



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2016

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 (until October 2016)

FINANCE DIRECTOR

Jon Carpenter (effective October 2016)

PREPARED BY:
FINANCE DEPARTMENT

Colleton County, South Carolina
Comprehensive Annual Financial Report
For the Year Ended June 30, 2016

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INTRODUCTORY SECTION



December 16, 2016

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, 2016.

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, 2016 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, 2016 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 37,731 (2016 estimate). The County is empowered to levy a property tax on both real and personal properties located within its boundaries.

The County operates under the Council-Administrator form of government. Policy-making and legislative authority are vested in a governing council consisting of five members. In addition to policy-making and legislative authority that are vested with the Council, they also have the responsibility to pass ordinances, adopting the budget, appointing committees and hiring both the County Administrator and County Attorney. The County Administrator is responsible for carrying out policies and ordinances of the governing council, for overseeing the day-to-day operations of the County, and for appointing the heads of various departments. The five Council members are each elected to four-year staggered terms, with three council members elected every two years, and two elected every two years. County elections occur in the spring of even-numbered years.

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

The annual budget serves as the foundation for the County's financial planning and control. All departments of the County are required to submit requests for appropriations to administration on or before the last day in March each year. The County Administrator uses these requests as the starting point for developing a proposed budget. The County Administrator then presents this proposed budget to the Council for review prior to May 15th 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 30th, the close of the County's fiscal year. The appropriated budget is prepared by fund and department. Budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is maintained by the Administrator at the fund level and may be amended as necessary during the fiscal year. Budget-to-actual comparisons are provided in the report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 64 as part of the required supplementary information for governmental funds.

Factors Affecting Financial Condition

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

Local Economy

The County's fiscal year 2016 assessable property tax base is \$166,866,980. As reported by the US Census Bureau, per capita income for the County in 2014 was \$31,966 for Colleton County as a whole and \$36,677 for South Carolina. Median household income in the County was \$32,125 compared to \$44,163 for South Carolina.

The U.S. Census Bureau estimated the 2016 population for the County to be 37,731. For 2016, the U.S. Census Bureau estimates that the overall County population has declined by 3% since 2010. Overall number of available housing units has remained stagnate as compared to previous fiscal years, with roughly 15,000 total housing units that are split at 80% single family units and 20%

multifamily units. Even though population has remained static since the 1940s, the County has experienced significant business investment and job growth with the addition of several industries to the County. Roughly 55% of the County's population is located within the Walterboro City Census Division (CCD) with the remainder of the population located near the other CCDs within the County, including the Hendersonville CCD and Cottageville CCD.

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

During the calendar year 2016, the County added two new manufacturers to the County's growing industrial base. J&L Wire announced Walterboro as the location for their new southern manufacturing plant. Based in Minnesota, J&L Wire will invest over \$2.5 million in taxable assets and has plans to eventually create 50 new jobs. The company is in the process of upfitting an existing industrial building wherein they are producing a welded, heavy gauge wire mesh for the warehouse rack system industry as well as their patented wire mesh decking for the livestock husbandry market. The second manufacturer choosing to invest in the County is JGBR which is bearing manufacturer based in Jiangsu, China. The location in the County will be their first investment in the United States and currently they in process of ramping up operations in an existing industrial building that will lead to a \$6.7 million investment and creation of 70 new jobs. Interestingly, the County is becoming the "bearing capital" of South Carolina, since two Italian bearing manufacturers chose the County for their locations between 2013 and 2015. As local expansions go, Carolina Composites, dba, Pioneer Boats, added 50 new jobs to their payroll and has invested approximately \$170,000 in their manufacturing facility located in the County. Pioneer produces attractive, well-built, motorboats, sold across the United States and in three foreign countries. Though not yet officially announced, Lowcountry Aviation has begun an maintenance, repair, and overhaul (MRO) and charter operations at the Walterboro-Lowcountry Regional Airport. Thus far, Lowcountry Aviation has hired 8 technicians and staff and has constructed a 10,000-square foot hangar. During 2017, an official announcement will be made on their plans and intentions.

To meet the needs of these manufacturers as well as continue to make the County an attractive location in new business recruitment, workforce development continues to be an area of focus. Workforce development has been led in part by the Colleton County Skill Center, which includes Palmetto Training, Inc., a division of the South Carolina Technical Institute, Inc. They have been able to provide training in several areas, including welding, CNC machine operation and other key manufacturing areas that have resulted in 98% of the adults who complete training finding employment. In addition, the Colleton County School District saw 88% of eleventh grade students demonstrate work readiness as part of the first ever statewide administration of WorkKeys, which is a standardized test that is used as an indicator of students having the necessary skill to enter the workforce upon graduation.

Recreation and culture continue to be a major focus and draw for the County given several projects the County has recently completed as well as the existing natural resources that are found throughout the county. Over the last 5 years, the County has developed the ACE Basin Sports Complex which is a state of the art multi-field baseball/softball recreational complex that boasts 13 ball fields. In addition to the sports complex, the County has assumed ownership of Dogwood Hills Golf Course and Event Center which has led to enhanced accessibility of these two venues to residents and visitors. The County recently won the 2016 J. Mitchell Graham Award, given by the South Carolina Association of Counties for the most innovative project by a County Government in South Carolina, for the Colleton Commercial Incubator Kitchen. This project is a business incubator created by Colleton County as an economic development project in concert with the Colleton County Museum and Farmer's Market which won the award in 2012. The facility provides the opportunity for food entrepreneurs, farmers and other producers to gain training, certification and business development

assistance as well as a certified facility to develop and process their product. In addition to these offerings, the County has continued to expand the services offered by the library by expanding the classes offered to resident's young and old as well as increasing the number of books and resources available at their fixed and mobile library locations. In addition to projects sponsored by the County, the area provides many of the South Carolina's best eco-tourism spots, including the ACE Basin, the Walterboro Wildlife Sanctuary, Edisto State Park, Colleton State Park, and several other South Carolina Department of Natural Resources wildlife management areas.

