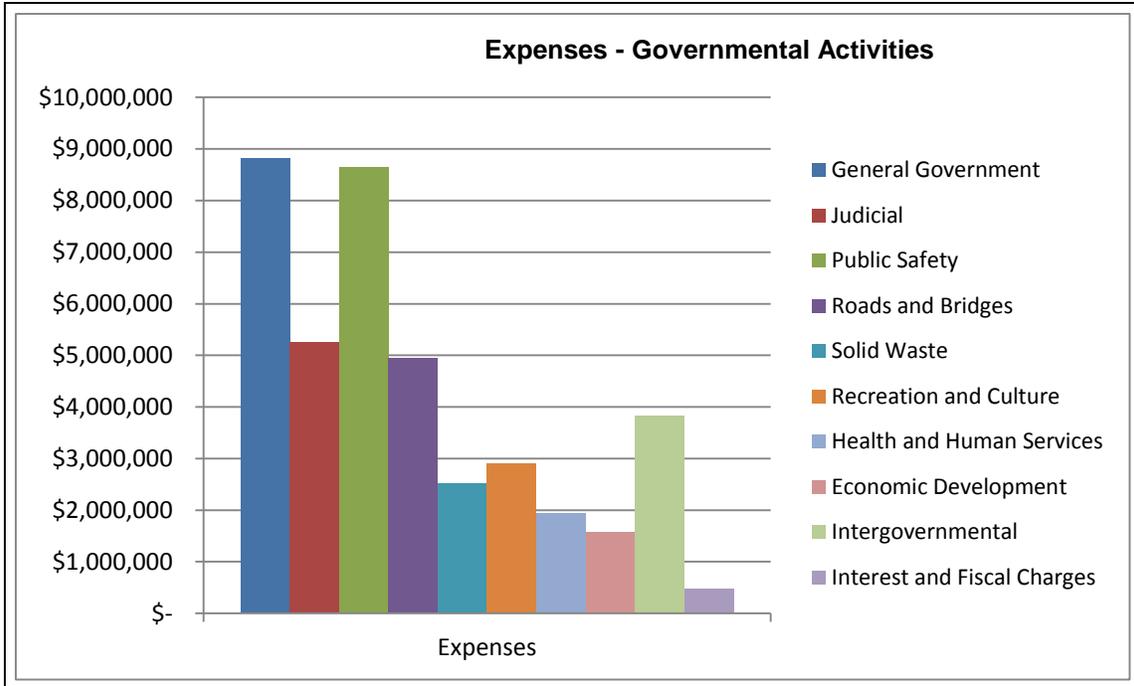
The restricted portion of net position of \$9,738,050 (28%) represents the balances of net position that have restricted resources and are not available to fund other commitments. The restricted net position relate to solid waste, debt service accounts, economic development, emergency and law enforcement services, and other revenue sources that are earmarked for specific County functions.

The remaining net position represents a deficit balance of \$(8,369,151) (-24%) in unrestricted net position which is a decrease of \$22,572,003 from the prior year. This deficit occurred because of the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which required a restatement of net position in the amount of \$22,101,740.

**Governmental Activities.** The County's total net position increased \$1,168,121 in 2015 compared to a decrease of \$277,705 in 2014. Key elements of this change in net position are as shown in the following table.

<b>COLLETON COUNTY, SOUTH CAROLINA CHANGES IN NET POSITION</b>		
	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
Revenues:		
Program Revenues		
Charges for services	\$ 5,725,309	\$ 7,240,684
Operating grants and contributions	8,629,703	9,860,851
Capital grants and contributions	4,473,000	-
General Revenues		
Property taxes	17,524,749	17,168,109
Other taxes	3,818,954	3,861,250
Grants and contributions not restricted to specific programs	1,445,663	1,436,657
Gain on sale of capital assets	-	90,713
Miscellaneous income	428,830	438,004
Total Revenues	<u>42,046,208</u>	<u>40,096,268</u>
Expenses:		
Governmental Activities:		
General government	8,811,200	10,740,147
Judicial	5,255,325	4,957,014
Public safety	8,642,672	8,589,140
Roads and bridges	4,949,171	4,182,236
Solid waste	2,509,851	2,568,610
Recreation and culture	2,906,984	1,743,106
Health and human services	1,928,313	1,925,374
Economic development	1,568,862	1,569,363
Intergovernmental	3,836,524	3,661,372
Interest and fiscal charges	469,185	437,611
Total Expenses	<u>40,878,087</u>	<u>40,373,973</u>
Change in Net Position	1,168,121	(277,705)
Net Position, beginning of year	55,766,565	49,182,945
Prior period adjustment	<u>(22,101,740)</u>	<u>6,861,325</u>
Net Position, end of year	<u>\$ 34,832,946</u>	<u>\$ 55,766,565</u>

During the current fiscal year, net position for governmental activities increased \$1,168,121 from the prior fiscal year for an ending balance of \$34,832,946. The prior period adjustment of \$22,101,740 represents the restatement of beginning net position for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, that is in accordance with generally accepted accounting principles. See the notes to financial statements for more information on the restatement. Overall revenues were up \$1,949,940 while expenses were up \$504,114.



## 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, 2015, the County's governmental funds reported combined fund balances of \$52,907,669, an increase of \$28,601,579 in comparison with the prior year. Approximately 11% of this amount \$5,746,897 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 (\$2,932,772), 2) restricted for particular purposes (\$6,815,812), 3) committed for particular purposes (\$34,893,931), 4) assigned for particular purposes (\$2,518,257).

The general fund is the chief operating fund of the County. At June 30, 2015, unassigned fund balance of the general fund was \$5,746,897. 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 22% of total general expenditures, while total fund balance represents approximately 26%. County ordinance requires that unassigned fund balance be maintained at 25% of total general fund expenditures.

During the current fiscal year, the fund balance of the County's general fund decreased by \$40,219. This decrease is less than .1% of the County's overall operating budget.

During the current fiscal year, the fund balance of the County's capital projects fund increased by \$29,802,940. This increase is attributable to the capital sales tax bond that was received near the end of the year and was on hand to fund projects approve by the referendum.

## Budgetary Highlights

General Fund - The County's actual amounts reported for revenues of \$25,268,920 were \$1,668,073 less than the final budgeted amount of \$26,936,993. The majority of this decrease (\$1,072,715) related to taxes. Overall expenditures of \$26,621,371 were under the final budgeted amount of \$27,938,630 by \$1,317,259. Other financing sources (uses) reported an actual amount of \$1,312,232 were \$310,595 better than the budgeted amount of \$1,001,637 which closed the gap between the revenues and expenditures budget variances.

## Capital Asset and Debt Administration

**Capital Assets** – the County’s investment in capital assets for its governmental activities as of June 30, 2015, amounts to \$46,791,710 (net of accumulated depreciation) as compared to \$42,742,405 at June 30, 2014. This investment in capital assets, both purchased and donated, includes land, buildings and improvements, machinery and equipment, roads, bridges, and easements.

Major capital asset events during the fiscal 2015 include some of the following:

- Land - \$1,151,618 includes property for the golf course, law enforcement building, 13 acres Tuskegee Airmen, 46 acres Mable T. Willis Blvd., Hampton Street Auditorium
- Buildings - \$4,158,000 for the Hampton Street Auditorium and the golf course building
- Improvements other than buildings – \$34,868 for a metal roof at the Alcohol & Drug Abuse Commission and HVAC at the jail.
- Equipment and vehicles – \$584,527 for various equipment and vehicles throughout the County
- Infrastructure – \$1,587,151 for infrastructure at the commerce park and Venture Park Roadway
- Construction in progress – \$52,874 for law enforcement building

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>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
Land and land infrastructure	\$ 7,391,229	\$ 6,239,611
Construction in progress	52,874	1,625,866
Buildings and improvements	19,615,544	16,543,811
Improvements other than buildings	7,932,570	8,442,844
Equipment and vehicles	5,325,239	6,086,125
Infrastructure	6,474,254	3,804,148
Total	<u>\$ 46,791,710</u>	<u>\$ 42,742,405</u>

**Debt Administration** - On June 30, 2015, Colleton County had long term obligations of \$67,072,385 compared to outstanding debt at June 30, 2014 totaling \$13,564,330, which represents an increase from the prior fiscal year of \$53,508,055. During the fiscal year, a new capital sales tax bond was issued in the amount of \$30,272,628, two capital leases for \$2,209,724, and a note payable of \$1.2 million was received. In accordance with generally accepted accounting principles, the County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. As a result of this implementation, the County is reporting a \$22,318,419 net pension liability. Payments on debt were made in accordance with the scheduled debt payments.

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
General Obligation Bonds	\$ 35,012,627	\$ 6,110,000
Special Revenue Bonds	3,710,000	4,090,000
Capital Leases	2,535,947	932,153
Net OPEB obligation	1,333,440	1,102,365
Note payable	1,059,759	352,290
Landfill closure and post closure costs	462,289	452,134
Compensated absences	639,904	525,388
Net pension liability*	22,318,419	-
Total	<u>\$ 67,072,385</u>	<u>\$ 13,564,330</u>

\*GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was implemented in the fiscal year ended June 30, 2015. The net position was restated for the net pension liability as of July 1, 2014.

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 2014 tax assessments is \$13,067,320 for fiscal year ended June 30, 2015.

**Debt Rating** - On September 14, 2015, Moody's Investor Services reaffirmed their rating on Colleton County debt at Aa3. Additionally, on September 17, 2015 Standard and Poor's reaffirmed its rating on County debt at AA-/Stable. In its analysis, S&P noted the following positive attributes of Colleton County and its management:

- Very strong financial position, projected to continue.
- Strong property tax base.
- Debt profile is conservative, with very low debt burden and minimal plans for additional debt.
- Financial performance has remained strong in recent years despite some downward pressure due to decreasing sales taxes.

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

The County passed budget ordinance no. 15-O-06 to provide for the levy of taxes in Colleton County, South Carolina with third and final reading on June 19, 2015 to be effective July 1, 2015 through June 30, 2016. The following budgets and millages were approved by this ordinance:

	<u>Amount</u>	<u>Millage</u>
General Fund	\$ 24,426,899	114.81
Debt Service Fund	2,062,143	10.24
Fire Rescue Commission	7,942,871	33.56
Fire Rescue Commission Debt Service	2,027,378	22.66
Capital Projects Sales Tax	29,385,317	-
Special Revenue Fund SRO	1,064,942	-
State Aid to Library	75,000	-
Memorial Library Fund	547,493	-
IV-D Sheriff Unit Costs	13,981	-
IV-D Clerk of Court Unit Costs	138,188	-
IV-D Clerk of Court Fund Incentives	56,265	-
Victim Witness Services	53,150	-
Animal Care & Control	20,000	-
Solicitor Special Revenue	3,413,439	-
Non-GOB Related Debt Service	943,468	-
Emergency Telephone Fund	439,171	-
Infrastructure/Industrial Development Fund	24,000	-
County Hospitality Tax Fund	549,854	-
County Accommodations Tax Fund	559,730	-
Recreation Fund	1,257,141	-
Road & Bridges Fund	1,987,421	-
Solid Waste Fund	2,233,334	-
Total	<u>\$ 79,221,185</u>	<u>181.27</u>

**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 Chief Financial Officer, P.O. Box 157, Walterboro, SC 29488.

# BASIC FINANCIAL STATEMENTS

**COLLETON COUNTY, SOUTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

	Governmental Activities	Component Units		
		Memorial Library	Fire and Rescue Commission	Alcohol & Drug Commission
<b>Assets</b>				
Cash and cash equivalents	\$ 45,053,145	\$ 56,838	\$ 262,157	\$ 121,699
Investments	3,765,388	-	-	156,294
Receivables, net of allowances	5,744,199	1,348	2,388,245	63,334
Prepays and deposits	248,741	9,184	138,094	-
Assets held for resale	2,922,238	-	-	-
Capital assets				
Nondepreciable	7,444,103	-	542,803	-
Depreciable, net of accumulated depreciation	39,347,607	286,101	12,152,120	-
Total assets	<u>104,525,421</u>	<u>353,471</u>	<u>15,483,419</u>	<u>341,327</u>
<b>Deferred outflows of resources</b>				
Deferred outflows for net pension liability	2,103,460	52,228	808,754	-
Total deferred outflows of resources	<u>2,103,460</u>	<u>52,228</u>	<u>808,754</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 106,628,881</u>	<u>\$ 405,699</u>	<u>\$ 16,292,173</u>	<u>\$ 341,327</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 1,450,129	\$ 9,299	\$ 86,928	\$ 58,541
Payroll liabilities	732,042	19,166	286,091	17,528
Accrued liabilities	198,110	-	109,760	-
Unearned revenues	272,552	9,603	3,531	-
<b>Noncurrent liabilities</b>				
Due within one year	2,777,907	3,334	1,649,124	-
Due in more than one year	64,294,478	765,238	15,814,505	-
Total liabilities	<u>69,725,218</u>	<u>806,640</u>	<u>17,949,939</u>	<u>76,069</u>
<b>Deferred inflows of resources</b>				
Deferred inflows for net pension liability	2,070,717	50,847	812,792	-
Total deferred inflows of resources	<u>2,070,717</u>	<u>50,847</u>	<u>812,792</u>	<u>-</u>
<b>Net position</b>				
Net investment in capital assets	33,464,047	286,101	2,901,288	-
Restricted				
Emergency services	433,692	-	-	-
Courts administration	129,256	-	-	-
Law enforcement	314,059	-	-	-
Solid waste	363,272	-	-	-
Economic development				
Expendable	4,954,705	-	-	-
Nonexpendable	2,922,238	-	-	-
Debt service	536,614	-	246,539	-
Other purposes	84,214	-	-	-
Unrestricted (deficit)	<u>(8,369,151)</u>	<u>(737,889)</u>	<u>(5,618,385)</u>	<u>265,258</u>
Total net position	<u>34,832,946</u>	<u>(451,788)</u>	<u>(2,470,558)</u>	<u>265,258</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 106,628,881</u>	<u>\$ 405,699</u>	<u>\$ 16,292,173</u>	<u>\$ 341,327</u>

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

**COLLETON COUNTY, SOUTH CAROLINA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

Net (Expense) Revenue and Changes in Net Position

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units		
					Governmental Activities	Memorial Library	Fire and Rescue Commission	Alcohol & Drug Commission
<b>Primary Government</b>								
<b>Governmental activities</b>								
General government	\$ 8,811,200	\$ 531,064	\$ 45,867	\$ -	\$ (8,234,269)	\$ -	\$ -	\$ -
Judicial	5,255,325	1,117,461	2,809,753	-	(1,328,111)	-	-	-
Public safety	8,642,672	342,051	1,947,909	-	(6,352,712)	-	-	-
Roads and Bridges	4,949,171	895,833	2,162,585	-	(1,890,753)	-	-	-
Solid Waste	2,509,851	1,802,512	31,798	-	(675,541)	-	-	-
Recreation and culture	2,906,984	326,236	928,178	4,473,000	2,820,430	-	-	-
Health and human services	1,928,313	33,107	672,518	-	(1,222,688)	-	-	-
Economic development	1,568,862	677,045	31,095	-	(860,722)	-	-	-
Intergovernmental	3,836,524	-	-	-	(3,836,524)	-	-	-
Interest and fiscal charges	469,185	-	-	-	(469,185)	-	-	-
<b>Total governmental activities</b>	<b>40,878,087</b>	<b>5,725,309</b>	<b>8,629,703</b>	<b>4,473,000</b>	<b>(22,050,075)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Component Units</b>								
Memorial Library	737,464	31,681	662,170	-	-	(43,613)	-	-
Fire and Rescue Commission	10,151,883	1,764,406	3,307,697	-	-	-	(5,079,780)	-
Alcohol & Drug Commission	846,734	173,631	537,048	4,486	-	-	-	(131,569)
<b>Total component units</b>	<b>\$ 11,736,081</b>	<b>\$ 1,969,718</b>	<b>\$ 4,506,915</b>	<b>\$ 4,486</b>	<b>(43,613)</b>	<b>(5,079,780)</b>	<b>(131,569)</b>	<b>(131,569)</b>
<b>General Revenues</b>								
Property taxes					17,524,749	-	4,612,747	-
Alcohol excise tax					-	-	-	59,071
Local option sales tax					2,821,318	-	-	-
Local accommodations tax					458,331	-	-	-
Hospitality tax					483,209	-	-	-
Franchise fees					56,096	-	-	-
Grants and contributions not restricted to specific programs					1,445,663	-	-	-
Miscellaneous					428,830	40,220	122,360	-
<b>Total general revenues</b>					<b>23,218,196</b>	<b>40,220</b>	<b>4,735,107</b>	<b>59,071</b>
<b>Change in net position</b>					<b>1,168,121</b>	<b>(3,393)</b>	<b>(344,673)</b>	<b>(72,498)</b>
Net position - beginning of year					55,766,565	146,221	5,855,349	337,756
Prior period adjustment					(22,101,740)	(594,616)	(7,981,234)	-
<b>Net position - end of year</b>					<b>\$ 34,832,946</b>	<b>\$ (451,788)</b>	<b>\$ (2,470,558)</b>	<b>\$ 265,258</b>