Long-Term Financial Planning

The County closed FY16 with a strong financial position and continues to hold the rating of Aa3 with Moody's Investor Services and AA- with Standard and Poor's Rating Services. Total fund balance as of June 30, 2016, in the General Fund was \$8,428,414 of which \$7,085,015 was unassigned as compared to total fund balance of \$7,013,800 of which \$5,746,897 was unassigned in 2015. These total fund balance figures represent 32% and 26% of total expenditures, respectively. County budget ordinance requires the total general fund balance to be 20.3% of total expenditures. As a reference point, GFOA recommends at a minimum that a general-purpose government maintain an unrestricted fund balance of no less than two months operating expenditures as outlined in its September 2015 Appropriate Level of Unrestricted Fund Balance in the General Fund "Best Practice" bulletin.

Pension Plans

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

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

Awards and Acknowledgments

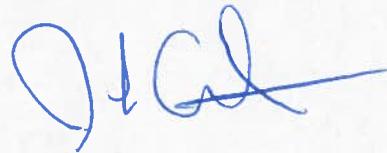
The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement in Financial Reporting. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. In 2014 and again in 2015, 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 Treasurer's office. The hard work and dedication of these individuals significantly contributed to the completion of this document. Moreover, the support and leadership of the County Council have been instrumental in the development of this project.

Sincerely,



J. Kevin Griffin
County Administrator



Jon Carpenter
Finance Director



Government Finance Officers Association

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

Presented to

**Colleton County
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

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

ALCOHOL & DRUG COMMISSION

CLERK TO COUNCIL

LIBRARY BOARD

COUNTY ADMINISTRATOR

Chief Financial Officer

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

Admin. Services Director

Administrative Services
Public Relations
Insurance Services
Legal Liaison

County Engineer

Project Management
CTC

Procurement

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

GENERAL COUNTY OPERATIONS

ANIMAL & ENVIRONMENTAL CONTROL

- Adoptions
- Pickup and Protection
- Ordinance Enforcement
- Emergency

FACILITIES MGMT

- Building Maintenance
- Custodial Services
- Landings
- Grounds Maintenance

ECONOMIC DEVELOPMENT

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

FIRE/ RESCUE

- Fire Response Services
- Ambulatory Services
- Rescue Services
- Fire Prevention

TECHNOLOGY

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

MUSEUM

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

PLANNING & DEVELOPMENT

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

Human Resources

- Risk Management
- Personnel
- Benefits

ROADS & BRIDGES

- Road Repair Maintenance
- Paved Road Repairs

SOLID WASTE

- Transfer Station
- Convenience Centers
- C&D Landfill

FLEET MGMT

- Vehicle Repair Maintenance
- Vehicle Purchasing
- Project Management

TAX ASSESSOR

- Land Use/Tax Determinations
- Re-Appraisal

DELINQUENT TAX

- Delinquent Property Tax Collection
- Mobile Home Decal

EMERGENCY PREPAREDNESS

- Disaster Planning
- EOP
- EOC
- LEPC

Recreation

- Parks
- Active Recreation
- Fitness
- Golf Course

Register of Deeds

- Plats
- Deeds
- Recording



**COLLETON COUNTY
SOUTH CAROLINA**

**LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2016**

TITLE	NAME
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 (until 10/16)
Finance Director.....	Jon Carpenter (effective 10/16)
Auditor	Jeff Slocum
Clerk of Court.....	Patricia Grant
Treasurer	Becky S. Hill
Sheriff	R.A. Strickland
Coroner.....	Richard M. Harvey
Probate Judge	Ashley H. Amundson
Chief Magistrate.....	Kenneth A. Campbell, Jr.

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Colleton County, South Carolina** (the "County"), as of and for the year ended June 30, 2016, 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, 9% of the net position and 6% of the revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Colleton County Commission on Alcohol and Drug Abuse, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Colleton County, South Carolina as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 12 through 21), the Budgetary Comparison Schedule of the General Fund (on page 64), the Schedule of Funding Progress (on page 65), the Schedules of the Proportionate Share of the Net Pension Liability (on pages 66 through 68), and the Schedules of Contributions (on pages 69 through 71) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Colleton County, South Carolina's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, statement of changes in assets and liabilities – agency funds, the individual financial statements and schedules of the County's discretely presented component units, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The summary schedule of court fines, assessments and surcharges is presented for purposes of additional analysis as required by the State of South Carolina, and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), and is also not a required part of the basic financial statements.

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 16, 2016, 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 16, 2016

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, 2016. 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 assets of the County exceed its liabilities at the close of the most recent fiscal year by \$36,911,458 (net position). The County's net position increased by \$2,078,512.
- At the close of the current fiscal year the County's governmental funds reported combined ending fund balances of \$56,696,085, an increase of \$3,788,416.
- FY 2016 general fund revenues were \$28,228,020 and general fund expenditures were \$26,751,861 with other financing sources of \$(61,545). The County's general fund increased \$1,414,614 from \$7,013,800 at the beginning of FY 2016 to \$8,428,414 at the end of FY 2016.

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, 2016. 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 27, essentially account for the same functions as those reported under the government-wide statement of net position and statement of activities. However, this set of financial statements focuses on events that produce near-term inflows and outflows of available resources as well as on the balance available at the end of the fiscal year and is a narrower focus than the government-wide financial statements. Such information may be useful in evaluating the County's near-term financing requirements and available resources.

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

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

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Colleton County's own programs. The basic fiduciary fund financial statements can be found on page 28 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in both the government-wide and fund financial statements. Notes to the financial statements are presented on pages 29 to 63 of this report.

Other Information – In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information concerning the County's budget on page 64. Also included is the schedule of funding progress for the OPEB health plan on page 65. Historical pension information is located on pages 66 through 71 for the County and its components units.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information and other budgetary schedules. Combining and individual fund statements and schedules can be found on pages 72 – 95 of this report.

Component unit financial statements are presented for the memorial library and the fire and rescue commission on pages 96 – 106 of this report.

Government-wide Financial Analysis

As noted earlier, over time net position may serve as a useful indicator of a government's financial position. The government-wide statements encompass all the funds of the county, not just the general operational fund. The County's total assets exceeded liabilities by \$36,911,458 at June 30, 2016, as compared to \$34,832,946 at June 30, 2015.

COLLETON COUNTY, SOUTH CAROLINA NET POSITION		
	Governmental Activities	
	2016	2015
Assets		
Current and other assets	\$ 63,662,781	\$ 57,733,711
Capital assets	45,687,199	46,791,710
Total assets	<u>109,349,980</u>	<u>104,525,421</u>
Deferred Outflows of Resources	<u>2,238,156</u>	<u>2,103,460</u>
Liabilities		
Long-term liabilities	69,097,380	67,072,385
Other liabilities	5,269,034	2,652,833
Total liabilities	<u>74,366,414</u>	<u>69,725,218</u>
Deferred Inflows of Resources	<u>310,264</u>	<u>2,070,717</u>
Net Position		
Net investment in capital assets	31,778,627	33,464,047
Restricted	17,017,936	9,738,050
Unrestricted	<u>(11,885,105)</u>	<u>(8,369,151)</u>
Total net position	<u>\$ 36,911,458</u>	<u>\$ 34,832,946</u>

By far the largest portion of the County net position \$31,778,627 (86%) 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, 2016, as compared to \$33,464,047 (96%) at June 30, 2015. 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, 2016, the County had a net position restricted for debt service in the amount of \$5,626,318, as compared to \$536,614 restricted at June 30, 2015.

The restricted portion of net position of \$17,017,936 (46%) represents the balances of net position that have restricted resources and are not available to fund other commitments. The restricted net position relates to solid waste, debt service accounts, economic development, emergency and law enforcement services, and other revenue sources that are earmarked for specific County functions.

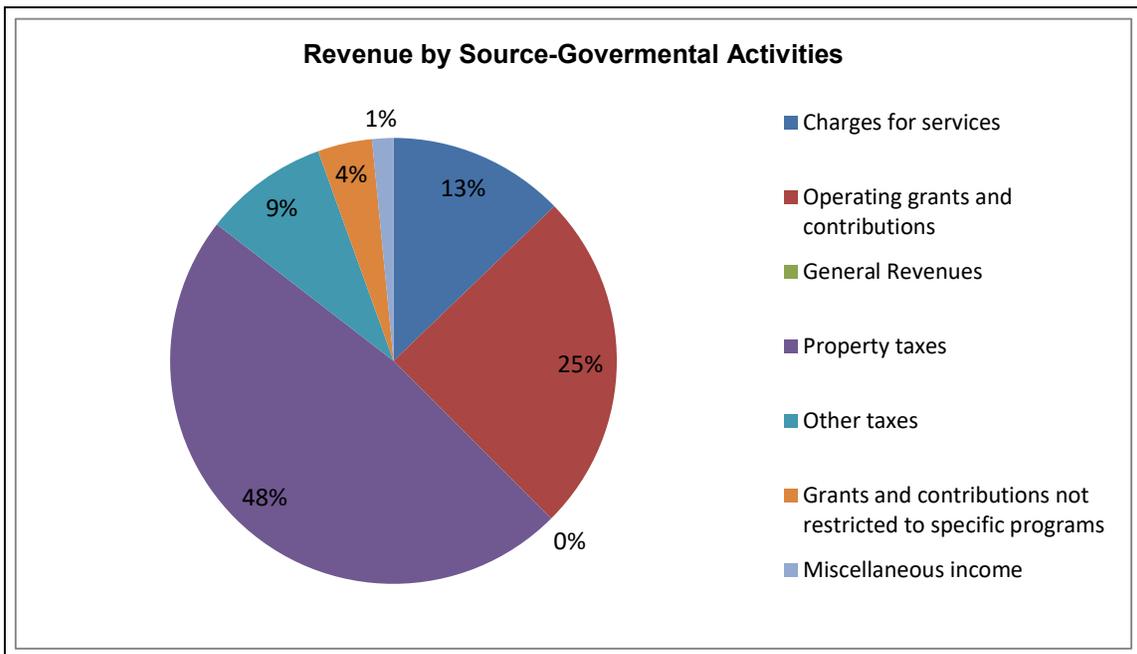
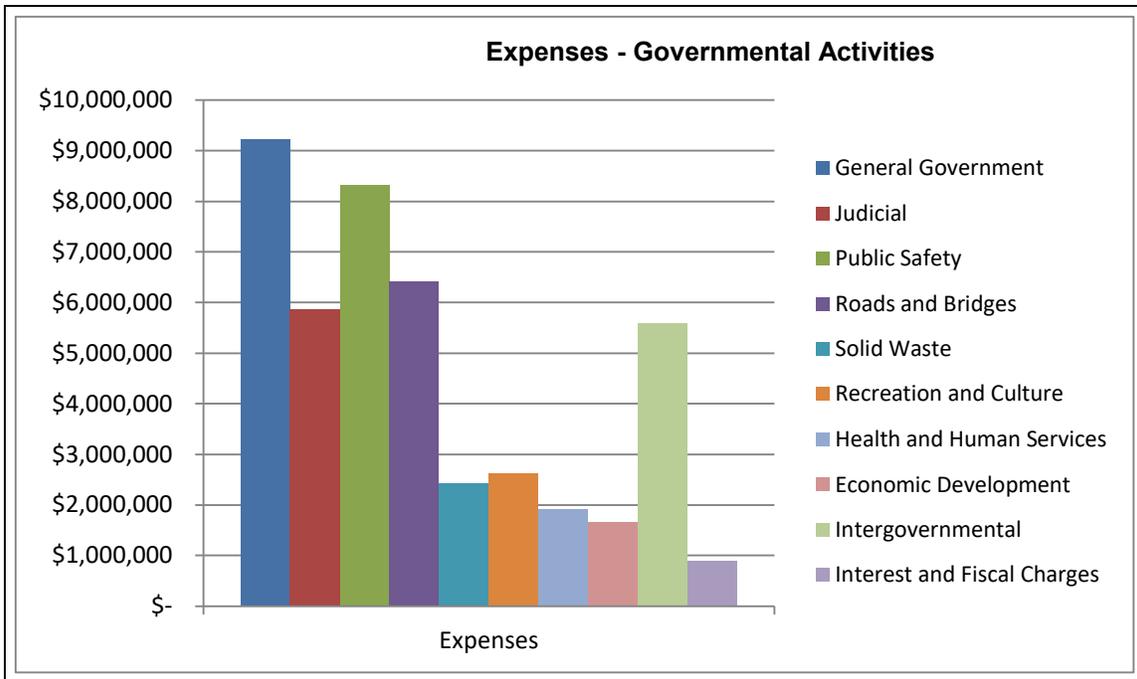
The remaining net position represents a deficit balance of \$(11,885,105) (-32%) in unrestricted net position which is a decrease of \$3,515,954 from the prior year. This deficit occurred because of additional general obligation debt issued during the fiscal year that resulted in restricted net position related debt service.