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**COLLETON COUNTY, SOUTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	General	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,209,210	\$ 35,279,072	\$ 3,564,863	\$ 45,053,145
Investments	365,388	3,400,000	-	3,765,388
Receivables, net of allowances	4,029,647	758,381	956,171	5,744,199
Prepaid items	10,534	-	-	10,534
Assets held for resale	-	2,922,238	-	2,922,238
Total assets	<u>\$ 10,614,779</u>	<u>\$ 42,359,691</u>	<u>\$ 4,521,034</u>	<u>\$ 57,495,504</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 949,114	\$ 301,201	\$ 199,814	\$ 1,450,129
Accrued payroll and benefits	533,764	-	198,278	732,042
Unearned revenue	105,768	119,000	47,784	272,552
Total liabilities	<u>1,588,646</u>	<u>420,201</u>	<u>445,876</u>	<u>2,454,723</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes	1,741,865	-	120,779	1,862,644
Unavailable revenue-spec assessments	270,468	-	-	270,468
Total deferred inflows of resources	<u>2,012,333</u>	<u>-</u>	<u>120,779</u>	<u>2,133,112</u>
<b>FUND BALANCES</b>				
Nonspendable				
Assets held for resale	-	2,922,238	-	2,922,238
Prepaid items	10,534	-	-	10,534
Restricted				
Emergency services	-	-	433,692	433,692
Courts administration	-	-	129,256	129,256
Law enforcement	-	-	314,059	314,059
Solid waste	363,272	-	-	363,272
Economic development	-	4,954,705	-	4,954,705
Debt service	-	-	536,614	536,614
Other purposes	-	-	84,214	84,214
Committed				
General government	-	1,864,464	-	1,864,464
Economic development	-	9,594,022	-	9,594,022
Public Safety	-	5,046,743	-	5,046,743
Solid waste	-	1,835,180	-	1,835,180
Recreation and culture	-	4,833,941	831,384	5,665,325
Intergovernmental	-	10,888,197	-	10,888,197
Assigned				
Solid waste	419,322	-	-	419,322
Road and bridges	443,013	-	-	443,013
Recreation and culture	30,762	-	-	30,762
Law enforcement	-	-	1,498,199	1,498,199
Health and welfare	-	-	126,961	126,961
Unassigned	5,746,897	-	-	5,746,897
Total fund balances	<u>7,013,800</u>	<u>41,939,490</u>	<u>3,954,379</u>	<u>52,907,669</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,614,779</u>	<u>\$ 42,359,691</u>	<u>\$ 4,521,034</u>	<u>\$ 57,495,504</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, 2015**

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

Total fund balances - governmental funds		\$ 52,907,669
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Land and land infrastructure	\$ 7,391,229	
Construction in progress	52,874	
Buildings and improvements, net of accumulated depreciation of \$10,587,231	19,615,544	
Improvements other than buildings, net of accumulated depreciation of \$3,177,339	7,932,570	
Equipment and vehicles, net of accumulated depreciation of \$15,211,411	5,325,239	
Infrastructure, net of accumulated depreciation of \$5,543,711	<u>6,474,254</u>	
		46,791,710
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		2,133,112
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	2,103,460	
Deferred inflows related to pensions	<u>(2,070,717)</u>	
Total deferred outflows and inflows of resources		32,743
Disbursements for insurance coverage reflected in the funds cover periods extending beyond year-end.		
		238,207
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	(35,012,627)	
Notes payable	(1,059,759)	
Special source revenue bonds	(3,710,000)	
Capital leases	(2,535,947)	
Compensated absences	(639,904)	
Landfill closure and post closure cost	(462,289)	
Accrued interest	(198,110)	
Net pension liability	(22,318,419)	
OPEB obligation	<u>(1,333,440)</u>	
		<u>(67,270,495)</u>
Total net position - governmental activities		<u>\$ 34,832,946</u>

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, 2015**

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenue</b>				
Taxes	\$ 19,107,608	\$ -	\$ 2,191,576	\$ 21,299,184
Intergovernmental revenues	1,646,468	2,307,130	6,121,768	10,075,366
Fines and fees	4,413,903	575,274	822,163	5,811,340
Other income	100,941	191,970	9,724	302,635
Total revenue	<u>25,268,920</u>	<u>3,074,374</u>	<u>9,145,231</u>	<u>37,488,525</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	8,355,958	-	1,807	8,357,765
Judicial	1,132,325	-	3,525,924	4,658,249
Public safety	6,662,739	-	1,005,737	7,668,476
Roads and bridges	1,798,827	2,454,994	3,261	4,257,082
Solid waste	2,208,389	-	-	2,208,389
Recreation and culture	999,662	-	1,463,037	2,462,699
Health and human services	669,000	-	1,128,883	1,797,883
Economic development	291,994	818,367	-	1,110,361
Intergovernmental	3,508,719	-	327,805	3,836,524
<b>Capital Outlay</b>				
General government	243,924	26,217	-	270,141
Judicial	-	-	18,864	18,864
Public safety	15	513,294	138,919	652,228
Streets and highways	-	33,763	-	33,763
Sanitation	6,782	-	-	6,782
Recreation and culture	743,037	4,257,072	-	5,000,109
Economic development	-	1,543,929	43,221	1,587,150
<b>Debt Service</b>				
Principal retirement	-	-	2,528,493	2,528,493
Interest payments	-	-	393,567	393,567
Total expenditures	<u>26,621,371</u>	<u>9,647,636</u>	<u>10,579,518</u>	<u>46,848,525</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,352,451)</u>	<u>(6,573,262)</u>	<u>(1,434,287)</u>	<u>(9,360,000)</u>
<b>Other financing sources (uses)</b>				
Proceeds from sales of capital assets	-	21,124	25,454	46,578
Proceeds from debt	450,000	32,912,384	-	33,362,384
Donation of capital assets	-	4,473,000	-	4,473,000
Legal Settlement	-	-	7,411	7,411
Insurance proceeds	46,712	25,213	281	72,206
Transfers in	2,811,042	151,675	1,292,439	4,255,156
Transfers out	(1,995,522)	(1,207,194)	(1,052,440)	(4,255,156)
Total other financing sources (uses)	<u>1,312,232</u>	<u>36,376,202</u>	<u>273,145</u>	<u>37,961,579</u>
Net change in fund balance	(40,219)	29,802,940	(1,161,142)	28,601,579
Fund balances, beginning of year	7,054,019	12,136,550	5,115,521	24,306,090
Fund balances, end of year	<u>\$ 7,013,800</u>	<u>\$ 41,939,490</u>	<u>\$ 3,954,379</u>	<u>\$ 52,907,669</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, 2015**

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

Net change in fund balances - total governmental funds \$ 28,601,579

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	\$ 7,569,037	
Depreciation expense	<u>(3,519,732)</u>	
		4,049,305

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	(41,512)
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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	(114,516)	
Landfill closure and postclosure cost	(10,155)	
OPEB obligation	(231,075)	
Accrued interest	(75,618)	
Pension expenses	<u>(183,935)</u>	
		(615,299)

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:

General obligation bonds	(28,902,628)	
Note payable	(707,469)	
Special source revenue bonds	380,000	
Capital leases	<u>(1,603,794)</u>	
		(30,833,891)

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>7,939</u>
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Change in net position of governmental activities	<u><u>\$ 1,168,121</u></u>
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**COLLETON COUNTY, SOUTH CAROLINA  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
JUNE 30, 2015**

	Agency Funds
Assets	
Cash and equivalents	\$ 10,355,007
Investments	10,000,000
Total assets	\$ 20,355,007
Liabilities	
Accounts payable	\$ 972
Assets held for others	20,354,035
Total liabilities	\$ 20,355,007

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

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**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, 2015**

**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, proprietary 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 SSRB Cannady's Debt Service Fund accounts for debt payments made from Fee-in-Lieu Agreement revenues and the Non-GOB Debt Service Fund accounts for the accumulation of funds and payment of various capital leases and notes payable.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**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, 2015**

**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, 2015**

**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, 2015 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 estimated fair 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, 2015**

**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 financial 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 financial position 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, 2015**

**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, 2015**

**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

Property taxes attach as an enforceable lien on real property and are levied as of July 1<sup>st</sup>. The tax levy is divided into two billings: the first billing (mailed on July 1<sup>st</sup>) is an estimate of the current year's levy based on the prior year's taxes; the second billing (mailed on January 1<sup>st</sup>) reflects adjustments to the current year's actual levy. The billings are considered past due 30 days after the respective tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

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, 2015**

**NOTE 2 – DEPOSITS AND INVESTMENTS**

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

As of June 30, 2015, the County reported investments of \$365,388 in the general fund, \$3,400,000 in the capital projects fund, and \$10,000,000 in the agency fund with the following investment maturities:

Investment Type	Fair Value	Investment Maturities (in years) Less than 1
Certificates of deposits	\$ 13,765,388	\$ 13,765,388
Total fair value	\$ 13,765,388	\$ 13,765,388

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 market 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, 2015**

**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 trust fund created by state legislation, in which public monies under the custody of any political subdivision in excess of current needs may be deposited. The SCLGIP is permitted to purchase obligations of the United States if such obligations bear any of the three highest rankings of at least two nationally recognized rating services. The SCLGIP is a 2a7-like pool, which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but has a policy that it will operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940.

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, 2015</u>	<u>Percentage of Portfolio</u>	<u>Credit Rating</u>
Repurchase agreements	\$ 48,266,751	69%	Unrated
Certificates of deposit	13,765,388	20%	N/A
Savings accounts	1,965,275	3%	N/A
Checking accounts	5,495,121	8%	N/A
Deposits and investments held by County Treasurer	<u>\$ 69,492,535</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 market 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 market 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, 2015**

**NOTE 2 DEPOSITS AND INVESTMENTS – CONTINUED**

As of June 30, 2015, the County's bank balance of \$70,082,879 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, 2015, \$48,266,751 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	\$ 4,950,234	\$ -	\$ 353,834	\$ 1,667,370	\$ -	\$ -
Accounts	1,099,984	-	-	7,313,630	-	-
Other	1,452,111	758,381	808,392	285	1,348	63,334
Gross receivables	<u>7,502,329</u>	<u>758,381</u>	<u>1,162,226</u>	<u>8,981,285</u>	<u>1,348</u>	<u>63,334</u>
Allowance for uncollectibles						
Taxes	2,817,864	-	206,055	961,545	-	-
Accounts	654,818	-	-	5,631,495	-	-
Total allowance	<u>3,472,682</u>	<u>-</u>	<u>206,055</u>	<u>6,593,040</u>	<u>-</u>	<u>-</u>
Net total receivables	<u>\$ 4,029,647</u>	<u>\$ 758,381</u>	<u>\$ 956,171</u>	<u>\$ 2,388,245</u>	<u>\$ 1,348</u>	<u>\$ 63,334</u>

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 4 INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2015 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds		
General	\$ 2,811,042	\$ 1,995,522
Capital Projects Fund	151,675	1,207,194
Nonmajor governmental funds	1,292,439	1,052,440
Total interfund balances	<u>\$ 4,255,156</u>	<u>\$ 4,255,156</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, 2015 was as follows:

<u>Governmental Activities</u>	<u>June 30, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2015</u>
Capital assets not being depreciated				
Land	\$ 1,732,093	\$ 1,151,618	\$ -	\$ 2,883,711
Land - infrastructure	4,507,518	-	-	4,507,518
Construction in progress	1,625,866	1,640,024	3,213,016	52,874
Total capital assets, not being depreciated	<u>7,865,477</u>	<u>2,791,642</u>	<u>3,213,016</u>	<u>7,444,103</u>
Capital assets being depreciated				
Buildings and improvements	26,044,775	4,158,000	-	30,202,775
Improvements other than buildings	11,075,041	34,868	-	11,109,909
Equipment and vehicles	20,169,183	584,527	217,060	20,536,650
Infrastructure	8,804,949	3,213,016	-	12,017,965
Total capital assets, being depreciated	<u>66,093,948</u>	<u>7,990,411</u>	<u>217,060</u>	<u>73,867,299</u>
Less accumulated depreciation for:				
Buildings and improvements	9,500,965	1,086,266	-	10,587,231
Improvements other than buildings	2,633,197	544,142	-	3,177,339
Equipment and vehicles	14,083,057	1,345,414	217,060	15,211,411
Infrastructure	4,999,801	543,910	-	5,543,711
Total accumulated depreciation	<u>31,217,020</u>	<u>3,519,732</u>	<u>217,060</u>	<u>34,519,692</u>
Total capital assets being depreciated, net	<u>34,876,928</u>	<u>4,470,679</u>	<u>-</u>	<u>39,347,607</u>
Governmental activities capital assets, net	<u>\$ 42,742,405</u>	<u>\$ 7,262,321</u>	<u>\$ 3,213,016</u>	<u>\$ 46,791,710</u>

The decrease of \$3,213,016 in construction in progress represents the capital assets that were put into service and shown as increases in infrastructure during the year.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 5 CAPITAL ASSETS - CONTINUED**

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

<b><u>Government Activities</u></b>	
General government	\$ 328,833
Judicial	454,374
Public safety	828,754
Roads and bridges	664,149
Solid waste	272,670
Recreation and culture	426,421
Health and human service	95,404
Economic development	449,127
Total depreciation expense - governmental activities	<u><u>\$ 3,519,732</u></u>

**Discretely Presented Component Units**

Activity for the year ended June 30, 2015 is as follows:

<b><u>Fire and Rescue Commission</u></b>	<b><u>June 30, 2014</u></b> <b><u>as restated</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b><u>June 30, 2015</u></b>
Capital assets not being depreciated				
Land	\$ 339,517	\$ 114,657	\$ -	\$ 454,174
Construction in progress	686,996	804,028	1,402,395	88,629
Total capital assets, not being depreciated	<u>1,026,513</u>	<u>918,685</u>	<u>1,402,395</u>	<u>542,803</u>
Capital assets being depreciated				
Buildings and improvements	5,449,132	1,459,859	-	6,908,991
Improvements other than buildings	133,839	13,693	-	147,532
Equipment and vehicles	18,760,481	75,585	-	18,836,066
Total capital assets, being depreciated	<u>24,343,452</u>	<u>1,549,137</u>	<u>-</u>	<u>25,892,589</u>
Less accumulated depreciation for:				
Buildings and improvements	1,387,871	176,562		1,564,433
Improvements other than buildings	95,416	6,804		102,220
Equipment and vehicles	10,855,254	1,218,562		12,073,816
Total accumulated depreciation	<u>12,338,541</u>	<u>1,401,928</u>	<u>-</u>	<u>13,740,469</u>
Total capital assets being depreciated, net	<u>12,004,911</u>	<u>147,209</u>	<u>-</u>	<u>12,152,120</u>
Fire and Rescue Commission capital assets, net	<u><u>\$ 13,031,424</u></u>	<u><u>\$ 1,065,894</u></u>	<u><u>\$ 1,402,395</u></u>	<u><u>\$ 12,694,923</u></u>

The decrease of \$1,402,395 in construction in progress represents capital assets put into service in building and improvements during the year.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 5 CAPITAL ASSETS - CONTINUED**

<u>Library</u>	<u>June 30, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2015</u>
Capital assets being depreciated				
Buildings and improvements	\$ 119,026	\$ -	\$ -	\$ 119,026
Library materials	1,875,522	92,036	49,978	1,917,580
Equipment and vehicles	211,658	-	-	211,658
Total capital assets, being depreciated	<u>2,206,206</u>	<u>92,036</u>	<u>49,978</u>	<u>2,248,264</u>
Less accumulated depreciation for:				
Buildings and improvements	119,026	-	-	119,026
Library materials	1,609,600	75,196	49,978	1,634,818
Equipment and vehicles	208,042	277	-	208,319
Total accumulated depreciation	<u>1,936,668</u>	<u>75,473</u>	<u>49,978</u>	<u>1,962,163</u>
Total capital assets being depreciated, net	<u>269,538</u>	<u>16,563</u>	<u>-</u>	<u>286,101</u>
Library capital assets, net	<u>\$ 269,538</u>	<u>\$ 16,563</u>	<u>\$ -</u>	<u>\$ 286,101</u>
<u>Alcohol and Drug Commission</u>	<u>June 30, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2015</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, 2015 was as follows:

<u>Component Units</u>	
Fire and rescue	\$ 1,401,928
Library	75,473
Total depreciation expense - governmental activities	<u>\$ 1,477,401</u>

**Assets held for sale**

As of June 30, 2015, the County owns several parcels of land in the Colleton County Commerce Center for speculative purposes and is in the process of constructing a building for sale. The cost of this asset is \$2,922,238. The asset is considered held for sale. Assets held for sale are separated from capital assets on the Statement of Net Position and no depreciation will be taken on the asset since it is held for sale. As of June 30, 2015, the property has not been sold and is still being actively marketed.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 6 – LONG-TERM OBLIGATIONS**

Long-term obligations for the year ended June 30, 2015 is as follows:

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2015</u>	<u>Due within one year</u>
<b>Primary Government</b>					
<u>Governmental activities</u>					
Bonds					
General obligation	\$ 6,110,000	\$ 29,700,000	\$ 1,370,000	\$ 34,440,000	\$ 1,425,000
Bond premiums	-	572,627	-	572,627	-
Special source revenue	4,090,000	-	380,000	3,710,000	395,000
Capital leases	932,153	2,209,724	605,930	2,535,947	682,194
Net OPEB obligation	1,102,365	231,075	-	1,333,440	-
Note payable	352,290	880,032	172,563	1,059,759	179,727
Landfill closure and postclosure costs	452,134	10,155	-	462,289	-
Net pension liability*	23,498,440	2,287,395	3,467,416	22,318,419	-
Compensated absences	525,388	409,518	295,002	639,904	95,986
Total long-term liabilities	<u>\$ 37,062,770</u>	<u>\$ 36,300,526</u>	<u>\$ 6,290,911</u>	<u>\$ 67,072,385</u>	<u>\$ 2,777,907</u>
<b>Component Units</b>					
<u>Fire and Rescue Commission</u>					
General obligation bonds	\$ 8,285,000	\$ -	\$ 1,255,000	\$ 7,030,000	\$ 1,330,000
Capital Lease	3,036,957	-	273,322	2,763,635	279,663
Net OPEB obligation	225,664	32,901	-	258,565	-
Net pension liability*	7,721,645	804,845	1,378,132	7,148,358	-
Compensated absences	238,704	200,771	176,404	263,071	39,461
Total Fire and Rescue	<u>\$ 19,507,970</u>	<u>\$ 1,038,517</u>	<u>\$ 3,082,858</u>	<u>\$ 17,463,629</u>	<u>\$ 1,649,124</u>
<u>Library</u>					
Compensated absences	\$ 22,372	\$ 16,360	\$ 16,505	\$ 22,227	\$ 3,334
Net pension liability*	628,328	59,345	84,559	603,114	-
Net OPEB obligation	110,807	32,424	-	143,231	-
Total Library	<u>\$ 761,507</u>	<u>\$ 108,129</u>	<u>\$ 101,064</u>	<u>\$ 768,572</u>	<u>\$ 3,334</u>

\*Beginning net position was restated in accordance with generally accepted accounting principles for GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

**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, 2015, the County was in compliance with this requirement.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**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, 2015:

<b>General Obligation Bonds</b>	<b>Balance</b>
\$6,500,000 General Obligation, Series 2005, with interest of 3.5% to 6.5%, semi-annual principal and interest payments beginning in 2007, matures 2016, for the purpose of courthouse renovations.	\$ 1,250,000
\$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.	3,490,000
\$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.	29,700,000
	<b>\$ 34,440,000</b>

The annual requirements to amortize the bonds are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 1,425,000	\$ 481,957	\$ 1,906,957
2017	3,200,000	620,072	3,820,072
2018	3,770,000	566,960	4,336,960
2019	3,820,000	509,098	4,329,098
2020	3,895,000	441,110	4,336,110
2021-2025	16,700,000	998,785	17,698,785
2026-2030	1,125,000	168,700	1,293,700
2031-2032	505,000	22,800	527,800
	<b>\$ 34,440,000</b>	<b>\$ 3,809,482</b>	<b>\$ 37,721,682</b>

<b>Special Source Revenue Bonds</b>	<b>Balance</b>
\$4,720,000 Special Source Revenue Bond Series 2012, 4.37% annual interest, annual principal and interest payments beginning in 2013, matures 2023, for the purpose of economic development.	\$ 3,710,000
	<b>\$ 3,710,000</b>

The annual requirements to amortize the bonds are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 395,000	\$ 162,127	\$ 557,127
2017	415,000	144,866	559,866
2018	435,000	126,730	561,730
2019	455,000	107,721	562,721
2020	475,000	87,837	562,837
2021-2023	1,535,000	136,126	1,671,126
	<b>\$ 3,710,000</b>	<b>\$ 765,407</b>	<b>\$ 4,475,407</b>

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

<b>Capital Leases Payable</b>	<b>Balance</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.	\$ 326,223
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.	450,000
Lease #3 - The County has entered into a capital lease agreement, secured by vehicles & equipment, bearing interest at 1.37% with annual payments of \$602,742, maturing 2018.	1,759,724
	<b>\$ 2,535,947</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 \$4,038,273 with accumulated amortization of \$1,107,669 for a net \$2,930,604 value. Depreciation expense was \$270,816 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, 2015 are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 682,194	\$ 50,088	\$ 732,282
2017	785,233	37,708	822,941
2018	798,520	22,113	820,633
2019	90,000	6,067	96,067
2020	90,000	3,767	93,767
2021	90,000	1,450	91,450
	<b>\$ 2,535,947</b>	<b>\$ 121,193</b>	<b>\$ 2,657,140</b>

The interest paid on the capital lease obligations for the year ended June 30, 2015 was approximately \$27,953.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

<u>Notes Payable</u>	<u>Balance</u>
\$1,511,903 Enterprise financing agreement for VA nursing home, 4.15% semi-annual interest, semi-annual principal and interest payments beginning in 2007, matures 2016.	\$ 179,727
\$1,200,000 loan from the South Carolina Public Service Authority for economic development with annual interest payments only at a rate of 2% changing to market rate after year three with principal and interest due, matures in 2025.	<u>880,032</u>
	<u><u>\$ 1,059,759</u></u>

Future debt service requirements for notes payable at June 30, 2015 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 179,727	\$ 31,456	\$ 211,183
2017	-	24,000	24,000
2018	-	24,000	24,000
2019	171,429	20,571	192,000
2020	171,429	56,937	228,366
2021-2025	<u>537,174</u>	<u>57,696</u>	<u>594,870</u>
	<u><u>\$ 1,059,759</u></u>	<u><u>\$ 214,660</u></u>	<u><u>\$ 1,274,419</u></u>

Landfill Closure and Postclosure Care Costs

State and federal laws and regulations require the County to place a final cover on its landfill sites when each site stops accepting waste and to perform certain maintenance and monitoring functions at the sites for twenty years after closure. Although closure and postclosure 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 postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The \$462,289 reported as an accrual for landfill closure and postclosure care costs at June 30, 2015 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>	
33 years	44.80%	<u>\$ 670,680</u>	<u>\$ 116,568</u>	<u>\$ 787,248</u>	<u>\$ 324,959</u>

These amounts are based on what it would cost to perform all closure and postclosure care in fiscal year 2015. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. The Council has designated cash of \$363,272 for payment of closure and postclosure care costs.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

**Discretely Presented Component Units**

Fire and rescue general obligation bonds payable at June 30, 2015 consist of the following:

<b><u>General Obligation Bonds</u></b>	<b><u>Balance</u></b>
\$2,400,000 Fire Protection Service General Obligation Bonds, Series 2005, 3.5% to 4.0% annual interest, annual principal and interest payments beginning in 2007, matures 2016.	\$ 450,000
\$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.	1,425,000
\$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.	<u>5,155,000</u>
	<u><u>\$ 7,030,000</u></u>

Future debt service requirements for fire and rescue general obligation bonds outstanding at June 30, 2015 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>
2016	\$ 1,330,000	\$ 169,590	\$ 1,499,590
2017	910,000	130,660	1,040,660
2018	940,000	109,120	1,049,120
2019	450,000	85,570	535,570
2020	455,000	76,570	531,570
2021-2025	2,425,000	237,253	2,662,253
2026	520,000	13,520	533,520
	<u><u>\$ 7,030,000</u></u>	<u><u>\$ 822,283</u></u>	<u><u>\$ 7,852,283</u></u>

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

**Capital Lease Payable**

\$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.	\$ 2,763,635
	\$ 2,763,635

**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 \$318,834 with a net value of \$3,103,950. 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, 2015 are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 279,663	\$ 64,116	\$ 343,779
2017	286,151	57,628	343,779
2018	292,790	50,989	343,779
2019	299,582	44,197	343,779
2020	306,533	37,246	343,779
2021-2024	1,298,916	76,201	1,375,117
	\$ 2,763,635	\$ 330,377	\$ 3,094,012

**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, 2015**

**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 2015, the County contributed \$28,881 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, 2015**

**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	\$ 246,264	\$ 35,003	\$ 34,539	\$ 315,806
Interest on net OPEB obligation	49,606	10,155	4,987	64,748
ARC adjustment	(42,218)	(9,105)	(3,950)	(55,273)
Annual OPEB cost	253,652	36,053	35,576	325,281
Contributions made	(22,577)	(3,152)	(3,152)	(28,881)
Increase in net OPEB obligation	231,075	32,901	32,424	296,400
Net OPEB obligation - beginning of year	1,102,365	225,664	110,807	1,438,836
Net OPEB obligation - end of year	\$ 1,333,440	\$ 258,565	\$ 143,231	\$ 1,735,236

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2015 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>				
6/30/2015	\$ 253,652	\$ 22,577	8.90%	\$ 1,333,440
6/30/2014	249,209	37,117	14.89%	1,102,365
6/30/2013	258,360	17,925	6.94%	890,273
<i>Fire and Rescue</i>				
6/30/2015	\$ 36,053	\$ 3,152	8.74%	\$ 258,565
6/30/2014	35,640	2,594	7.41%	225,664
6/30/2013	36,834	2,556	6.94%	192,618
<i>Library</i>				
6/30/2015	\$ 35,576	\$ 3,152	8.86%	\$ 143,231
6/30/2014	34,799	2,594	7.51%	110,807
6/30/2013	36,834	2,556	6.94%	78,602

**Funded Status and Funding Progress**

As of June 30, 2013, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$2,608,908, and the actuarial value of the assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,608,908. The covered payroll (annual payroll of active employees covered by the plan) was \$15,326,465 and the ratio of the UAAL to the covered payroll was 17.0%.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**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, 2013 actuarial valuation assumed a 4.5% discount rate. The projected unit credit cost method was used to calculate the ARC for the June 30, 2013 valuation, and an annual healthcare cost trend rate of 6% initially, reduced to an ultimate rate of 4.5% after ten years, which includes a 3% 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)
6/30/2015	\$ -	\$ 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  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

Pension Plan

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 Budget and Control Board, which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the Systems and serves as a co-trustee of the Systems in conducting that review. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the South Carolina Retirement 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, PO Box 11960, Columbia, SC 29211-1960. 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.

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.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

Benefits

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

- 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 requirements 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.

- 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.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the SCRS and PORS employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9% of earnable compensation for SCRS and 5% 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. Total employer contributions to the pension plan from the County and its component units for the year ended June 30, 2015 were as follows:

<b>SCRS Contributions</b>	
Primary Government	\$ 949,415
Fire and Rescue	26,581
Library	35,138
Total SCRS	\$ 1,011,134
<b>SCPORS Contributions</b>	
Primary Government	\$ 531,574
Fire and Rescue	590,662
Total SCPORS	\$ 1,122,236

Required employee contribution rates for fiscal year 2014-2015 are as follows:

**SCRS**

Employee Class Two	8.00% of earnable compensation
Employee Class Three	8.00% of earnable compensation

**PORS**

Employee Class One	\$21 per month
Employee Class Two	8.41% of earnable compensation
Employee Class Three	8.41% of earnable compensation

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

Required employer contributions for fiscal year 2014-2015 are as follows:

**SCRS**

Employer Class Two	10.75% of earnable compensation
Employer Class Three	10.75% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

**PORS**

Employer Class One	7.80% of earnable compensation
Employer Class Two	13.01% of earnable compensation
Employer Class Three	13.01% of earnable compensation
Employer Incidental Death Benefit	0.20% of earnable compensation
Employer Accidental Death Program	0.20% of earnable compensation

**Net Pension Liability**

At June 30, 2015, the County and its component units reported a combined liability of \$30,069,891 for its proportionate share of the net pension liability. The most recent annual actuarial valuation reports adopted by the PEBA Board and Budget and Control Board are as of July 1, 2013. The net pension liability of each defined benefit pension plan was therefore determined based on the July 1, 2013 actuarial valuations, using membership data as of July 1, 2013, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2014, using generally accepted actuarial procedures. 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.

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>County &amp; Component Units Net Pension Liability</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
SCRS	\$ 42,955,205,796	\$ 25,738,521,026	\$ 17,355,106	59.9%
PORS	\$ 5,899,529,434	\$ 3,985,101,996	\$ 12,714,785	67.5%

	<u>Net Pension Liability</u>		
	<u>SCRS</u>	<u>SCPORS</u>	<u>Total</u>
Primary Government	\$ 16,295,756	\$ 6,022,663	\$ 22,318,419
Memorial Library	603,114	-	603,114
Fire and Rescue Commission	456,236	6,692,122	7,148,358
Total net pension liability	<u>\$ 17,355,106</u>	<u>\$ 12,714,785</u>	<u>\$ 30,069,891</u>

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

For the year ended June 30, 2015, the County and its component units recognized pension expense of \$2,328,783.

	<b>Pension Expense</b>		
	<b>SCRS</b>	<b>SCPORS</b>	<b>Total</b>
Primary Government	\$ 1,142,148	\$ 526,909	\$ 1,669,057
Memorial Library	31,977	585,478	617,455
Fire and Rescue Commission	42,271	-	42,271
Total pension expense	\$ 1,216,396	\$ 1,112,387	\$ 2,328,783

At June 30, 2015, the County and its component units reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 831,072	\$ -
Net difference between projected and actual earnings on pension plan investments	-	2,934,356
Contributions subsequent to the measurement date	2,133,370	-
Total	\$ 2,964,442	\$ 2,934,356

The deferred outflows and inflows of resources are allocated between the County and its component units as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Primary Government	\$ 2,103,460	\$ 2,070,717
Memorial Library	52,228	50,847
Fire and Rescue Commission	808,754	812,792
	\$ 2,964,442	\$ 2,934,356

The contributions applied to the pension liability of \$2,133,370 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. The following schedule reflects the amortization of remaining deferred outflows/(inflows) of resources at June 30, 2014. Average remaining services lives of all employees provided with pension through the pension plans at June 30, 2014 was 4.233 years for SCRS and 4.856 years for PORS.

<b>Measurement Period Ending June 30,</b>	<b>SCRS</b>	<b>PORS</b>
2015	\$ (213,681)	\$ (279,805)
2016	(213,681)	(279,805)
2017	(213,681)	(279,805)
2018	(330,349)	(292,477)
Net Balance of Deferred Outflows/(Inflows) of Resources	\$ (971,391)	\$ (1,131,893)

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2010, and the next experience study is scheduled to be conducted after the June 30, 2015 annual valuation is complete. The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2013, valuations for SCRS and PORS.

	<b><u>SCRS</u></b>	<b><u>PORS</u></b>
Actuarial Cost Method	Entry Age	Entry Age
Actuarial Assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	Levels off at 3.5%	Levels off at 4.0%
Includes inflation at	2.75%	2.75%
Benefits adjustments	Lesser of 1% or \$500	Lesser of 1% or \$500

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.

<b><u>Former Job Class</u></b>	<b><u>Males</u></b>	<b><u>Females</u></b>
Educators and Judges	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, Firefighters and Member of the South Carolina National Guard	RP-2000 Males (with Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market outlook at the end of the third quarter 2012. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission (RSIC) using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the Systems, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table on the following page. For actuarial purposes, the 7.50% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.75% inflation component.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Expected Arithmetic Real Rate of Return</b>	<b>Long Term Expected Portfolio Real Rate of Return</b>
Short Term	5.0%	0.09	0.03
Domestic Fixed Income	13.0%	7.40	0.26
Global Fixed Income	9.0%	4.90	0.27
Global Public Equity	31.0%	7.80	2.42
Global Tactical Asset Allocation	10.0%	5.10	0.51
Alternatives	32.0%	35.40	2.39
Total Expected Real Return	<u>100.0%</u>		<u>5.88</u>
Inflation for Actuarial Purposes			<u>2.75</u>
Total Expected Nominal Return			<u><u>8.63</u></u>

**Discount Rate**

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, 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. The following table presents the sensitivity of the net pension liability to changes in the discount rate.

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

<b>System</b>	<b>1.0% Decrease (6.5%)</b>	<b>Discount Rate (7.5%)</b>	<b>1.0% Increase (8.5%)</b>
SCRS	\$ 22,458,582	\$ 17,355,107	\$ 13,097,345
PORS	\$ 17,768,688	\$ 12,714,784	\$ 8,533,239

**Pension Plan Fiduciary Net Position**

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

**Payables to the Pension Plan**

At June 30, 2015, the County reported payables of \$273,860 that represents the amount due for the month of June.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**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, 2015**

**NOTE 7 OTHER INFORMATION – CONTINUED**

Commitments

Construction Commitments: At June 30, 2015, the County has commitments under contracts for various architectural and engineering projects not completed of approximately \$1,768,237 that relate to the capital penny sales tax project approved by voter referendum.

Operating Leases: The County participates in certain leases accounted for as operating leases.

The County is obligated under agreements with various parties for the rental of facilities and equipment. Rental expense associated with the leases for the year ended June 30, 2015 is \$73,607.

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, 2015 are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Amount</b>
2016	\$ 59,518
2017	41,432
2018	29,809
2019	21,475
2020	3,602
Total minimum lease payments	\$ 155,836

Subsequent Events

Events that occur after the net position date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the net position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the net position date require disclosure in the accompanying notes. Management has evaluated the activities of the County through December 10, 2015.

A general obligation bond in the amount of \$5,395,000 was issued in September 2015 as a refunding of the special source revenue bond of 2012. This bond will be paid out of the County's debt service fund and will mature in the year 2032.

**COLLETON COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 8 – RESTATEMENT OF BEGINNING NET POSITION**

The County has determined that a restatement of beginning net position of the fire and rescue component unit is required to reflect a correction of an error in the June 30, 2014 financial report that did not properly record and report depreciation expense from the years 2012 to 2014 on several capital assets. The result of the correction is a decrease in the net position of the fire and rescue in the amount of \$824,929.

In accordance with generally accepted accounting principles for fiscal year 2015, the County made prior period adjustments due to the adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which require the restatement of the June 30, 2014 net position of the governmental activities of the County and its component units. The result is a decrease in net position at June 30, 2014 of \$22,101,740 in the County's governmental activities, \$594,616 in the memorial library, and \$7,156,305 in the fire and rescue commission.