Governmental Activities. The County's total net position increased \$2,526,420 in 2016 compared to an increase of \$1,168,121 in 2015. Key elements of this change in net position are as shown in the following table.

COLLETON COUNTY, SOUTH CAROLINA CHANGES IN NET POSITION

	Governmental Activities	
	2016	2015
Revenues:		
Program Revenues		
Charges for services	\$ 6,068,631	\$ 5,725,309
Operating grants and contributions	11,726,799	8,629,703
Capital grants and contributions	-	4,473,000
General Revenues		
Property taxes	22,760,566	17,524,749
Other taxes	4,284,971	3,818,954
Grants and contributions not restricted to specific programs	1,875,873	1,445,663
Miscellaneous income	724,951	428,830
Total Revenues	<u>47,441,791</u>	<u>42,046,208</u>
Expenses:		
Governmental Activities:		
General government	9,227,968	8,811,200
Judicial	5,871,221	5,255,325
Public safety	8,319,638	8,642,672
Roads and bridges	6,405,248	4,949,171
Solid waste	2,418,936	2,509,851
Recreation and culture	2,627,302	2,906,984
Health and human services	1,908,438	1,928,313
Economic development	1,650,684	1,568,862
Intergovernmental	5,590,873	3,836,524
Interest and fiscal charges	895,063	469,185
Total Expenses	<u>44,915,371</u>	<u>40,878,087</u>
Change in Net Position	2,526,420	1,168,121
Net Position, beginning of year	34,832,946	55,766,565
Prior period adjustment	<u>(447,908)</u>	<u>(22,101,740)</u>
Net Position, end of year	<u>\$ 36,911,458</u>	<u>\$ 34,832,946</u>

During the current fiscal year, net position for governmental activities increased \$2,526,420 from the prior fiscal year for an ending balance of \$36,911,458. The prior period adjustment relates to accumulated depreciation of assets that was not properly recorded through the years. Overall revenues were up \$5,395,583 while expenses were up \$4,037,284.



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, 2016, the County's governmental funds reported combined fund balances of \$56,696,085 an increase of \$3,788,416 in comparison with the prior year. Approximately 12% of this amount \$7,085,015 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 (\$11,570), 2) restricted for particular purposes (\$17,017,936), 3) committed for particular purposes (\$30,127,476), 4) assigned for particular purposes (\$2,454,088).

The general fund is the chief operating fund of the County. At June 30, 2016, unassigned fund balance of the general fund was \$7,085,015. 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 26% of total general expenditures, while total fund balance represents approximately 31%. 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 increased by \$1,414,614. This increase represents an increase of 20% in fund balance and is due to strong administrative expenditures oversight and control.

During the current fiscal year, the fund balance of the County's capital projects fund decreased by \$2,214,814. This decrease was related to the work completed during the current fiscal year in regards to the projects that were approved as part of the voter referendum held in November 2014.

Budgetary Highlights

General Fund - The County's actual amounts reported for revenues of \$28,228,020 were \$64,017 less than the final budgeted amount of \$28,292,037. The majority of this decrease \$(130,424) related to taxes, \$(116,956) related to intergovernmental revenues, \$(45,612) related to other income offset by \$228,975 related fees and fines. Overall expenditures of \$26,751,861 were under the final budgeted amount of \$28,074,676 by \$1,322,815. The majority of this expenditure savings \$660,876 related to General Government, \$376,506 related to Roads and Bridges, \$155,976 related to Solid Waste offset by \$(212,897) in Health and Human Services. Other financing sources (uses) reported an actual amount of \$(61,545) were \$155,816 better than the budgeted amount of \$(217,361).

Capital Asset and Debt Administration

Capital Assets – the County’s investment in capital assets for its governmental activities as of June 30, 2016, amounts to \$45,687,199 (net of accumulated depreciation) as compared to \$46,791,710 at June 30, 2015. 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 2016 include some of the following:

- \$1.31 million for new/replacement public safety vehicles.
- \$647 thousand for new heavy equipment for use in the facility maintenance, solid waste and roads and bridges departments.
- \$203 thousand for new/replacement county fleet departmental assigned vehicles.
- \$226 thousand for the purchase of the Mable T. Willis building
- \$609 thousand for construction in progress related to projects approved under the capital sales tax project referendum held in November 2014.

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

COLLETON COUNTY, SOUTH CAROLINA CAPITAL ASSETS - NET OF DEPRECIATION

	Governmental Activities	
	2016	2015
Land and land infrastructure	\$ 7,202,399	\$ 7,391,229
Construction in progress	662,137	52,874
Buildings and improvements	18,643,424	19,615,544
Improvements other than buildings	7,393,689	7,932,570
Equipment and vehicles	5,850,954	5,325,239
Infrastructure	5,934,596	6,474,254
Total	<u>\$ 45,687,199</u>	<u>\$ 46,791,710</u>

Long-term Obligations - On June 30, 2016, Colleton County had long term obligations of \$69,097,380 compared to outstanding debt at June 30, 2015 totaling \$67,072,385, which represents an increase from the prior fiscal year of \$2,024,995. During the fiscal year, one new general obligation bond in the amount of \$5.395 million was issued as a refunding of the 2012 special source revenue bond that had an outstanding principal amount of \$3.710 million. Because of the County's implementation of the GASB 68, *Accounting and Financial Reporting for Pensions*, the County is reporting a \$24,678,509 net pension liability. Payments on debt were made in accordance with the scheduled debt payments.