	<u>County</u>	<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Memorial Library</u>	<u>Fire and Rescue</u>
Net Position June 30, 2014, as Previously Reported	\$ 55,766,565	\$ 146,221	\$ 5,855,349
Pension Liability, Net	(22,101,740)	(594,616)	(7,156,305)
Depreciation, Net	-	-	(824,929)
Net Position, June 30, 2014, as restated	<u>\$ 33,664,825</u>	<u>\$ (448,395)</u>	<u>\$ (2,125,885)</u>

**NOTE 9 – 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 spent \$1,281,957 out of those proceeds before the end of June 2015. The list of projects include asset acquisitions as well as assistance to other entities within the County. The net investment in capital assets is summarized below:

	<u>County</u>	<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Memorial Library</u>	<u>Fire and Rescue</u>
Capital Assets, Net	\$ 46,791,710	\$ 286,101	\$ 12,694,923
Long-term obligations	(67,072,385)	(768,572)	(17,463,629)
Net pension liability	22,318,419	603,114	7,148,358
Compensated absences	639,904	22,227	263,071
OPEB liability	1,333,440	143,231	258,565
Landfill closure	462,289	-	-
Bond proceeds on hand	28,990,670	-	-
Net Investment in Capital Assets	<u>\$ 33,464,047</u>	<u>\$ 286,101</u>	<u>\$ 2,901,288</u>

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**COLLETON COUNTY, SOUTH CAROLINA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		(negative)
Revenues				
Taxes	\$ 20,180,323	\$ 20,180,323	\$ 19,107,608	\$ (1,072,715)
Intergovernmental revenues	1,783,741	1,866,951	1,646,468	(220,483)
Fines and fees	4,307,299	4,307,299	4,413,903	106,604
Other income	534,325	582,420	100,941	(481,479)
Total revenues	<u>26,805,688</u>	<u>26,936,993</u>	<u>25,268,920</u>	<u>(1,668,073)</u>
Expenditures				
Current				
General government	9,844,620	9,310,984	8,355,958	955,026
Judicial	1,145,761	1,145,761	1,132,325	13,436
Public safety	6,629,243	6,630,380	6,662,739	(32,359)
Roads and bridges	2,044,125	2,044,784	1,798,827	245,957
Solid waste	2,243,308	2,306,169	2,208,389	97,780
Recreation and culture	880,039	1,079,189	999,662	79,527
Health and human services	654,944	639,515	669,000	(29,485)
Economic development	265,820	265,820	291,994	(26,174)
Intergovernmental	2,868,719	3,508,719	3,508,719	-
Capital Outlay				
General government	302,394	253,718	243,924	9,794
Public safety	-	-	15	(15)
Sanitation	-	6,791	6,782	9
Recreation and culture	-	746,800	743,037	3,763
Total expenditures	<u>26,878,973</u>	<u>27,938,630</u>	<u>26,621,371</u>	<u>1,317,259</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(73,285)</u>	<u>(1,001,637)</u>	<u>(1,352,451)</u>	<u>(350,814)</u>
Other financing sources (uses)				
Debt proceeds	-	450,000	450,000	-
Insurance proceeds	-	42,803	46,712	3,909
Transfers in	2,270,535	2,706,485	2,811,042	104,557
Transfers out	(2,197,250)	(2,197,651)	(1,995,522)	202,129
Total other financing sources (uses)	<u>73,285</u>	<u>1,001,637</u>	<u>1,312,232</u>	<u>310,595</u>
Net change in fund balances	-	-	(40,219)	(40,219)
Fund balance, beginning of year	7,054,019	7,054,019	7,054,019	-
Fund balance, end of year	<u>\$ 7,054,019</u>	<u>\$ 7,054,019</u>	<u>\$ 7,013,800</u>	<u>\$ (40,219)</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 Accrued Liability (AAL) 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]
6/30/2015	\$ -	\$ 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**

SCRS

Fiscal Year

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Proportion of the Net Pension Liability	N/A	0.094651%								
Proportionate Share of the Net Pension Liability	N/A	\$ 16,295,756								
Covered-Employee Payroll	N/A	\$ 8,710,229								
Proportionate Share of the New Pension Liability as a Percentage of Its Covered-Employee Payroll	N/A	187.09%								
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	59.90%								

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PORS

Fiscal Year

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Proportion of the Net Pension Liability	N/A	0.314595%								
Proportionate Share of the Net Pension Liability	N/A	\$ 6,022,663								
Covered-Employee Payroll	N/A	\$ 3,964,012								
Proportionate Share of the New Pension Liability as a Percentage of Its Covered-Employee Payroll	N/A	151.93%								
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	67.50%								

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**

SCRS

Fiscal Year

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Proportion of the Net Pension Liability	N/A	0.002650%								
Proportionate Share of the Net Pension Liability	N/A	\$ 456,236								
Covered-Employee Payroll	N/A	\$ 243,862								
Proportionate Share of the New Pension Liability as a Percentage of Its Covered-Employee Payroll	N/A	187.09%								
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	59.90%								

PORS

Fiscal Year

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Proportion of the Net Pension Liability	N/A	0.349565%								
Proportionate Share of the Net Pension Liability	N/A	\$ 6,692,122								
Covered-Employee Payroll	N/A	\$ 4,404,638								
Proportionate Share of the New Pension Liability as a Percentage of Its Covered-Employee Payroll	N/A	151.93%								
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	67.50%								

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**

SCRS

Fiscal Year

	<b>2006</b>	<b>2007</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>
Proportion of the Net Pension Liability	N/A	0.003503%								
Proportionate Share of the Net Pension Liability	N/A	\$ 603,114								
Covered-Employee Payroll	N/A	\$ 322,367								
Proportionate Share of the New Pension Liability as a Percentage of Its Covered-Employee Payroll	N/A	187.09%								
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	59.90%								

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

**PRIMARY GOVERNMENT**

SCRS

Fiscal Year

	<u>2006</u>	<u>2007</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>
Contractually Required Contribution	N/A	\$ 949,415								
Contributions in Relation to the Contractually Required Contribution	N/A	949,415								
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	N/A	\$ 8,710,229								
Contributions as a Percentage of Covered-Employee Payroll	N/A	10.90%								

PORS

Fiscal Year

	<u>2006</u>	<u>2007</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>
Contractually Required Contribution	N/A	\$ 531,574								
Contributions in Relation to the Contractually Required Contribution	N/A	531,574								
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	N/A	\$ 3,964,012								
Contributions as a Percentage of Covered-Employee Payroll	N/A	13.41%								

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

	<b>2006</b>	<b>2007</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>
Contractually Required Contribution	N/A	\$ 26,581								
Contributions in Relation to the Contractually Required Contribution	N/A	26,581								
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	N/A	\$ 243,862								
Contributions as a Percentage of Covered-Employee Payroll	N/A	10.90%								

PORS

Fiscal Year

	<b>2006</b>	<b>2007</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>
Contractually Required Contribution	N/A	\$ 590,662								
Contributions in Relation to the Contractually Required Contribution	N/A	590,662								
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	N/A	\$ 4,404,638								
Contributions as a Percentage of Covered-Employee Payroll	N/A	13.41%								

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>2006</b>	<b>2007</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>
Contractually Required Contribution	N/A	\$ 35,138								
Contributions in Relation to the Contractually Required Contribution	N/A	35,138								
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	N/A	\$ 322,367								
Contributions as a Percentage of Covered-Employee Payroll	N/A	10.90%								

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.

**SSRB Cannady's Debt Service Fund** – used to account for activities of the special source financing arrangements for the Cannady's debt service for payment of principal and interest debt.

**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, 2015**

	Special Revenue Funds			
	Sheriff's Discretionary Funds	Sheriff's Title IV D	Clerk of Court IV Incentives	Clerk of Court IV Unit Costs
<b>Assets</b>				
Cash and cash equivalents	\$ 182,628	\$ 5,050	\$ 104,415	\$ 19,863
Receivables, net of allowances	-	-	1,037	13,027
Total assets	<u>\$ 182,628</u>	<u>\$ 5,050</u>	<u>\$ 105,452</u>	<u>\$ 32,890</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 1,301	\$ 3,878
Accrued payroll and benefits	-	-	-	3,907
Unearned revenues	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>1,301</u>	<u>7,785</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	182,628	5,050	104,151	25,105
Total fund balances	<u>182,628</u>	<u>5,050</u>	<u>104,151</u>	<u>25,105</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 182,628</u>	<u>\$ 5,050</u>	<u>\$ 105,452</u>	<u>\$ 32,890</u>

**COLLETON COUNTY, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	Special Revenue Funds		
	Victim Witness Services	14th Circuit Court Solicitor	Public Defender Corporation
<b>Assets</b>			
Cash and cash equivalents	\$ 126,261	\$ 1,274,611	\$ 40,946
Receivables, net of allowances	3,010	322,089	-
Total assets	<u>\$ 129,271</u>	<u>\$ 1,596,700</u>	<u>\$ 40,946</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 1,302	\$ 26,678	\$ -
Accrued payroll and benefits	1,588	112,769	-
Unearned revenues	-	-	-
Total liabilities	<u>2,890</u>	<u>139,447</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues-property taxes	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>			
Assigned	-	1,457,253	40,946
Committed	-	-	-
Restricted	126,381	-	-
Total fund balances	<u>126,381</u>	<u>1,457,253</u>	<u>40,946</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 129,271</u>	<u>\$ 1,596,700</u>	<u>\$ 40,946</u>

**COLLETON COUNTY, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	Special Revenue Funds		
	Special Revenue	Animal Care Control Donations	Emergency Telephone
<b>Assets</b>			
Cash and cash equivalents	\$ 18,490	\$ 127,526	\$ 388,496
Receivables, net of allowances	329,869	-	51,928
Total assets	<u>\$ 348,359</u>	<u>\$ 127,526</u>	<u>\$ 440,424</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 158,230	\$ 565	\$ 2,792
Accrued payroll and benefits	63,189	-	3,940
Unearned revenues	47,784	-	-
Total liabilities	<u>269,203</u>	<u>565</u>	<u>6,732</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues-property taxes	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>			
Assigned	-	126,961	-
Committed	-	-	-
Restricted	79,156	-	433,692
Total fund balances	<u>79,156</u>	<u>126,961</u>	<u>433,692</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 348,359</u>	<u>\$ 127,526</u>	<u>\$ 440,424</u>

**COLLETON COUNTY, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	Special Revenue Funds		
	County	County	State
	Hospitality Tax	Accommodations Tax	Accommodations Tax
<b>Assets</b>			
Cash and cash equivalents	\$ 28,143	\$ 733,903	\$ 5,058
Receivables, net of allowances	19,811	67,480	-
<b>Total assets</b>	<b>\$ 47,954</b>	<b>\$ 801,383</b>	<b>\$ 5,058</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 3,761	\$ 1,307	\$ -
Accrued payroll and benefits	-	12,885	-
Unearned revenues	-	-	-
<b>Total liabilities</b>	<b>3,761</b>	<b>14,192</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues-property taxes	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>			
Assigned	-	-	-
Committed	44,193	787,191	-
Restricted	-	-	5,058
<b>Total fund balances</b>	<b>44,193</b>	<b>787,191</b>	<b>5,058</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 47,954</b>	<b>\$ 801,383</b>	<b>\$ 5,058</b>

**COLLETON COUNTY, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	Debt Service			Total Nonmajor Governmental Funds
	Debt Service	SSRB Cannady's Debt Service	Debt Service Non-GOB	
<b>Assets</b>				
Cash and cash equivalents	\$ 384,832	\$ -	\$ 124,641	\$ 3,564,863
Receivables, net of allowances	147,920	-	-	956,171
Total assets	<u>\$ 532,752</u>	<u>\$ -</u>	<u>\$ 124,641</u>	<u>\$ 4,521,034</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 199,814
Accrued payroll and benefits	-	-	-	198,278
Unearned revenues	-	-	-	47,784
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>445,876</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues-property taxes	120,779	-	-	120,779
Total deferred inflows of resources	<u>120,779</u>	<u>-</u>	<u>-</u>	<u>120,779</u>
<b>Fund Balances</b>				
Assigned	-	-	-	1,625,160
Committed	-	-	-	831,384
Restricted	411,973	-	124,641	1,497,835
Total fund balances	<u>411,973</u>	<u>-</u>	<u>124,641</u>	<u>3,954,379</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 532,752</u>	<u>\$ -</u>	<u>\$ 124,641</u>	<u>\$ 4,521,034</u>

**COLLETON COUNTY, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds			
	Sheriff's Discretionary Funds	Sheriff's Title IV D	Clerk of Court IV Incentives	Clerk of Court IV Unit Costs
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	283,542	11,171	42,538	139,406
Fines and fees	27,957	-	-	-
Other income	511	1	123	28
Total revenues	<u>312,010</u>	<u>11,172</u>	<u>42,661</u>	<u>139,434</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	-	-	-	-
Judicial	-	-	5,000	131,980
Public safety	168,205	6,223	-	-
Roads and Bridges	-	-	-	-
Recreation and culture	-	-	-	-
Health and human services	-	-	-	-
Intergovernmental	-	-	-	-
<b>Capital outlay</b>				
Judicial	-	-	-	18,864
Public safety	89,538	-	-	-
Economic development	-	-	-	-
<b>Debt service</b>				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>257,743</u>	<u>6,223</u>	<u>5,000</u>	<u>150,844</u>
Excess (deficiency) of revenues over (under) expenditures	<u>54,267</u>	<u>4,949</u>	<u>37,661</u>	<u>(11,410)</u>
<b>Other financing sources (uses)</b>				
Proceeds from sales of capital assets	24,747	-	-	-
Insurance proceeds	-	-	-	-
Legal Settlement	-	-	-	-
Transfers in	-	-	-	18,885
Transfers out	(4,824)	-	(38,066)	(21,989)
Total other financing sources (uses)	<u>19,923</u>	<u>-</u>	<u>(38,066)</u>	<u>(3,104)</u>
Net change in fund balances	74,190	4,949	(405)	(14,514)
Fund balances, beginning of year	108,438	101	104,556	39,619
Fund balances, end of year	<u>\$ 182,628</u>	<u>\$ 5,050</u>	<u>\$ 104,151</u>	<u>\$ 25,105</u>

**COLLETON COUNTY, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds		
	Victim Witness Services	14th Circuit Court Solicitor	Public Defender Corporation
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental revenues	65,409	2,449,989	-
Fines and fees	-	395,982	-
Other income	150	1,465	53
Total revenues	<u>65,559</u>	<u>2,847,436</u>	<u>53</u>
<b>Expenditures</b>			
Current			
General government	-	-	-
Judicial	-	3,289,848	-
Public safety	46,724	-	-
Roads and Bridges	-	-	-
Recreation and culture	-	-	-
Health and human services	-	-	-
Intergovernmental	-	-	-
Capital outlay			
Judicial	-	-	-
Public safety	-	-	-
Economic development	-	-	-
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>46,724</u>	<u>3,289,848</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,835</u>	<u>(442,412)</u>	<u>53</u>
<b>Other financing sources (uses)</b>			
Proceeds from sales of capital assets	707	-	-
Insurance proceeds	-	281	-
Legal Settlement	-	-	-
Transfers in	-	229,512	-
Transfers out	-	(9,913)	-
Total other financing sources (uses)	<u>707</u>	<u>219,880</u>	<u>-</u>
Net change in fund balances	19,542	(222,532)	53
Fund balances, beginning of year	106,839	1,679,785	40,893
Fund balances, end of year	<u>\$ 126,381</u>	<u>\$ 1,457,253</u>	<u>\$ 40,946</u>

**COLLETON COUNTY, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds		
	Special Revenue	Animal Care	
		Control Donations	Emergency Telephone
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental revenues	2,147,446	4,861	62,610
Fines and fees	385	20,175	273,202
Other income	-	4,173	504
Total revenues	<u>2,147,831</u>	<u>29,209</u>	<u>336,316</u>
<b>Expenditures</b>			
<b>Current</b>			
General government	-	-	-
Judicial	99,096	-	-
Public safety	451,773	31,518	301,294
Roads and Bridges	-	-	-
Recreation and culture	13,782	-	-
Health and human services	1,128,883	-	-
Intergovernmental	327,805	-	-
<b>Capital outlay</b>			
Judicial	-	-	-
Public safety	49,381	-	-
Economic development	43,221	-	-
<b>Debt service</b>			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>2,113,941</u>	<u>31,518</u>	<u>301,294</u>
Excess (deficiency) of revenues over (under) expenditures	<u>33,890</u>	<u>(2,309)</u>	<u>35,022</u>
<b>Other financing sources (uses)</b>			
Proceeds from sales of capital assets	-	-	-
Insurance proceeds	-	-	-
Legal Settlement	-	-	-
Transfers in	34,045	-	-
Transfers out	(160,000)	-	-
Total other financing sources (uses)	<u>(125,955)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(92,065)	(2,309)	35,022
Fund balances, beginning of year	171,221	129,270	398,670
Fund balances, end of year	<u>\$ 79,156</u>	<u>\$ 126,961</u>	<u>\$ 433,692</u>

**COLLETON COUNTY, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds		
	County	County	State
	Hospitality Tax	Accommodations Tax	Accommodations Tax
<b>Revenues</b>			
Taxes	\$ 483,209	\$ 458,331	\$ -
Intergovernmental revenues	914,796	-	-
Fines and fees	-	-	-
Other income	649	875	6
Total revenues	<u>1,398,654</u>	<u>459,206</u>	<u>6</u>
<b>Expenditures</b>			
<b>Current</b>			
General government	1,807	-	-
Judicial	-	-	-
Public safety	-	-	-
Roads and Bridges	-	3,261	-
Recreation and culture	1,130,277	318,978	-
Health and human services	-	-	-
Intergovernmental	-	-	-
<b>Capital outlay</b>			
Judicial	-	-	-
Public safety	-	-	-
Economic development	-	-	-
<b>Debt service</b>			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>1,132,084</u>	<u>322,239</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>266,570</u>	<u>136,967</u>	<u>6</u>
<b>Other financing sources (uses)</b>			
Proceeds from sales of capital assets	-	-	-
Insurance proceeds	-	-	-
Legal Settlement	-	7,411	-
Transfers in	-	-	-
Transfers out	(817,648)	-	-
Total other financing sources (uses)	<u>(817,648)</u>	<u>7,411</u>	<u>-</u>
Net change in fund balances	(551,078)	144,378	6
Fund balances, beginning of year	595,271	642,813	5,052
Fund balances, end of year	<u>\$ 44,193</u>	<u>\$ 787,191</u>	<u>\$ 5,058</u>

**COLLETON COUNTY, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Debt Service Funds			Total Nonmajor Governmental Funds
	SSRB			
	Debt Service	Cannady's Debt Service	Debt Service Non-GOB	
<b>Revenues</b>				
Taxes	\$ 1,250,036	\$ -	\$ -	\$ 2,191,576
Intergovernmental revenues	-	-	-	6,121,768
Fines and fees	2,691	101,771	-	822,163
Other income	1,025	-	161	9,724
Total revenues	<u>1,253,752</u>	<u>101,771</u>	<u>161</u>	<u>9,145,231</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	-	-	-	1,807
Judicial	-	-	-	3,525,924
Public safety	-	-	-	1,005,737
Roads and Bridges	-	-	-	3,261
Recreation and culture	-	-	-	1,463,037
Health and human services	-	-	-	1,128,883
Intergovernmental	-	-	-	327,805
<b>Capital outlay</b>				
Judicial	-	-	-	18,864
Public safety	-	-	-	138,919
Economic development	-	-	-	43,221
<b>Debt service</b>				
Principal retirement	1,877,116	380,000	271,377	2,528,493
Interest and fiscal charges	179,512	178,733	35,322	393,567
Total expenditures	<u>2,056,628</u>	<u>558,733</u>	<u>306,699</u>	<u>10,579,518</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(802,876)</u>	<u>(456,962)</u>	<u>(306,538)</u>	<u>(1,434,287)</u>
<b>Other financing sources (uses)</b>				
Proceeds from sales of capital assets	-	-	-	25,454
Insurance proceeds	-	-	-	281
Legal Settlement	-	-	-	7,411
Transfers in	295,374	407,925	306,698	1,292,439
Transfers out	-	-	-	(1,052,440)
Total other financing sources (uses)	<u>295,374</u>	<u>407,925</u>	<u>306,698</u>	<u>273,145</u>
Net change in fund balances	(507,502)	(49,037)	160	(1,161,142)
Fund balances, beginning of year	919,475	49,037	124,481	5,115,521
Fund balances, end of year	<u>\$ 411,973</u>	<u>\$ -</u>	<u>\$ 124,641</u>	<u>\$ 3,954,379</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, 2015**

<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	\$ 11,171	\$ (2,810)
Other income	-	-	1	1
Total revenues	<u>13,981</u>	<u>13,981</u>	<u>11,172</u>	<u>(2,809)</u>
<b>Expenditures</b>				
<b>Current</b>				
Public safety	13,981	13,981	6,223	7,758
Total expenditures	<u>13,981</u>	<u>13,981</u>	<u>6,223</u>	<u>7,758</u>
Net change in fund balances	-	-	4,949	4,949
Fund balance, beginning of year	101	101	101	-
Fund balance, end of year	<u>\$ 101</u>	<u>\$ 101</u>	<u>\$ 5,050</u>	<u>\$ 4,949</u>

<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	\$ 42,538	\$ 5,563
Other income	6,091	6,091	123	(5,968)
Total revenues	<u>43,066</u>	<u>43,066</u>	<u>42,661</u>	<u>(405)</u>
<b>Expenditures</b>				
<b>Current</b>				
Judicial	5,000	5,000	5,000	-
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>38,066</u>	<u>38,066</u>	<u>37,661</u>	<u>(405)</u>
<b>Other financing sources (uses)</b>				
Transfers out	(38,066)	(38,066)	(38,066)	-
Total other financing sources (uses)	<u>(38,066)</u>	<u>(38,066)</u>	<u>(38,066)</u>	<u>-</u>
Net change in fund balances	-	-	(405)	(405)
Fund balance, beginning of year	104,556	104,556	104,556	-
Fund balance, end of year	<u>\$ 104,556</u>	<u>\$ 104,556</u>	<u>\$ 104,151</u>	<u>\$ (405)</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, 2015**

<b>Clerk of Court IV Unit Costs</b>				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ 116,610	\$ 116,610	\$ 139,406	\$ 22,796
Other income	-	39,619	28	(39,591)
Total revenues	<u>116,610</u>	<u>156,229</u>	<u>139,434</u>	<u>(16,795)</u>
<b>Expenditures</b>				
<b>Current</b>				
Judicial	135,495	134,261	131,980	2,281
<b>Capital Outlay</b>				
Judicial	-	18,864	18,864	-
Total expenditures	<u>135,495</u>	<u>153,125</u>	<u>150,844</u>	<u>2,281</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,885)</u>	<u>3,104</u>	<u>(11,410)</u>	<u>(14,514)</u>
<b>Other financing sources (uses)</b>				
Transfers in	18,885	18,885	18,885	-
Transfers out	-	(21,989)	(21,989)	-
Total other financing sources (uses)	<u>18,885</u>	<u>(3,104)</u>	<u>(3,104)</u>	<u>-</u>
Net change in fund balances	-	-	(14,514)	(14,514)
Fund balance, beginning of year	39,619	39,619	39,619	-
Fund balance, end of year	<u>\$ 39,619</u>	<u>\$ 39,619</u>	<u>\$ 25,105</u>	<u>\$ (14,514)</u>

<b>Victim Witness</b>				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ 52,560	\$ 52,560	\$ 65,409	\$ 12,849
Other income	-	-	150	150
Total revenues	<u>52,560</u>	<u>52,560</u>	<u>65,559</u>	<u>12,999</u>
<b>Expenditures</b>				
<b>Current</b>				
Public safety	52,560	52,560	46,724	5,836
Total expenditures	<u>52,560</u>	<u>52,560</u>	<u>46,724</u>	<u>5,836</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>18,835</u>	<u>18,835</u>
<b>Other financing sources (uses)</b>				
Proceeds from sales of capital assets	-	-	707	(707)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>707</u>	<u>(707)</u>
Net change in fund balances	-	-	19,542	18,128
Fund balance, beginning of year	106,839	106,839	106,839	-
Fund balance, end of year	<u>\$ 106,839</u>	<u>\$ 106,839</u>	<u>\$ 126,381</u>	<u>\$ 18,128</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, 2015**

<b>14th Circuit Court Solicitor</b>				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ -	\$ 2,741,293	\$ 2,449,989	\$ (291,304)
Fines and fees	-	456,832	395,982	(60,850)
Other income	-	2,053	1,465	(588)
Total revenues	<u>-</u>	<u>3,200,178</u>	<u>2,847,436</u>	<u>(352,742)</u>
<b>Expenditures</b>				
<b>Current</b>				
Judicial	-	3,475,186	3,289,848	185,338
Total expenditures	<u>-</u>	<u>3,475,186</u>	<u>3,289,848</u>	<u>185,338</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(275,008)</u>	<u>(442,412)</u>	<u>(167,404)</u>
<b>Other financing sources (uses)</b>				
Insurance proceeds	-	-	281	281
Transfers in	-	280,971	229,512	(51,459)
Transfers out	-	(5,963)	(9,913)	(3,950)
Total other financing sources (uses)	<u>-</u>	<u>275,008</u>	<u>219,880</u>	<u>(55,128)</u>
Net change in fund balances	-	-	(222,532)	(222,532)
Fund balance, beginning of year	<u>1,679,785</u>	<u>1,679,785</u>	<u>1,679,785</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,679,785</u>	<u>\$ 1,679,785</u>	<u>\$ 1,457,253</u>	<u>\$ (222,532)</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, 2015**

	<b>Special Revenue</b>			Variance with final budget - positive (negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ 3,902,356	\$ 2,737,711	\$ 2,147,446	\$ (590,265)
Fines and fees	-	-	385	385
Other income	202,523	169,269	-	(169,269)
Total revenues	<u>4,104,879</u>	<u>2,906,980</u>	<u>2,147,831</u>	<u>(759,149)</u>
<b>Expenditures</b>				
<b>Current</b>				
Judicial	2,841,218	125,593	99,096	26,497
Public safety	324,951	567,036	451,773	115,263
Recreation and culture	-	38,695	13,782	24,913
Health and human services	755,094	1,607,104	1,128,883	478,221
Intergovernmental	-	290,639	327,805	(37,166)
<b>Capital Outlay</b>				
Public safety	-	56,999	49,381	7,618
Economic development	-	86,499	43,221	43,278
Total expenditures	<u>3,921,263</u>	<u>2,772,565</u>	<u>2,113,941</u>	<u>658,624</u>
Excess (deficiency) of revenues over (under) expenditures	<u>183,616</u>	<u>134,415</u>	<u>33,890</u>	<u>(100,525)</u>
<b>Other financing sources (uses)</b>				
Transfers in	18,907	25,585	34,045	8,460
Transfers out	(202,523)	(160,000)	(160,000)	-
Total other financing sources (uses)	<u>(183,616)</u>	<u>(134,415)</u>	<u>(125,955)</u>	<u>8,460</u>
Net change in fund balances	-	-	(92,065)	(92,065)
Fund balance, beginning of year	171,221	171,221	171,221	-
Fund balance, end of year	<u>\$ 171,221</u>	<u>\$ 171,221</u>	<u>\$ 79,156</u>	<u>\$ (92,065)</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, 2015**

<b>Animal Care Control Donations</b>				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ -	\$ -	\$ 4,861	\$ 4,861
Fines and fees	18,900	18,900	20,175	1,275
Other income	100	14,100	4,173	(9,927)
Total revenues	<u>19,000</u>	<u>33,000</u>	<u>29,209</u>	<u>(3,791)</u>
<b>Expenditures</b>				
<b>Current</b>				
Public safety	19,000	33,000	31,518	1,482
Total expenditures	<u>19,000</u>	<u>33,000</u>	<u>31,518</u>	<u>1,482</u>
Net change in fund balances	-	-	(2,309)	(2,309)
Fund balance, beginning of year	129,270	129,270	129,270	-
Fund balance, end of year	<u>\$ 129,270</u>	<u>\$ 129,270</u>	<u>\$ 126,961</u>	<u>\$ (2,309)</u>

<b>Emergency Telephone</b>				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ 75,980	\$ 75,980	\$ 62,610	\$ (13,370)
Fines and fees	314,220	314,220	273,202	(41,018)
Other income	91,160	91,160	504	(90,656)
Total revenues	<u>481,360</u>	<u>481,360</u>	<u>336,316</u>	<u>(145,044)</u>
<b>Expenditures</b>				
<b>Current</b>				
Public safety	481,360	481,360	301,294	180,066
Total expenditures	<u>481,360</u>	<u>481,360</u>	<u>301,294</u>	<u>180,066</u>
Net change in fund balances	-	-	35,022	35,022
Fund balance, beginning of year	398,670	398,670	398,670	-
Fund balance, end of year	<u>\$ 398,670</u>	<u>\$ 398,670</u>	<u>\$ 433,692</u>	<u>\$ 35,022</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, 2015**

<b>County Hospitality Tax</b>				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 505,310	\$ 505,310	\$ 483,209	\$ (22,101)
Intergovernmental revenues	-	914,796	914,796	-
Other income	165	529,627	649	(528,978)
<b>Total revenues</b>	<b>505,475</b>	<b>1,949,733</b>	<b>1,398,654</b>	<b>(551,079)</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	58,117	5,000	1,807	3,193
Recreation and culture	65,660	1,127,085	1,130,277	(3,192)
<b>Total expenditures</b>	<b>123,777</b>	<b>1,132,085</b>	<b>1,132,084</b>	<b>1</b>
Excess (deficiency) of revenues over (under) expenditures	381,698	817,648	266,570	(551,078)
<b>Other financing sources (uses)</b>				
Transfers out	(381,698)	(817,648)	(817,648)	-
<b>Total other financing sources (uses)</b>	<b>(381,698)</b>	<b>(817,648)</b>	<b>(817,648)</b>	<b>-</b>
Net change in fund balances	-	-	(551,078)	(551,078)
Fund balance, beginning of year	595,271	595,271	595,271	-
<b>Fund balance, end of year</b>	<b>\$ 595,271</b>	<b>\$ 595,271</b>	<b>\$ 44,193</b>	<b>\$ (551,078)</b>

<b>County Accommodations Tax</b>				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 325,085	\$ 325,085	\$ 458,331	\$ 133,246
Other income	500	500	875	375
<b>Total revenues</b>	<b>325,585</b>	<b>325,585</b>	<b>459,206</b>	<b>133,621</b>
<b>Expenditures</b>				
<b>Current</b>				
Roads and Bridges	-	3,261	3,261	-
Recreation and culture	325,585	322,324	318,978	3,346
<b>Total expenditures</b>	<b>325,585</b>	<b>325,585</b>	<b>322,239</b>	<b>3,346</b>
Excess (deficiency) of revenues over (under) expenditures	-	-	136,967	136,967
<b>Other financing sources (uses)</b>				
Legal settlement	-	-	7,411	7,411
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>7,411</b>	<b>7,411</b>
Net change in fund balances	-	-	144,378	144,378
Fund balance, beginning of year	642,813	642,813	642,813	-
<b>Fund balance, end of year</b>	<b>\$ 642,813</b>	<b>\$ 642,813</b>	<b>\$ 787,191</b>	<b>\$ 144,378</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, 2015**

	<b>Debt Service</b>			Variance with final budget - positive (negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Taxes	\$ 1,281,216	\$ 1,281,216	\$ 1,250,036	\$ (31,180)
Fines and fees	33,225	33,225	2,691	(30,534)
Other income	227,819	742,187	1,025	(741,162)
Total revenues	<u>1,542,260</u>	<u>2,056,628</u>	<u>1,253,752</u>	<u>(802,876)</u>
Expenditures				
Debt Service				
Principal retirement	1,370,000	1,877,116	1,877,116	-
Interest and fiscal charges	172,260	179,512	179,512	-
Total expenditures	<u>1,542,260</u>	<u>2,056,628</u>	<u>2,056,628</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(802,876)</u>	<u>(802,876)</u>
Other financing sources (uses)				
Transfers in	-	-	295,374	295,374
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>295,374</u>	<u>295,374</u>
Net change in fund balances	-	-	(507,502)	(507,502)
Fund balance, beginning of year	919,475	919,475	919,475	-
Fund balance, end of year	<u>\$ 919,475</u>	<u>\$ 919,475</u>	<u>\$ 411,973</u>	<u>\$ (507,502)</u>

	<b>SSRB Cannady's Debt Service</b>			Variance with final budget - positive (negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Taxes	\$ 320,626	\$ 320,626	\$ -	\$ (320,626)
Fines and fees	1,012,592	1,012,592	101,771	(910,821)
Other income	1,000	1,000	-	(1,000)
Total revenues	<u>1,334,218</u>	<u>1,334,218</u>	<u>101,771</u>	<u>(1,232,447)</u>
Expenditures				
Debt Service				
Principal retirement	380,000	380,000	380,000	-
Interest and fiscal charges	178,733	178,733	178,733	-
Total expenditures	<u>558,733</u>	<u>558,733</u>	<u>558,733</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>775,485</u>	<u>775,485</u>	<u>(456,962)</u>	<u>(1,232,447)</u>
Other financing sources (uses)				
Transfers in	-	-	407,925	407,925
Transfers out	(775,485)	(775,485)	-	775,485
Total other financing sources (uses)	<u>(775,485)</u>	<u>(775,485)</u>	<u>407,925</u>	<u>1,183,410</u>
Net change in fund balances	-	-	(49,037)	(49,037)
Fund balance, beginning of year	49,037	49,037	49,037	-
Fund balance, end of year	<u>\$ 49,037</u>	<u>\$ 49,037</u>	<u>\$ -</u>	<u>\$ (49,037)</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, 2015**

<b>Debt Service Non-GOB</b>				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Other income	\$ -	\$ -	\$ 161	\$ 161
Total revenues	<u>-</u>	<u>-</u>	<u>161</u>	<u>161</u>
Expenditures				
Debt Service				
Principal retirement	271,377	271,377	271,377	-
Interest and fiscal charges	35,321	35,321	35,322	(1)
Total expenditures	<u>306,698</u>	<u>306,698</u>	<u>306,699</u>	<u>(1)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(306,698)</u>	<u>(306,698)</u>	<u>(306,538)</u>	<u>160</u>
Other financing sources (uses)				
Transfers in	306,698	306,698	306,698	-
Total other financing sources (uses)	<u>306,698</u>	<u>306,698</u>	<u>306,698</u>	<u>-</u>
Net change in fund balances	-	-	160	160
Fund balance, beginning of year	124,481	124,481	124,481	-
Fund balance, end of year	<u>\$ 124,481</u>	<u>\$ 124,481</u>	<u>\$ 124,641</u>	<u>\$ 160</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, 2015**

	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ -	\$ 595,418	\$ 2,307,130	\$ 1,711,712
Fines and fees	446,172	446,172	575,274	129,102
Other income	599,267	1,893,738	191,970	(1,701,768)
Total revenues	<u>1,045,439</u>	<u>2,935,328</u>	<u>3,074,374</u>	<u>139,046</u>
<b>Expenditures</b>				
<b>Current</b>				
Public safety	-	686,654	-	686,654
Roads and bridges	-	-	2,454,994	(2,454,994)
Recreation and culture	-	276,609	-	276,609
Economic development	310,325	14,245,891	818,367	13,427,524
<b>Capital Outlay</b>				
General government	200,918	252,667	26,217	226,450
Public safety	1,511,414	5,303,518	513,294	4,790,224
Roads and bridges	315,000	315,563	33,763	281,800
Solid waste	162,000	215,900	-	215,900
Recreation and culture	26,884	4,654,220	4,257,072	397,148
Economic development	1,283,181	9,934,839	1,543,929	8,390,910
<b>Debt Service</b>				
Interest and fiscal charges	24,000	24,000	-	24,000
Total expenditures	<u>3,833,722</u>	<u>35,909,861</u>	<u>9,647,636</u>	<u>26,262,225</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,788,283)</u>	<u>(32,974,533)</u>	<u>(6,573,262)</u>	<u>26,401,271</u>
<b>Other financing sources (uses)</b>				
Proceeds from sales of capital assets	-	-	21,124	21,124
Debt proceeds	2,037,798	33,232,352	32,912,384	(319,968)
Insurance proceeds	-	22,215	25,213	2,998
Transfers in	775,485	927,160	151,675	(775,485)
Transfers out	(25,000)	(1,207,194)	(1,207,194)	-
Total other financing sources (uses)	<u>2,788,283</u>	<u>32,974,533</u>	<u>31,903,202</u>	<u>(1,071,331)</u>
Net change in fund balances	-	-	25,329,940	25,329,940
Fund balance, beginning of year	12,136,550	12,136,550	12,136,550	-
Fund balance, end of year	<u>\$ 12,136,550</u>	<u>\$ 12,136,550</u>	<u>\$ 37,466,490</u>	<u>\$ 25,329,940</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.