COLLETON COUNTY, SOUTH CAROLINA LONG-TERM OBLIGATIONS

	Governmental Activities	
	2016	2015
General Obligation Bonds	\$ 38,989,949	\$ 35,012,627
Special Revenue Bonds	-	3,710,000
Capital Leases	1,854,089	2,535,947
Net OPEB obligation	1,565,263	1,333,440
Note payable	880,032	1,059,759
Landfill closure and post closure costs	474,325	462,289
Compensated absences	655,213	639,904
Net pension liability	24,678,509	22,318,419
Total	<u>\$ 69,097,380</u>	<u>\$ 67,072,385</u>

Additional information on the County's long-term obligations can be found in note 6 on page 43 in the notes to the financial statements.

In accordance with State Law, the amount of General Obligation Bonds (GOB) a government entity may issue (without referendum) is equal to eight percent of its total assessed value. The current general obligation bond debt limitation for the County based on the 2016 tax assessment value of \$166,866,980 provided by the County Auditor is \$13,349,358 as of June 30, 2016. The County has net debt applicable to the limit of \$8,758,832 which equals a 65.61% total net debt applicable to the limit percentage as of June 30, 2016.

Debt Rating - During September 2016, both Moody's Investor Services and Standard and Poor's reaffirmed their ratings issued in the previous year. The County continued to receive a rating of Aa3 from Moody's Investor Services and a rating of AA-/Stable from Standard and Poor's. In its analysis, S&P noted the following positive attributes of Colleton County and its management:

- 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. 16-O-03 to provide for the levy of taxes in Colleton County, South Carolina with third and final reading held on June 7, 2016 is effective July 1, 2016 through June 30, 2017. The following budgets and millages were approved by this ordinance:

	<u>Amount</u>	<u>Millage</u>
General Fund	\$ 25,012,492	114.81
Debt Service Fund	1,716,240	10.24
Fire Rescue Commission	8,227,069	33.56
Fire Rescue Commission Debt Service	2,135,123	22.66
Capital Fund	838,712	-
Special Revenue Fund SRO	847,548	-
Solicitor Special Revenue Fund	3,413,440	-
State Aid to Library Fund	75,000	-
Memorial Library Fund	586,337	-
IV-D Sheriff Unit Costs	14,486	-
IV-D Clerk of Court Unit Costs	163,292	-
IV-D Clerk of Court Fund Incentives	56,265	-
Victim Witness Services	54,539	-
Animal Care & Control	20,000	-
Non-GOB Related Debt Service	943,468	-
Capital Project Sales Tax Debt Service Fund	3,565,462	-
Emergency Telephone Fund	440,287	-
Infrastructure/Industrial Development Fund	1,398,366	-
County Hospitality Tax Fund	551,535	-
County Accommodations Tax Fund	614,381	-
Recreation Fund	1,416,939	-
Roads and Bridges Fund	1,987,662	-
School District	-	110.42
Solid Waste Fund	2,341,621	-
Total	<u>\$ 56,420,264</u>	<u>291.69</u>

This budget represents similar operating expense funding levels for departments as was provided during fiscal year 2015-2016, and allows for millage rates to remain fairly stable for residents and businesses in the County. The budget did include a 3% cost of living adjustment to staff as well as covering the state mandated employer funding increases for both health insurance and retirement. Insurance premiums for retirees did increase, though the premiums continue to be budgeted at a 50% split between the County and the retiree.

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

BASIC FINANCIAL STATEMENTS

COLLETON COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2016

	Component Units			
	Governmental Activities	Memorial Library	Fire and Rescue Commission	Alcohol & Drug Commission
Assets				
Cash and cash equivalents	\$ 49,983,759	\$ 80,631	\$ 451,042	\$ 75,537
Investments	3,765,765	-	-	118,021
Receivables, net of allowances	6,733,529	1,941	2,763,053	75,903
Prepays and deposits	257,490	8,127	138,995	-
Assets held for resale	2,922,238	-	-	-
Capital assets				
Nondepreciable	7,864,536	-	529,165	-
Depreciable, net of accumulated depreciation	37,822,663	197,422	10,718,946	-
Total assets	109,349,980	288,121	14,601,201	269,461
Deferred outflows of resources				
Deferred outflows for net pension liability	2,238,156	51,478	896,510	-
Total deferred outflows of resources	2,238,156	51,478	896,510	-
Total assets and deferred outflows of resources	\$ 111,588,136	\$ 339,599	\$ 15,497,711	\$ 269,461
Liabilities				
Current liabilities				
Accounts payable	\$ 3,652,609	\$ 22,278	\$ 206,728	\$ 52,832
Payroll liabilities	941,755	22,652	327,912	23,436
Accrued liabilities	378,145	-	91,476	-
Unearned revenues	296,525	13,360	-	-
Noncurrent liabilities				
Due within one year	4,363,515	3,239	1,233,702	-
Due in more than one year	64,733,865	835,628	15,509,609	-
Total liabilities	74,366,414	897,157	17,369,427	76,268
Deferred inflows of resources				
Deferred inflows for net pension liability	310,264	11,287	10,507	-
Total deferred inflows of resources	310,264	11,287	10,507	-
Net position				
Net investment in capital assets	31,778,627	197,422	3,064,068	-
Restricted				
Emergency services	376,914	-	-	-
Courts administration	116,369	-	-	-
Law enforcement	262,376	-	-	-
Solid waste	363,636	-	-	-
Economic development				
Expendable	7,248,056	-	-	-
Nonexpendable	2,922,238	-	-	-
Debt service	5,626,318	-	137,518	-
Other purposes	102,029	-	-	-
Unrestricted (deficit)	(11,885,105)	(766,267)	(5,083,809)	193,193
Total net position	36,911,458	(568,845)	(1,882,223)	193,193
Total liabilities, deferred inflows of resources and net position	\$ 111,588,136	\$ 339,599	\$ 15,497,711	\$ 269,461