**CTC Fund** – to account for program activities used by the transportation committee that were moved to a special revenue fund of the County.

**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, 2015**

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
<b>TOTAL</b>				
Assets				
Cash and equivalents	\$ 9,281,160	\$ 112,701,174	\$ 111,627,327	\$ 10,355,007
Investments	-	10,000,000	-	10,000,000
Total assets	<u>\$ 9,281,160</u>	<u>\$ 122,701,174</u>	<u>\$ 111,627,327</u>	<u>\$ 20,355,007</u>
Liabilities				
Accounts payable	\$ 913	\$ 58,906	\$ 58,847	\$ 972
Assets held for others	9,280,247	94,275,666	83,201,878	20,354,035
Total liabilities	<u>\$ 9,281,160</u>	<u>\$ 94,334,572</u>	<u>\$ 83,260,725</u>	<u>\$ 20,355,007</u>
<b>SHERIFF'S SEIZURE FUND</b>				
Assets				
Cash and equivalents	\$ 274,087	\$ 62,590	\$ 98,190	\$ 238,487
Total assets	<u>\$ 274,087</u>	<u>\$ 62,590</u>	<u>\$ 98,190</u>	<u>\$ 238,487</u>
Liabilities				
Assets held for others	\$ 274,087	\$ 62,590	\$ 98,190	\$ 238,487
Total liabilities	<u>\$ 274,087</u>	<u>\$ 62,590</u>	<u>\$ 98,190</u>	<u>\$ 238,487</u>
<b>WILLOW SWAMP WATER SHED FUND</b>				
Assets				
Cash and equivalents	\$ 15,068	\$ 8,342	\$ 4,163	\$ 19,247
Total assets	<u>\$ 15,068</u>	<u>\$ 8,342</u>	<u>\$ 4,163</u>	<u>\$ 19,247</u>
Liabilities				
Assets held for others	\$ 15,068	\$ 4,179	-	\$ 19,247
Total liabilities	<u>\$ 15,068</u>	<u>\$ 4,179</u>	<u>\$ -</u>	<u>\$ 19,247</u>
<b>LAW OFFICER'S MEMORIAL FUND</b>				
Assets				
Cash and equivalents	\$ 848	\$ 1	\$ 270	\$ 579
Total assets	<u>\$ 848</u>	<u>\$ 1</u>	<u>\$ 270</u>	<u>\$ 579</u>
Liabilities				
Assets held for others	\$ 848	\$ 1	\$ 270	\$ 579
Total liabilities	<u>\$ 848</u>	<u>\$ 1</u>	<u>\$ 270</u>	<u>\$ 579</u>
<b>TREASURER FUND</b>				
Assets				
Cash and equivalents	\$ 311,074	\$ 2,399,329	\$ 2,372,830	\$ 337,573
Total assets	<u>\$ 311,074</u>	<u>\$ 2,399,329</u>	<u>\$ 2,372,830</u>	<u>\$ 337,573</u>
Liabilities				
Accounts payable	\$ 7	\$ 7	\$ 6	\$ 8
Assets held for others	311,067	10,633,967	10,607,469	337,565
Total liabilities	<u>\$ 311,074</u>	<u>\$ 10,633,974</u>	<u>\$ 10,607,475</u>	<u>\$ 337,573</u>
<b>14TH CIRCUIT COURT SOLICITOR FUND</b>				
Assets				
Cash and equivalents	\$ 1,474	\$ 569,821	\$ 545,326	\$ 25,969
Total assets	<u>\$ 1,474</u>	<u>\$ 569,821</u>	<u>\$ 545,326</u>	<u>\$ 25,969</u>
Liabilities				
Assets held for others	\$ 1,474	\$ 548,502	\$ 524,007	\$ 25,969
Total liabilities	<u>\$ 1,474</u>	<u>\$ 548,502</u>	<u>\$ 524,007</u>	<u>\$ 25,969</u>

**COLLETON COUNTY, SOUTH CAROLINA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
<b>DELINQUENT TAX FUND</b>				
Assets				
Cash and equivalents	\$ 1,093,955	\$ 21,503,347	\$ 20,919,833	\$ 1,677,469
Total assets	<u>\$ 1,093,955</u>	<u>\$ 21,503,347</u>	<u>\$ 20,919,833</u>	<u>\$ 1,677,469</u>
Liabilities				
Assets held for others	\$ 1,093,955	\$ 9,601,954	\$ 9,018,440	\$ 1,677,469
Total liabilities	<u>\$ 1,093,955</u>	<u>\$ 9,601,954</u>	<u>\$ 9,018,440</u>	<u>\$ 1,677,469</u>
<b>CLERK OF COURT FUND</b>				
Assets				
Cash and equivalents	\$ 239,136	\$ 73,067	\$ 270	\$ 311,933
Total assets	<u>\$ 239,136</u>	<u>\$ 73,067</u>	<u>\$ 270</u>	<u>\$ 311,933</u>
Liabilities				
Assets held for others	\$ 239,136	\$ 73,067	\$ 270	\$ 311,933
Total liabilities	<u>\$ 239,136</u>	<u>\$ 73,067</u>	<u>\$ 270</u>	<u>\$ 311,933</u>
<b>MAGISTRATE FUND</b>				
Assets				
Cash and equivalents	\$ 72,326	\$ 36,745	\$ 31,723	\$ 77,348
Total assets	<u>\$ 72,326</u>	<u>\$ 36,745</u>	<u>\$ 31,723</u>	<u>\$ 77,348</u>
Liabilities				
Assets held for others	\$ 72,326	\$ 36,745	\$ 31,723	\$ 77,348
Total liabilities	<u>\$ 72,326</u>	<u>\$ 36,745</u>	<u>\$ 31,723</u>	<u>\$ 77,348</u>
<b>PROBATE JUDGE FUND</b>				
Assets				
Cash and equivalents	\$ 9,133	\$ 1	\$ 1,911	\$ 7,223
Total assets	<u>\$ 9,133</u>	<u>\$ 1</u>	<u>\$ 1,911</u>	<u>\$ 7,223</u>
Liabilities				
Assets held for others	\$ 9,133	\$ 1	\$ 1,911	\$ 7,223
Total liabilities	<u>\$ 9,133</u>	<u>\$ 1</u>	<u>\$ 1,911</u>	<u>\$ 7,223</u>
<b>FIREMENS FUND</b>				
Assets				
Cash and equivalents	\$ 68,201	\$ 135,486	\$ 119,299	\$ 84,388
Total assets	<u>\$ 68,201</u>	<u>\$ 135,486</u>	<u>\$ 119,299</u>	<u>\$ 84,388</u>
Liabilities				
Accounts payable	\$ 906	\$ 58,899	\$ 58,841	\$ 964
Assets held for others	67,295	136,051	119,922	83,424
Total liabilities	<u>\$ 68,201</u>	<u>\$ 194,950</u>	<u>\$ 178,763</u>	<u>\$ 84,388</u>
<b>COLLETON COUNTY SCHOOL FUND</b>				
Assets				
Cash and equivalents	\$ 7,195,858	\$ 87,912,445	\$ 87,533,512	\$ 7,574,791
Investments	-	10,000,000	-	10,000,000
Total assets	<u>\$ 7,195,858</u>	<u>\$ 97,912,445</u>	<u>\$ 87,533,512</u>	<u>\$ 17,574,791</u>
Liabilities				
Assets held for others	\$ 7,195,858	\$ 73,178,609	\$ 62,799,676	\$ 17,574,791
Total liabilities	<u>\$ 7,195,858</u>	<u>\$ 73,178,609</u>	<u>\$ 62,799,676</u>	<u>\$ 17,574,791</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, 2015**

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total</u>
<b>Assets</b>				
Cash and equivalents	\$ 59,720	\$ 6,163	\$ 196,274	\$ 262,157
Receivables, net of allowances	2,128,814	-	259,431	2,388,245
Total assets	<u>\$ 2,188,534</u>	<u>\$ 6,163</u>	<u>\$ 455,705</u>	<u>\$ 2,650,402</u>
<b>Liabilities</b>				
Accounts payable	\$ 86,928	\$ -	\$ -	\$ 86,928
Accrued payroll liabilities	286,091	-	-	286,091
Unearned revenues	3,531	-	-	3,531
Total liabilities	<u>376,550</u>	<u>-</u>	<u>-</u>	<u>376,550</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue-property taxes	351,459	-	209,166	560,625
Unavailable revenue-fees	1,534,271	-	-	1,534,271
Total deferred inflows of resources	<u>1,885,730</u>	<u>-</u>	<u>209,166</u>	<u>2,094,896</u>
<b>Fund Balances</b>				
Committed	-	6,163	-	6,163
Restricted	-	-	246,539	246,539
Unassigned	(73,746)	-	-	(73,746)
Total fund balances	<u>(73,746)</u>	<u>6,163</u>	<u>246,539</u>	<u>178,956</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,188,534</u>	<u>\$ 6,163</u>	<u>\$ 455,705</u>	<u>\$ 2,650,402</u>

**COLLETON COUNTY, SOUTH CAROLINA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
FIRE AND RESCUE COMMISSION  
JUNE 30, 2015**

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

Total fund balance - fire and rescue commission	\$	178,956
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Land	\$	454,174	
Construction in progress		88,629	
Buildings & improvements, net of accumulated depreciation of \$1,564,433		5,344,558	
Other improvements, net of accumulated depreciation of \$102,220		45,312	
Equipment & vehicles, net of accumulated depreciation of \$12,073,816		<u>6,762,250</u>	
			12,694,923

Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.

Property taxes		560,625	
EMS fee receivables		<u>1,534,271</u>	
			2,094,896

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		808,754	
Deferred inflows related to pensions		<u>(812,792)</u>	
Total deferred outflows and inflows of resources			(4,038)

Disbursements for insurance coverage reflected in the funds cover periods extending beyond year-end.

138,094

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		(7,030,000)	
Capital Lease		(2,763,635)	
Compensated absences		(263,071)	
Accrued interest		(109,760)	
Net pension liability		(7,148,358)	
OPEB obligation		<u>(258,565)</u>	
			<u>(17,573,389)</u>

Total net position - governmental activities	\$	<u><u>(2,470,558)</u></u>
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**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, 2015**

	General	Capital Projects	Debt Service	Total
Revenues				
Taxes	\$ 3,039,985	\$ -	\$ 1,606,827	\$ 4,646,812
Intergovernmental revenues	3,307,697	-	-	3,307,697
Fees	1,367,105	-	-	1,367,105
Other income	-	418	773	1,191
Total revenues	<u>7,714,787</u>	<u>418</u>	<u>1,607,600</u>	<u>9,322,805</u>
Expenditures				
Current				
Public safety	8,417,886	43,033	-	8,460,919
Capital outlay				
Public Safety	192,044	873,382	-	1,065,426
Debt service				
Principal retirement	-	-	1,528,322	1,528,322
Interest payments	-	-	272,734	272,734
Total expenditures	<u>8,609,930</u>	<u>916,415</u>	<u>1,801,056</u>	<u>11,327,401</u>
Excess (deficiency) of revenues over expenditures	<u>(895,143)</u>	<u>(915,997)</u>	<u>(193,456)</u>	<u>(2,004,596)</u>
Other financing sources (uses)				
Proceeds from sales of capital assets	117,427	-	-	117,427
Proceeds from insurance settlements	3,743	-	-	3,743
Transfers in	246,414	-	-	246,414
Transfers out	-	-	(246,414)	(246,414)
Total other financing sources (uses)	<u>367,584</u>	<u>-</u>	<u>(246,414)</u>	<u>121,170</u>
Net change in fund balances	(527,559)	(915,997)	(439,870)	(1,883,426)
Fund balances, beginning of year	453,813	922,160	686,409	2,062,382
Fund balances, end of year	<u>\$ (73,746)</u>	<u>\$ 6,163</u>	<u>\$ 246,539</u>	<u>\$ 178,956</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, 2015**

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

Total net change in fund balance - fire and rescue commission \$ (1,883,426)

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	\$ 1,065,427	
Depreciation expense	(1,401,928)	
		(336,501)

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	(34,065)	
EMS fees receivable	397,301	
		363,236

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	(24,367)	
OPEB obligation	(32,901)	
Accrued interest	16,380	
Pension expenses	3,909	
		(36,979)

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		1,528,322
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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.

		20,675
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Changes in net position of governmental activities		\$ (344,673)
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**COLLETON COUNTY, SOUTH CAROLINA  
COMPONENT UNIT - FIRE AND RESCUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Taxes	\$ 5,118,672	\$ 4,868,672	\$ 4,646,812	\$ (221,860)
Intergovernmental revenues	2,646,966	3,296,395	3,307,697	11,302
Fees	1,521,242	1,529,377	1,367,105	(162,272)
Other income	360,412	1,760,625	1,191	(1,759,434)
Total revenues	<u>9,647,292</u>	<u>11,455,069</u>	<u>9,322,805</u>	<u>(2,132,264)</u>
Expenditures				
Current				
Public safety	8,146,234	8,499,874	8,460,919	38,955
Capital outlay				
Public safety	-	1,065,115	1,065,426	(311)
Debt Service				
Principal retirement	1,528,322	1,528,322	1,528,322	-
Interest and fiscal charges	272,736	272,736	272,734	2
Total expenditures	<u>9,947,292</u>	<u>11,366,047</u>	<u>11,327,401</u>	<u>38,646</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(300,000)</u>	<u>89,022</u>	<u>(2,004,596)</u>	<u>(2,093,618)</u>
Other financing sources (uses)				
Proceeds from sales of capital assets	-	115,207	117,427	2,220
Proceeds from insurance settlements	-	3,458	3,743	285
Transfers in	300,000	246,414	246,414	-
Transfers out	-	(454,101)	(246,414)	207,687
Total other financing sources (uses)	<u>300,000</u>	<u>(89,022)</u>	<u>121,170</u>	<u>210,192</u>
Net change in fund balances	-	-	(1,883,426)	(1,883,426)
Fund balances, beginning of year	<u>2,062,382</u>	<u>2,062,382</u>	<u>2,062,382</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,062,382</u>	<u>\$ 2,062,382</u>	<u>\$ 178,956</u>	<u>\$ (1,883,426)</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, 2015**

	General Fund	Special Revenue Fund	Total
<b>Assets</b>			
Cash and equivalents	\$ 54,382	\$ 2,456	\$ 56,838
Receivables, net of allowances	1,348	-	1,348
Total assets	\$ 55,730	\$ 2,456	\$ 58,186
<b>Liabilities</b>			
Accounts payable	\$ 7,328	\$ 1,971	\$ 9,299
Accrued payroll and benefits	19,166	-	19,166
Unearned revenues	9,603	-	9,603
Total liabilities	36,097	1,971	38,068
<b>Fund Balances</b>			
Assigned	-	485	485
Unassigned	19,633	-	19,633
Total fund balances	19,633	485	20,118
Total liabilities and fund balances	\$ 55,730	\$ 2,456	\$ 58,186

**COLLETON COUNTY, SOUTH CAROLINA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
MEMORIAL LIBRARY  
JUNE 30, 2015**

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

Total fund balance - Memorial Library	\$	20,118
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 \$1,634,818	\$	282,762
Equipment & vehicles, net of accumulated depreciation of \$208,319		3,339
		286,101
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		52,228
Deferred inflows related to pensions		(50,847)
Total deferred outflows and inflows of resources		1,381
Disbursements for insurance coverage reflected in the funds cover periods extending beyond year-end		
		9,184
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		(22,227)
OPEB Obligation		(143,231)
Net pension liability		(603,114)
		(768,572)
Total net position - governmental activities	\$	(451,788)

**COLLETON COUNTY, SOUTH CAROLINA  
 COMPONENT UNIT - MEMORIAL LIBRARY  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2015**

	General Fund	Special Revenue Fund	Total
<b>Revenues</b>			
Intergovernmental revenues	\$ 582,705	\$ 75,000	\$ 657,705
Fines and	31,681	-	31,681
Other income	44,670	18	44,688
Total revenues	<u>659,056</u>	<u>75,018</u>	<u>734,074</u>
<b>Expenditures</b>			
Current			
Recreation and culture	608,721	14,000	622,721
Capital outlay			
Recreation and culture	31,036	61,000	92,036
Total expenditures	<u>639,757</u>	<u>75,000</u>	<u>714,757</u>
Net change in fund balances	19,299	18	19,317
Fund balances, beginning of year	334	467	801
Fund balances, end of year	<u>\$ 19,633</u>	<u>\$ 485</u>	<u>\$ 20,118</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, 2015**

Total net change in fund balance - Memorial Library \$ 19,317

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	\$ 92,036	
Depreciation expense	(75,473)	
		16,563

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	145	
OPEB obligation	(32,424)	
Pension expense	(7,117)	
		(39,396)

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.

		123
Changes in net position of governmental activities	\$	(3,393)

**COLLETON COUNTY, SOUTH CAROLINA  
 COMPONENT UNIT - MEMORIAL LIBRARY  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance with final
	Original	Final		budget - positive (negative)
<b>Revenues</b>				
Intergovernmental revenues	\$ 628,719	\$ 648,857	\$ 657,705	\$ 8,848
Fines, fees, and service charges	-	-	31,681	31,681
Other income	-	32,106	44,688	12,582
Total revenues	<u>628,719</u>	<u>680,963</u>	<u>734,074</u>	<u>53,111</u>
<b>Expenditures</b>				
Current				
Recreation and culture	546,437	598,074	622,721	(24,647)
Capital outlay				
Recreation and culture	<u>82,282</u>	<u>82,889</u>	<u>92,036</u>	<u>(9,147)</u>
Total expenditures	<u>628,719</u>	<u>680,963</u>	<u>714,757</u>	<u>(33,794)</u>
Net change in fund balance	-	-	19,317	19,317
Fund balances, beginning of year	<u>801</u>	<u>801</u>	<u>801</u>	<u>-</u>
Fund balances, end of year	<u>\$ 801</u>	<u>\$ 801</u>	<u>\$ 20,118</u>	<u>\$ 19,317</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  
SCHEDULE OF COURT FINES, ASSESSMENTS, AND SURCHARGES  
FOR THE YEAR ENDED JUNE 30, 2015**

Court fines, surcharges, and assessments	
Collected	\$ 1,608,972
Remitted to State Treasurer	(781,298)
Retained by County	<u>\$ 827,674</u>
Fines, surcharges and assessments retained by County	
General fund	\$ 714,757
Other agencies	49,433
Victims' advocate services	63,485
Total surcharges and assessments	<u>\$ 827,675</u>
Funds allocated to victims' advocate service	
Carryover funds from prior year	\$ 106,840
Other income	707
Interest earned	149
Surcharges and assessments retained	65,409
Expenditures for victims advocate retained	(46,724)
Balance of victims funds at end of year	<u>\$ 126,381</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.	106-109
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.	110-112
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.	113-118
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.	119-120
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.	121-123

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>GOVERNMENTAL ACTIVITIES</b>										
Net Investment in Capital Assets	\$ 19,878,746	\$ 21,873,770	\$ 26,304,536	\$ 24,511,294	\$ 26,613,252	\$ 30,234,540	\$ 28,162,225	\$ 29,208,570	\$ 31,257,962	\$ 33,464,047
Restricted	6,809,212	3,782,860	4,323,292	7,104,250	8,210,458	8,509,085	10,192,511	8,976,701	10,305,751	9,738,050
Unrestricted	3,752,875	8,195,230	5,039,767	7,260,956	8,282,389	9,942,615	12,627,357	10,997,674	14,202,852	(8,369,151)
Total Governmental Activities Net Position	<u>\$ 30,440,833</u>	<u>\$ 33,851,860</u>	<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>

Source: County Audit Reports

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

Schedule 2

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental Activities:										
General government	\$ 5,832,259	\$ 6,172,453	\$ 6,581,507	\$ 6,646,119	\$ 6,593,093	\$ 7,228,887	\$ 8,000,488	\$ 8,178,472	\$ 10,740,147	\$ 8,811,200
Judicial	1,694,343	1,574,140	2,130,954	2,137,323	1,973,222	5,010,233	4,996,680	4,594,583	4,957,014	5,255,325
Public safety	8,897,438	9,377,244	10,114,552	10,634,142	10,232,152	8,244,482	8,202,681	8,410,210	8,589,140	8,642,672
Roads and bridges	2,157,486	2,266,132	2,250,684	2,302,900	1,774,066	2,313,953	2,320,046	2,496,358	4,182,236	4,949,171
Solid Waste	1,864,575	1,945,094	2,056,866	2,124,328	1,730,522	2,244,813	2,280,816	2,449,740	2,568,610	2,509,851
Recreation and culture	1,029,961	996,532	1,139,480	1,182,007	1,285,985	819,698	1,036,373	1,313,153	1,743,106	2,906,984
Health and human services	1,083,368	1,057,044	1,113,018	1,172,954	1,084,829	1,818,338	1,672,744	1,789,799	1,925,374	1,928,313
Economic development	420,369	353,263	402,344	637,276	259,688	380,812	2,027,728	3,373,628	1,569,363	1,568,862
Intergovernmental	2,909,748	320,196	638,346	262,917	250,113	3,485,734	3,130,391	3,360,676	3,661,372	3,836,524
Interest and fiscal charges	890,054	875,038	714,427	740,453	3,422,305	655,432	560,225	500,152	437,611	469,185
Total Expenses	<u>26,779,601</u>	<u>24,937,136</u>	<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>
<b>Revenues</b>										
Governmental Activities:										
Program Revenues										
Charges for Services:										
General government	420,290	475,461	560,509	594,443	461,919	434,053	407,482	483,659	568,195	531,064
Judicial	585,178	526,510	531,060	354,456	845,808	3,052,629	2,852,878	2,769,668	1,159,451	1,117,461
Public safety	1,289,323	1,331,084	1,390,379	1,342,620	149,508	512,453	352,108	364,705	357,982	342,051
Streets and highways	-	-	-	762,092	979,340	913,889	964,525	1,015,102	911,965	895,833
Sanitation	452,989	467,428	508,640	399,346	1,106,419	1,443,781	1,150,138	1,636,460	1,737,436	1,802,512
Recreation and culture	44,060	85,368	130,601	3,570	-	160,145	175,987	210,835	330,566	326,236
Health and human services	-	-	497,112	-	139,036	708,738	725,761	627,354	633,729	33,107
Economic development	-	-	-	-	295,251	-	-	-	1,541,360	677,045
Operating Grants and Contributions	1,780,045	1,476,277	974,119	1,561,311	3,225,446	2,049,525	2,102,187	3,073,637	9,860,851	8,629,703
Capital Grants and Contributions	1,665,398	129,862	174,643	440,452	621,186	3,181,056	1,438,292	-	-	4,473,000
General Revenues										
Taxes	19,574,622	20,876,317	21,185,136	23,190,793	22,999,176	23,662,008	24,538,580	22,956,394	21,029,359	21,343,703
Grants and contributions not restricted to specific program	1,874,599	2,054,893	2,277,220	2,174,986	1,755,788	1,419,929	1,197,122	1,430,665	1,436,657	1,445,663
Interest and investment earnings	491,442	745,946	525,192	132,325	52,452	89,429	79,474	-	-	-
Miscellaneous	57,399	8,807	157,455	47,202	108,356	24,912	311,507	271,784	438,004	428,830
Gain (loss) on sale of assets	89,815	-	45,847	45,728	95,889	129,976	227,984	66,667	-	-
Transfers in (out)	1,511,903	170,210	-	-	-	-	-	(52,796)	90,713	-
Total Revenues	<u>29,837,063</u>	<u>28,348,163</u>	<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>
Change in net position	3,057,462	3,411,027	1,815,735	3,208,905	4,229,599	5,580,141	2,295,853	(1,612,637)	(277,705)	1,168,121
Net Position-Beginning	27,383,371	30,440,833	33,851,860	35,667,595	38,876,500	43,106,099	48,686,240	50,982,093	49,182,945	55,766,565
Prior Period Adjustment	-	-	-	-	-	-	-	(186,511)	6,861,325	(22,101,740)
Net Position-Ending	<u>\$ 30,440,833</u>	<u>\$ 33,851,860</u>	<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>

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>GENERAL FUND</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,442	\$ 6,718	\$ 6,076	\$ 14,004	\$ 10,534
Restricted	591,131	12,190	4,512	7,092	2,592	-	204,307	2,101	362,911	363,272
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	695,942	893,097
Unassigned	5,680,983	6,836,588	7,031,667	8,947,550	7,433,900	8,735,361	8,975,864	7,921,046	5,981,162	5,746,897
Total General Fund	<u>\$ 6,272,114</u>	<u>\$ 6,848,778</u>	<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>
<b>ECONOMIC DEVELOPMENT AND CAPITAL IMPROVEMENTS FUND</b>										
Nonspendable	\$ 2,898,254	\$ 2,237,674	\$ 4,123,586	\$ 2,737,489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Economic Development Fund	<u>\$ 2,898,254</u>	<u>\$ 2,237,674</u>	<u>\$ 4,123,586</u>	<u>\$ 2,737,489</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
Committed	-	-	-	-	-	-	-	-	4,221,199	34,062,547
Total Economic Development Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,136,550</u>	<u>\$ 41,939,490</u>					
<b>2005 BOND FUND</b>										
Nonspendable	\$ 3,910,517	\$ 1,066,216	\$ 135,200	\$ 1,061	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Economic Development Fund	<u>\$ 3,910,517</u>	<u>\$ 1,066,216</u>	<u>\$ 135,200</u>	<u>\$ 1,061</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Restricted	\$ 798,630	\$ 355,864	\$ 366,834	\$ 369,375	\$ 1,825,429	\$ 4,752,641	\$ 4,338,743	\$ 7,728,952	\$ 2,027,489	\$ 1,497,835
Committed	420,844	270,844	320,844	348,042	356,323	722,624	1,873,050	3,136,266	1,238,084	831,384
Nonspendable	-	-	-	-	-	-	-	567,675	38,487	-
Assigned	4,810,358	5,485,465	4,914,462	4,925,295	6,346,099	4,896,457	6,193,164	162,302	1,811,461	1,625,160
Total All Other Governmental Funds	<u>\$ 6,029,832</u>	<u>\$ 6,112,173</u>	<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>

Source: County Audit Reports

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Taxes	\$ 19,907,589	\$ 21,041,799	\$ 21,404,626	\$ 23,256,592	\$ 23,859,750	\$ 24,966,426	\$ 25,323,266	\$ 23,885,157	\$ 21,090,421	\$ 21,299,184
Licenses and permits	142,560	151,555	223,315	156,842	-	-	-	-	-	-
Fines and fees	2,358,776	2,384,057	2,506,477	2,839,939	2,223,421	2,474,493	2,021,074	7,107,783	7,212,428	10,075,366
Intergovernmental	3,606,935	3,607,297	3,832,211	3,985,122	4,684,025	6,748,815	6,266,017	4,504,302	11,297,508	5,811,340
Charges for services	-	-	-	-	-	-	-	-	-	-
Interest	492,626	741,997	525,308	132,442	97,238	89,338	79,470	-	-	-
Other	156,680	128,524	297,356	298,610	139,684	124,420	515,179	173,666	300,227	302,635
<b>Total Revenues</b>	<b>26,665,166</b>	<b>28,055,229</b>	<b>28,789,293</b>	<b>30,669,547</b>	<b>31,004,118</b>	<b>34,403,492</b>	<b>34,205,006</b>	<b>35,670,908</b>	<b>39,900,584</b>	<b>37,488,525</b>
<b>Expenditures</b>										
<b>Current:</b>										
General government	5,657,276	5,862,450	6,455,603	6,292,313	7,865,398	6,756,544	7,344,982	7,688,345	10,293,376	8,357,765
Judicial	1,674,099	1,569,271	1,719,488	1,695,299	1,962,697	2,344,951	2,122,867	4,157,881	4,456,189	4,658,249
Public safety	8,604,754	9,165,986	9,644,962	9,763,712	9,335,109	7,345,678	7,440,052	7,468,560	7,723,408	7,668,476
Streets and highways	1,656,805	1,628,779	1,612,068	1,649,944	2,711,965	1,608,064	1,655,724	1,833,460	3,466,507	4,257,082
Sanitation	1,789,779	1,764,920	2,110,483	1,850,461	1,750,312	1,917,542	1,972,315	2,156,449	2,240,650	2,208,389
Recreation and culture	1,014,539	983,338	1,127,037	1,179,546	758,729	761,261	872,178	1,055,271	1,300,883	2,462,699
Health and human services	989,351	960,730	1,019,031	1,320,906	1,109,046	1,002,283	833,863	1,674,861	1,794,798	1,797,883
Economic development	411,278	300,050	389,283	622,021	2,844,242	235,493	1,864,496	3,101,594	1,097,322	1,110,361
Intergovernmental	2,909,748	320,194	594,082	218,773	3,227,967	3,441,590	6,006,861	3,360,676	3,661,372	3,836,524
<b>Capital Outlay</b>	<b>1,801,556</b>	<b>5,153,267</b>	<b>2,970,732</b>	<b>2,996,675</b>	<b>63,109</b>	<b>5,424,846</b>	<b>5,315,933</b>	<b>3,082,720</b>	<b>3,332,868</b>	<b>7,569,037</b>
<b>Debt Service</b>										
Bond issuance costs	37,182	-	-	-	-	-	-	-	-	-
Principal	2,399,184	2,582,576	2,525,062	1,927,818	1,632,045	2,347,982	5,325,472	2,246,834	2,294,878	2,528,493
Interest	939,936	873,360	727,785	763,115	675,223	676,249	388,136	536,892	466,532	393,567
<b>Total Expenditures</b>	<b>29,885,487</b>	<b>31,164,921</b>	<b>30,895,616</b>	<b>30,280,583</b>	<b>33,935,842</b>	<b>33,862,483</b>	<b>41,142,879</b>	<b>38,363,543</b>	<b>42,128,783</b>	<b>46,848,525</b>
Excess (deficiency) of revenues over (under) expenditures	(3,220,321)	(3,109,692)	(2,106,323)	388,964	(2,931,724)	541,009	(6,937,873)	(2,692,635)	(2,228,199)	(9,360,000)
<b>Other Financing Sources (Uses)</b>										
Proceeds from sale of property	94,788	58,606	48,028	18,492	9,441	39,330	53,082	66,667	90,713	46,578
Debt proceeds	8,671,903	-	4,000,000	-	1,462,500	2,452,446	6,519,794	-	-	33,362,384
Donation of capital asset	-	-	-	-	-	-	-	-	-	4,473,000
Legal settlement	-	-	-	-	-	-	-	-	-	7,411
Debt payments	(3,023,806)	-	(1,314,241)	-	-	-	-	-	-	-
Insurance proceeds	-	-	4,800	31,343	87,372	112,399	177,318	98,118	137,777	72,206
Transfers in	5,691,806	3,393,634	3,267,296	4,263,137	7,601,471	6,420,790	9,559,323	4,251,121	6,220,775	4,255,156
Transfers out	(5,691,806)	(3,393,634)	(3,267,296)	(4,263,137)	(7,600,621)	(6,420,789)	(9,559,323)	(4,303,917)	(6,220,775)	(4,255,156)
<b>Total other financing sources (uses)</b>	<b>5,742,885</b>	<b>58,606</b>	<b>2,738,587</b>	<b>49,835</b>	<b>1,560,163</b>	<b>2,604,176</b>	<b>6,750,194</b>	<b>111,989</b>	<b>228,490</b>	<b>37,961,579</b>
Net Change in Fund Balances	2,522,564	(3,051,086)	632,264	438,799	(1,371,561)	3,145,185	(187,679)	(2,580,646)	(1,999,709)	28,601,579
Other changes in fund balance	1,511,903	205,210	-	-	-	-	2,669,997	513,218	6,781,381	-
Fund Balances, Beginning	15,076,250	19,110,717	16,264,841	16,897,105	17,335,904	15,964,343	19,109,528	21,591,846	19,524,418	24,306,090
<b>Fund Balances, Ending</b>	<b>\$ 19,110,717</b>	<b>\$ 16,264,841</b>	<b>\$ 16,897,105</b>	<b>\$ 17,335,904</b>	<b>\$ 15,964,343</b>	<b>\$ 19,109,528</b>	<b>\$ 21,591,846</b>	<b>\$ 19,524,418</b>	<b>\$ 24,306,090</b>	<b>\$ 52,907,669</b>
Debt service as a percentage of noncapital expenditures	12.0%	13.3%	11.6%	9.9%	6.8%	10.6%	15.9%	7.9%	7.1%	7.4%