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

**COLLETON COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016**

	General	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 7,486,173	\$ 35,006,479	\$ 7,491,107	\$ 49,983,759
Investments	365,765	3,400,000	-	3,765,765
Receivables, net of allowances	4,416,919	532,729	1,783,881	6,733,529
Prepaid items	11,570	-	-	11,570
Assets held for resale	-	2,922,238	-	2,922,238
Total assets	<u>\$ 12,280,427</u>	<u>\$ 41,861,446</u>	<u>\$ 9,274,988</u>	<u>\$ 63,416,861</u>
LIABILITIES				
Accounts payable	\$ 1,459,532	\$ 1,895,056	\$ 298,021	\$ 3,652,609
Accrued payroll and benefits	667,381	-	274,374	941,755
Accrued expenses	-	-	9,930	9,930
Unearned revenue	5,053	241,714	49,758	296,525
Total liabilities	<u>2,131,966</u>	<u>2,136,770</u>	<u>632,083</u>	<u>4,900,819</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-fees	41,976	-	-	41,976
Unavailable revenue-property taxes	1,411,507	-	99,910	1,511,417
Unavailable revenue-spec assessments	266,564	-	-	266,564
Total deferred inflows of resources	<u>1,720,047</u>	<u>-</u>	<u>99,910</u>	<u>1,819,957</u>
FUND BALANCES				
Nonspendable				
Prepaid items	11,570	-	-	11,570
Restricted				
Emergency services	-	-	376,914	376,914
Courts administration	-	-	116,369	116,369
Law enforcement	-	-	262,376	262,376
Solid waste	363,636	-	-	363,636
Economic development	-	10,170,294	-	10,170,294
Debt service	-	-	5,626,318	5,626,318
Other purposes	-	-	102,029	102,029
Committed				
General government	-	1,866,098	-	1,866,098
Economic development	-	1,884,715	-	1,884,715
Public Safety	-	4,394,160	-	4,394,160
Solid waste	-	3,338,297	-	3,338,297
Recreation and culture	-	4,720,308	573,094	5,293,402
Intergovernmental	-	13,350,804	-	13,350,804
Assigned				
Solid waste	658,780	-	-	658,780
Road and bridges	147,042	-	-	147,042
Recreation and culture	162,371	-	-	162,371
Law enforcement	-	-	1,356,596	1,356,596
Health and welfare	-	-	129,299	129,299
Unassigned	7,085,015	-	-	7,085,015
Total fund balances	<u>8,428,414</u>	<u>39,724,676</u>	<u>8,542,995</u>	<u>56,696,085</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,280,427</u>	<u>\$ 41,861,446</u>	<u>\$ 9,274,988</u>	<u>\$ 63,416,861</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, 2016

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

Total fund balances - governmental funds	\$	56,696,085
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Land and land infrastructure	\$	7,202,399
Construction in progress		662,137
Buildings and improvements, net of accumulated depreciation of \$11,785,798		18,643,424
Improvements other than buildings, net of accumulated depreciation of \$3,716,220		7,393,689
Equipment and vehicles, net of accumulated depreciation of \$16,487,236		5,850,954
Infrastructure, net of accumulated depreciation of \$6,150,212		5,934,596
		45,687,199
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the funds:		
Property taxes and other special assessments		1,777,981
Solid waste receivables		41,976
		1,819,957
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		2,238,156
Deferred inflows related to pensions		(310,264)
Total deferred outflows and inflows of resources		1,927,892
Disbursements for insurance coverage reflected in the funds cover periods extending beyond year-end.		
		245,920
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		(38,410,000)
Notes payable		(880,032)
Bond premiums		(579,949)
Capital leases		(1,854,089)
Compensated absences		(655,213)
Landfill closure and post closure cost		(474,325)
Accrued interest		(368,215)
Net pension liability		(24,678,509)
OPEB obligation		(1,565,263)
		(69,465,595)
Total net position - governmental activities	\$	36,911,458

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, 2016

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenue				
Taxes	\$ 20,866,713	\$ -	\$ 6,530,051	\$ 27,396,764
Intergovernmental revenues	1,764,538	6,253,265	5,584,869	13,602,672
Fines and fees	5,353,589	-	676,970	6,030,559
Other income	243,180	358,809	25,066	627,055
Total revenue	<u>28,228,020</u>	<u>6,612,074</u>	<u>12,816,956</u>	<u>47,657,050</u>
Expenditures				
Current				
General government	8,698,565	6,508	2	8,705,075
Judicial	1,328,436	-	3,947,316	5,275,752
Public safety	6,307,687	33,064	1,008,156	7,348,907
Roads and bridges	1,666,437	3,964,366	13,819	5,644,622
Solid waste	2,096,609	31,341	-	2,127,950
Recreation and culture	1,573,619	-	465,245	2,038,864
Health and human services	715,311	-	1,064,830	1,780,141
Economic development	241,256	780,234	165,014	1,186,504
Intergovernmental	3,618,989	1,682,764	289,120	5,590,873
Capital Outlay				
General government	338,922	120,380	-	459,302
Judicial	-	-	7,223	7,223
Public safety	66,221	1,435,247	118,339	1,619,807
Streets and highways	5,993	511,488	39,453	556,934
Sanitation	89,306	263,727	-	353,033
Recreation and culture	4,510	76,450	100,792	181,752
Debt Service				
Principal retirement	-	-	2,286,585	2,286,585
Interest payments	-	-	768,914	768,914
Total expenditures	<u>26,751,861</u>	<u>8,905,569</u>	<u>10,274,808</u>	<u>45,932,238</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,476,159</u>	<u>(2,293,495)</u>	<u>2,542,148</u>	<u>1,724,812</u>
Other financing sources (uses)				
Refunding debt issued	-	-	5,395,000	5,395,000
Bond premium	-	-	51,278	51,278
Payment to Refunded Debt Escrow	-	-	(3,710,000)	(3,710,000)
Gain on sale of asset	-	-	5,295	5,295
Insurance recoveries	262,879	58,874	278	322,031
Transfers in	3,006,263	131,512	5,285,437	8,423,212
Transfers out	(3,330,687)	(111,705)	(4,980,820)	(8,423,212)
Total other financing sources (uses)	<u>(61,545)</u>	<u>78,681</u>	<u>2,046,468</u>	<u>2,063,604</u>
Net change in fund balance	1,414,614	(2,214,814)	4,588,616	3,788,416
Fund balances, beginning of year	7,013,800	41,939,490	3,954,379	52,907,669
Fund balances, end of year	<u>\$ 8,428,414</u>	<u>\$ 39,724,676</u>	<u>\$ 8,542,995</u>	<u>\$ 56,696,085</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, 2016