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  RATE
	REAL PROPERTY	PERSONAL PROPERTY	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	TOTAL	
JUNE 30, 2006	\$ 116,280,800 *	\$ 42,659,472 *	\$ 158,940,272 *	\$ 1,594,898,565 *	\$ 626,514,985 *	\$ 2,221,413,550 *	96.10
2007	121,292,503	42,168,888	163,461,391	1,708,084,265	599,017,219	2,307,101,484	102.40
2008	126,823,441	41,473,101	168,296,542	1,729,360,519	591,825,021	2,321,185,540	104.20
2009	129,036,420	40,735,379	169,771,799	1,965,699,616	607,984,487	2,573,684,103	104.20
2010	123,603,434	41,435,519	165,038,953	2,977,709,647 **	608,617,821	3,586,327,468	107.50
2011	135,718,521 *	43,267,945 *	178,986,466 *	4,946,871,251 *	640,058,358 *	5,586,929,609 *	105.86
2012	127,313,207	44,104,392	171,417,599	3,677,625,787	561,477,710	4,239,103,497	108.45
2013	124,529,285	45,681,967	170,211,252	3,677,288,314	577,742,213	4,255,030,527	108.45
2014	124,290,470	46,322,848	170,613,318	3,675,411,178	542,309,703	4,217,720,881	108.45
2015	124,833,360	38,508,140	163,341,500	3,743,314,532	459,532,616	4,202,847,148	108.45

\* 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					
	BASIC RATE	COUNTY DEBT	TOTAL DIRECT RATE	SCHOOL OPERATIONS	SCHOOL DEBT SERVICE	COUNTY FIRE PROTECTION	COUNTY FIRE DEBT SERVICE	TOWN OF EDISTO BEACH	CITY OF WALTERBORO
2006	96.10	12.50	108.60	87.80	7.80	22.70	13.30	12.00	78.00
2007	102.40	11.20	113.60	98.20	24.50	28.10	14.40	15.00	78.00
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

Source: County Auditor's Office

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

Schedule 7

TAXPAYER	2015			2006			
	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	\$ 7,208,330	1	4.22%	N/A	-	N/A	%
Coastal Electric Coop	2,578,080	2	1.51%	N/A	-	N/A	
CSX Transportation, Inc	843,490	3	0.49%	N/A	-	N/A	
Central Electric Power Coop	843,490	4	0.49%	N/A	-	N/A	
Wal-Mart Real Estate	765,000	5	0.45%	N/A	-	N/A	
Cherokee Plantation Owners LLC	569,376	6	0.33%	N/A	-	N/A	
Walterboro Community Hospital	486,000	7	0.28%	N/A	-	N/A	
Dayco Products LLC	414,390	8	0.24%	N/A	-	N/A	
Smithers Oasis Company	434,570	9	0.25%	N/A	-	N/A	
Walterboro / SAV LLC	387,300	10	0.23%	N/A	-	N/A	
Total	<u>\$ 14,530,026</u>		<u>8.51%</u>	<u>\$ -</u>		<u>-</u>	<u>%</u>

Source: County Auditor

N/A - Information is not available.

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

**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
2006	\$ 32,455,604 *	\$ 29,031,541	89.45 %	\$ 1,295,841	\$ 30,327,382	93.44 %
2007	38,625,927	31,614,329	81.85	1,267,538	32,881,867	85.13
2008	44,016,278	36,218,618	82.28	1,045,922	37,264,540	84.66
2009	45,342,652	39,783,212	87.74	1,283,026	41,066,238	90.57
2010	44,078,603	42,885,742	97.29	1,156,296	44,042,038	99.92
2011	46,726,207 *	40,532,303	86.74	1,577,964	42,110,267	90.12
2012	47,115,937	44,705,792	94.88	2,260,047	46,965,839	99.68
2013	52,100,048	44,052,013	84.55	1,735,593	45,787,606	87.88
2014	48,000,778	46,192,180	96.23	1,731,901	47,924,081	99.84
2015	19,732,128	16,779,302	85.04	-	16,779,302	85.04

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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			
2006	\$ 11,385,442	\$ 1,511,903	\$ 2,686,517	\$ 3,704,654	\$ 19,288,516	19.44 %	\$ 499.60
2007	10,351,955	1,382,306	1,722,722	3,248,956	16,705,939	16.03	430.95
2008	9,224,660	1,252,488	928,720	5,460,768	16,866,636	15.40	432.32
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	33.71	1,120.39

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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>
2006	\$ 11,385,442	\$ 975,668	\$ 10,409,774	6.5 %	\$ 270
2007	10,351,955	1,051,202	9,300,753	5.7	240
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

**COLLETON COUNTY, SOUTH CAROLINA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2015**

<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	\$ 89,538,439	100.00%	\$ 89,538,439
Fire and Rescue Commission	8,285,000	100.00%	8,285,000
City of Walterboro	1,613,247	20.00%	322,649
Subtotal overlapping debt	<u>99,436,686</u>		<u>98,146,088</u>
<b>County direct debt</b>	<u>35,012,627</u>	100.00%	<u>35,012,627</u>
Total direct and overlapping debt	<u><u>\$ 134,449,313</u></u>		<u><u>\$ 133,158,715</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**

**Legal Debt Margin Calculation for Fiscal Year 2015**

Assessed Value	\$ 163,341,500
Debt limit (8% of assessed value)	13,067,320
Debt applicable to limit:	
General Obligation	<u>4,740,000</u>
Total net debt applicable to limit	<u>4,740,000</u>
Legal Debt Margin	<u><u>\$ 8,327,320</u></u>

	<u>2006</u>	<u>2007</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>
Debt Limit	\$ 12,715,222	\$ 13,076,911	\$ 13,463,723	\$ 13,581,744	\$ 13,203,116	\$ 9,855,492	\$ 10,068,526	\$ 10,536,276	\$ 13,649,065	\$ 13,067,320
Total net debt applicable to limit	<u>11,385,442</u>	<u>10,351,955</u>	<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> *
Legal debt margin	<u><u>\$ 1,329,780</u></u>	<u><u>\$ 2,724,956</u></u>	<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>
Total net debt applicable to the limit as a percentage of debt limi %	<u>89.54</u> %	<u>79.16</u> %	<u>68.51</u> %	<u>58.59</u> %	<u>53.07</u> %	<u>60.73</u> %	<u>81.50</u> %	<u>69.09</u> %	<u>44.76</u> %	<u>36.27</u> %

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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 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	
2006	\$ 631,283	\$ 434,857	\$ 200,910	0.99
2007	846,966	455,698	180,068	1.33
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

**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>
2006	38,608	\$ 992,166	\$ 25,698	N/A	6,193	6.8
2007	38,765	1,042,431	26,891	N/A	6,125	6.4
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	1,255,244	33,233	40.0	5,713	7.5

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**

**Schedule 15**

<u>EMPLOYER</u>	<u>2015</u>			<u>2006</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	932	1	N/A %	N/A		N/A %
Walmart	476	2	N/A	N/A		N/A
Colleton County Government	392	3	N/A	N/A		N/A
Colleton Medical Center	335	4	N/A	N/A		N/A
Dayco Products LLC	170	5	N/A	N/A		N/A
City of Walterboro	109	6	N/A	N/A		N/A
Sarlaflex	104	7	N/A	N/A		N/A
SCE&G	-	8	N/A	N/A		N/A
Carolina Visuals LLC	-	9	N/A	N/A		N/A
Colleton County Board of Disabilities	-	10	N/A	N/A		N/A
Total	<u>2,518</u>		<u>- %</u>	<u>-</u>		<u>- %</u>

120

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>2006</b>	<b>2007</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>
General Government	84.5	85.5	89.0	88.5	81.5	87.5	85.5	93.0	77.0	76.5
Judicial	18.0	21.5	20.5	20.0	19.5	20.0	20.0	18.5	58.0	55.0
Public Safety	129.5	130.0	135.0	135.0	134.5	132.5	133.0	132.0	116.0	103.0
Roads and Bridges	29.5	28.5	28.5	28.5	28.5	28.5	27.5	27.5	17.0	15.0
Solid Waste	15.0	15.0	15.0	14.5	14.5	15.5	15.5	15.5	12.0	23.5
Recreation and Culture	8.0	8.0	9.5	9.0	9.0	9.0	10.0	9.0	13.0	15.0
Health and Human Services	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2.0	6.0
Economic Development	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Alcohol and Drug	10.0	10.0	10.0	10.5	10.5	10.5	10.5	10.5	9.0	8.5
Library	1.5	1.5	1.5	1.5	1.5	2.5	4.0	5.0	10.0	12.5
Fire and Rescue	66.5	68.5	69.0	69.0	69.0	77.0	75.5	77.5	76.0	77.5
<b>Total</b>	<b>366.0</b>	<b>372.0</b>	<b>381.5</b>	<b>380.0</b>	<b>372.0</b>	<b>386.5</b>	<b>385.0</b>	<b>392.0</b>	<b>392.0</b>	<b>394.5</b>

Source: County Human Resources Dept.

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

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<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>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>2006</u>	<u>2007</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>
<b>RECREATION AND CULTURE</b>										
Community Centers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	13	13	13
Recreation Complex	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1
Golf Course	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1
<b>EMERGENCY SERVICES:</b>										
Number of fire stations	30	30	30	30	30	30	30	33	33	33
Number of fire trucks	87	92	97	106	105	108	109	119	106	106
Number of Ambulances	9	9	9	10	10	10	11	12	12	12
<b>STREETS AND HIGHWAYS</b>										
Miles of roads	N/A	N/A	N/A	N/A	347.8	347.8	347.8	347.8	362.7	362.7
Collection sites	11	11	13	13	13	13	13	13	13	13
<b>SHERIFF:</b>										
Patrol units	86	86	86	86	86	86	86	86	86	86
<b>HEALTH, EDUCATION &amp; WELFARE</b>										
County libraries	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, 2015**

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<b>U.S. Department of Agriculture:</b>			
Passed through S.C. Department of Social Services			
Summer Food Service Program for Children	10.559	SF-134	\$ 332,290
Summer Food Service Program for Children	10.559	SF-134	221,605
Total Child Nutrition Cluster	Total 10.559		<u>553,895</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>553,895</u></b>
<b>U.S. Department of Justice:</b>			
Direct			
Federal Equitable Sharing Program	16.922	N/A	<u>187,589</u>
Direct			
State Criminal Alien Assistance Program	16.606	2014-AP-BX-0264	<u>32</u>
Direct			
Bulletproof Vest Partnership Program	16.607	N/A	<u>8,100</u>
Direct			
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	2014-DJ-BX-0771	15,376
Passed through S.C. Department of Public Safety			
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	1G13050	89,182
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	1G14003	73,807
	Total 16.738		<u>178,365</u>
<b>Total U.S. Department of Justice</b>			<b><u>374,086</u></b>
<b>National Department of Transportation:</b>			
Passed through S.C. Department of Public Safety			
14th Judicial Circuit Law Enforcement Network Grant	20.600	2JC15014	11,681
14th Judicial Circuit Law Enforcement Network Grant	20.600	2JC14014	10,979
Total Highway Safety Cluster	Total 20.600		<u>22,660</u>
<b>Total National Department of Transportation</b>			<b><u>22,660</u></b>
<b>U.S. Department of Homeland Security:</b>			
Passed through S.C. Emergency Management Agency			
2013 Emergency Management Performance Grant	97.042	13EMPG01	40,609
2014 Emergency Management Performance Grant	97.042	14EMPG01	55,493
	Total 97.042		<u>96,102</u>
Direct			
FEMA Staffing for Adequate Fire & Emergency Response Grant	97.083	EMW-2012-FH-00185	358,268
	Total 97.083		<u>358,268</u>
<b>Total U.S. Department of Homeland Security</b>			<b><u>454,370</u></b>

**COLLETON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended June 30, 2015**

<b>Federal Grantor/ Pass-through Grantor/ Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Federal Expenditures</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	42,538
Child Support Enforcement IV-D Sheriff's Department	93.563	C70061C-3	11,171
Child Support Enforcement IV-D Family Court	93.563	C70015C-3	139,406
	Total 93.563		<u>193,115</u>
<b>Total U.S. Department of Health and Human Services</b>			<b><u>193,115</u></b>
<b>National Endowment of Humanities:</b>			
Passed through S. C. Humanities Council			
SC Humanities - LTAI - Rebirth of a Nation	45.129		500
	Total 45.129		<u>500</u>
<b>Total National Endowment of Humanities</b>			<b><u>500</u></b>
<b>U.S. Institute of Museum Library Services</b>			
Passed through S. C. State Library			
LSTA Project IID: Sub Grant - Summer Reading Resource Grant	45.310	IID-12-111	438
LSTA Project IID: Mini Grants - STEAM Carolina Mini Grant	45.310	IID-14-305	500
LSTA Sub Grant: Conference Attendance Grant	45.310	IIIA-12-12	750
LSTA Sub Grant: Conference Attendance Grant	45.310	IIIA-14-09	750
LSTA Project IID: Summer Reading Resource Grant	45.310	IIID-14-129	848
LSTA Project IID: Summer Reading Resource Grant	45.310	IIID-13-116	200
	Total 45.310		<u>3,486</u>
<b>Total U.S. Institute of Museum Library Services</b>			<b><u>3,486</u></b>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 1,602,112</u></b>

**COLLETON COUNTY, SOUTH CAROLINA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Colleton County, South Carolina (the "County"), and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*.

**NOTE 2 MEASUREMENT FOCUS**

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

**NOTE 3 PROGRAM TYPE DETERMINATION**

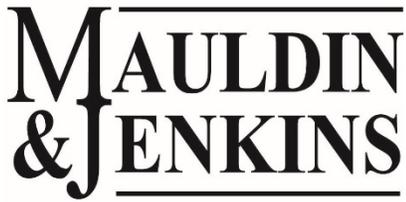
Type A programs are defined as federal programs with federal expenditures exceeding the larger of \$300,000 or three percent of total federal expenditures. The threshold of \$300,000 was used in distinguishing between Type A and Type B programs.

**NOTE 4 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, 2015.

**NOTE 5 SUBRECIPIENTS**

During the fiscal year ended June 30, 2015, the County did not pass any funds through to subrecipients.



**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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**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, 2015, and the related notes to the financial statements, which collectively comprise Colleton County, South Carolina's basic financial statements, and have issued our report thereon dated December 10, 2015. Our report includes a reference to the changes in accounting principles resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, as of July 1, 2014. Our report also 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.

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. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness.

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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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2015-001 to be a material weakness.

#### **Compliance and Other Matters**

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

#### **Colleton County, South Carolina's Response to Finding**

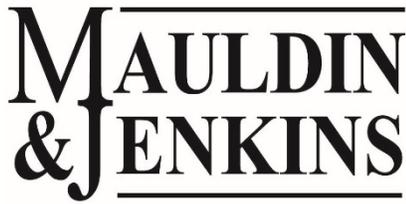
Colleton County, South Carolina's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express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

#### **Purpose of this Report**

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

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 10, 2015



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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**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 Circular A-133 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, 2015. 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2015.

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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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 10, 2015

COLLETON COUNTY, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015

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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  no

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 OMB Circular A-133, Section 510(a)?  yes  no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.559	U.S. Department of Agriculture – Summer Food Service Program for Children
97.083	U.S. Department of Homeland Security – Staffing for Adequate Fire and Emergency Response

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?  yes  no

**COLLETON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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

**2015-001. 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 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 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, 2015.

Effect: A prior period adjustment to increase accumulated depreciation and decrease net position in the amount of \$824,929 was required to be reported as of June 30, 2015.

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

Recommendation: We recommend the Commission implement procedures to ensure that all capital asset information is properly included in its capital asset accounting system.

Views of Responsible Officials and Planned Corrective Action: We concur. We will establish procedures to ensure that all capital assets are correctly entered into the capital asset accounting system.

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

None reported.

**COLLETON COUNTY, SOUTH CAROLINA**

**SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2015**

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**SECTION IV  
SCHEDULE OF PRIOR YEAR FINDINGS**

**2014-001**

Criteria: Governmental Accounting Standards Board (GASB) Statement No. 54 defines special revenue funds as funds that are used to account for the proceeds of resources that are restricted or committed for purposes other than debt service or capital projects. Additionally, the restricted or committed resources need to comprise a substantial portion of the inflows reported in the special revenue fund.

Condition: The County improperly included the Roads and Bridges Fund, the Recreation Fund, and the Solid Waste Fund as special revenue funds as of June 30, 2013. Additionally, the County did not properly include the 14<sup>th</sup> Circuit Court Solicitor as a special revenue fund as of June 30, 2013.

Status: Resolved

**2014-002**

Criteria: Governmental Accounting Standards Board (GASB) Statement No. 34 defines agency funds as funds used to report resources held by the reporting government in a purely custodial capacity. Additionally, agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Condition: The County improperly included the Transportation Committee Fund as an Agency fund as of June 30, 2013.

Status: Resolved

**2014-003**

Criteria: Generally accepted accounting principles require revenue to be recognized in the accounting period in which it becomes both measurable and available to finance expenditures of the current period.

Condition: The County did not properly record revenues or expenditures from commissions in the Sheriff's Discretionary Fund as of June 30, 2013.

Status: Resolved

**COLLETON COUNTY, SOUTH CAROLINA**

**SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2015**

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**SECTION IV  
SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)**

**FA2014-001**

Criteria: OMB Circular A-110 and the A-102 Common Rule require local governments that are recipients of Federal awards to implement and adhere to procedures to ensure any entity engaged in connection with the Federal award is not suspended or debarred or otherwise excluded from participating in the transaction.

Condition: The County did not properly verify that all entities engaged in connection with the County's Federal awards were not suspended or debarred by the Federal Government.

Status: Resolved