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

Net change in fund balances - total governmental funds \$ 3,788,416

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

Loss on disposal of capital assets	\$ (229,430)	
Capital outlay	3,178,051	
Depreciation expense	<u>(3,605,224)</u>	(656,603)

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	(355,131)	
Solid waste receivables	<u>41,976</u>	(313,155)

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	(15,309)	
Landfill closure and postclosure cost	(12,036)	
OPEB obligation	(231,823)	
Accrued interest	(126,149)	
Pension expenses	<u>(464,941)</u>	(850,258)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Issuance of debt	(5,395,000)	
Bond premiums	(51,278)	
General obligation bonds	1,425,000	
Note payable	179,727	
Special source revenue bonds	3,710,000	
Capital leases	<u>681,858</u>	550,307

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>7,713</u>
Change in net position of governmental activities	\$	<u><u>2,526,420</u></u>

**COLLETON COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2016**

	Agency Funds
Assets	
Cash and equivalents	\$ 12,994,151
Accounts receivable	143,098
Total assets	\$ 13,137,249
Liabilities	
Accounts payable	\$ 27,075
Assets held for others	13,110,174
Total liabilities	\$ 13,137,249

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

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Presentation – Government-Wide Financial Statements

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

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

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

Basis of Presentation – Fund Financial Statements

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

The government reports the following major governmental funds:

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

The *capital projects fund* accounts for the transactions of the acquisition of capital assets and construction of major capital projects.

In addition, the County reports the following non-major fund types:

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

The *debt service funds* account for the accumulation of resources for, and payment of, long-term debt principal and interest. The County's Debt Service Fund was established and is maintained in accordance with acts passed by the General Assembly of South Carolina authorizing the sale of general obligation bonds of the County. The Non-GOB Debt Service Fund accounts for the accumulation of funds and payment of various capital leases and notes payable. The SSRB Cannady's Debt Service Fund accounts for debt payments made from Fee-in-Lieu Agreement revenues and was replaced with a refunding bond in the GO Bond Fund. The Capital Sales Tax Debt Service Fund will collect the local option special purpose sales taxes to pay the debt service for the Capital Penny Sales Tax Bond that was passed by voter referendum.

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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, 2016**

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, 2016**

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, 2016 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, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

	Years		
	County	Component Units	
		Library and Fire and Rescue	Alcohol and Drug
Buildings and improvements			
Buildings	45	45	n/a
Building improvements	10	10	n/a
Improvements other than buildings			
Improvements other than buildings	10	10	n/a
Radio and fire towers	10	10	n/a
Library materials	n/a	5	n/a
Machinery and equipment			
Furniture and office equipment	5	5	3 – 20
Fire and medical equipment	5	5	n/a
Heavy vehicles and equipment	10	10	n/a
Vehicles			
Airplanes	6	n/a	n/a
Law enforcement vehicles	3	n/a	n/a
Other vehicles	5	5	3 – 20
Infrastructure	20	n/a	n/a

Deferred Outflows/Inflows of Resources

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

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

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenues and Expenditures/Expenses

Program Revenues

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

Property Taxes

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

Compensated absences

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

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

Use of Estimates

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

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 2 – DEPOSITS AND INVESTMENTS

Primary Government, Fire and Rescue Commission, and Library

As of June 30, 2016, the County reported investments of \$365,765 in the general fund and \$3,400,000 in the capital projects fund with the following investment maturities:

Investment Type	Fair Value	Investment Maturities (in years) Less than 1
Certificates of deposits	\$ 3,765,765	\$ 3,765,765
Total fair value	\$ 3,765,765	\$ 3,765,765

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, 2016**

NOTE 2 DEPOSITS AND INVESTMENTS - CONTINUED

Deposits and Investments - Continued

6. No-load open and closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company, savings and loan association, or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit.

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

Concentration of Credit Risk

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

	<u>Fair Value at June 30, 2016</u>	<u>Percentage of Portfolio</u>	<u>Credit Rating</u>
Repurchase agreements	\$ 44,914,828	67%	Unrated
Certificates of deposit	3,765,765	6%	N/A
Savings accounts	5,093,958	8%	N/A
Checking accounts	13,497,432	20%	N/A
Cash on hand	3,365	0%	
Deposits and investments held by County Treasurer	<u>\$ 67,275,348</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, 2016**

NOTE 2 DEPOSITS AND INVESTMENTS – CONTINUED

As of June 30, 2016, the County's bank balance of \$67,275,348 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, 2016, \$44,914,828 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	\$ 4,150,686	\$ -	\$ 312,440	\$ 1,308,661	\$ -	\$ -
Accounts	1,299,337	-	-	8,743,965	-	-
Other	2,055,243	532,729	1,645,095	-	1,941	75,903
Gross receivables	<u>7,505,266</u>	<u>532,729</u>	<u>1,957,535</u>	<u>10,052,626</u>	<u>1,941</u>	<u>75,903</u>
Allowance for uncollectibles						
Taxes	2,314,544	-	173,654	731,599	-	-
Accounts	773,803	-	-	6,557,974	-	-
Total allowance	<u>3,088,347</u>	<u>-</u>	<u>173,654</u>	<u>7,289,573</u>	<u>-</u>	<u>-</u>
Net total receivables	<u>\$ 4,416,919</u>	<u>\$ 532,729</u>	<u>\$ 1,783,881</u>	<u>\$ 2,763,053</u>	<u>\$ 1,941</u>	<u>\$ 75,903</u>

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 4 INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2016 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds		
General	\$ 3,006,263	\$ 3,330,687
Capital Projects Fund	131,512	111,705
Nonmajor governmental funds	<u>5,285,437</u>	<u>4,980,820</u>
Total interfund balances	<u>\$ 8,423,212</u>	<u>\$ 8,423,212</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, 2016 was as follows:

<u>Governmental Activities</u>	<u>Re-stated June 30, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2016</u>
Capital assets not being depreciated				
Land	\$ 2,883,711	\$ 40,600	\$ 229,430	\$ 2,694,881
Land - infrastructure	4,507,518	-	-	4,507,518
Construction in progress	52,874	609,263	-	662,137
Total capital assets, not being depreciated	<u>7,444,103</u>	<u>649,863</u>	<u>229,430</u>	<u>7,864,536</u>
Capital assets being depreciated				
Buildings and improvements	30,202,775	226,447	-	30,429,222
Improvements other than buildings	11,109,909	-	-	11,109,909
Equipment and vehicles	20,536,650	2,234,898	433,358	22,338,190
Infrastructure	12,017,965	66,843	-	12,084,808
Total capital assets, being depreciated	<u>73,867,299</u>	<u>2,528,188</u>	<u>433,358</u>	<u>75,962,129</u>
Less accumulated depreciation for:				
Buildings and improvements	10,665,987	1,119,811	-	11,785,798
Improvements other than buildings	3,177,339	538,881	-	3,716,220
Equipment and vehicles	15,576,607	1,343,987	433,358	16,487,236
Infrastructure	5,547,667	602,545	-	6,150,212
Total accumulated depreciation	<u>34,967,600</u>	<u>3,605,224</u>	<u>433,358</u>	<u>38,139,466</u>
Total capital assets being depreciated, net	<u>38,899,699</u>	<u>(1,077,036)</u>	<u>-</u>	<u>37,822,663</u>
Governmental activities capital assets, net	<u>\$ 46,343,802</u>	<u>\$ (427,173)</u>	<u>\$ 229,430</u>	<u>\$ 45,687,199</u>

The decrease of \$229,430 in land represents timber sold and the decrease of \$433,358 in equipment and vehicles represents various items either taken out of service or sold during the year.

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 5 CAPITAL ASSETS - CONTINUED

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

Government Activities	
General government	\$ 383,572
Judicial	436,856
Public safety	714,209
Roads and bridges	705,263
Solid waste	256,062
Recreation and culture	556,513
Health and human service	95,666
Economic development	457,083
Total depreciation expense - governmental activities	\$ 3,605,224

Discretely Presented Component Units

Activity for the year ended June 30, 2016 is as follows:

Fire and Rescue Commission	Re-stated June 30, 2015	Increases	Decreases	June 30, 2016
Capital assets not being depreciated				
Land	\$ 454,174	\$ -	\$ 13,638	\$ 440,536
Construction in progress	88,629	-	-	88,629
Total capital assets, not being depreciated	542,803	-	13,638	529,165
Capital assets being depreciated				
Buildings and improvements	6,908,991	-	-	6,908,991
Improvements other than buildings	147,532	-	-	147,532
Equipment and vehicles	18,836,066	5,940	-	18,842,006
Total capital assets, being depreciated	25,892,589	5,940	-	25,898,529
Less accumulated depreciation for:				
Buildings and improvements	1,564,433	187,567	-	1,752,000
Improvements other than buildings	102,220	8,040	-	110,260
Equipment and vehicles	12,135,587	1,181,736	-	13,317,323
Total accumulated depreciation	13,802,240	1,377,343	-	15,179,583
Total capital assets being depreciated, net	12,090,349	(1,371,403)	-	10,718,946
Fire and Rescue Commission capital assets, net	\$ 12,633,152	\$ (1,371,403)	\$ 13,638	\$ 11,248,111

The decrease of \$13,638 in land represents timber sold during the year.

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 5 CAPITAL ASSETS - CONTINUED

<u>Library</u>	<u>Re-stated June 30, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2016</u>
Capital assets being depreciated				
Buildings and improvements	\$ 119,026	\$ -	\$ -	\$ 119,026
Library materials	1,917,580	84,794	24,987	1,977,387
Equipment and vehicles	211,658	-	-	211,658
Total capital assets, being depreciated	<u>2,248,264</u>	<u>84,794</u>	<u>24,987</u>	<u>2,308,071</u>
Less accumulated depreciation for:				
Buildings and improvements	119,026	-	-	119,026
Library materials	1,720,193	87,821	24,987	1,783,027
Equipment and vehicles	208,319	277	-	208,596
Total accumulated depreciation	<u>2,047,538</u>	<u>88,098</u>	<u>24,987</u>	<u>2,110,649</u>
Total capital assets being depreciated, net	<u>200,726</u>	<u>(3,304)</u>	<u>-</u>	<u>197,422</u>
Library capital assets, net	<u>\$ 200,726</u>	<u>\$ (3,304)</u>	<u>\$ -</u>	<u>\$ 197,422</u>
<u>Alcohol and Drug Commission</u>	<u>June 30, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2016</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, 2016 was as follows:

<u>Component Units</u>	
Fire and rescue commission	\$ 1,377,343
Library	88,098
Total depreciation expense - governmental activities	<u>\$ 1,465,441</u>

Assets held for sale

As of June 30, 2016, the County owns several parcels of land in the Colleton County Commerce Center for speculative purposes and to date on one parcel has constructed an industrial building for sale that have a fair market value of \$2,922,238 and are actively being marketed. These assets are considered held for sale and have been separated from capital assets on the Statement of Net Position and no depreciation will be taken on this asset since it is considered held for sale.

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 – LONG-TERM OBLIGATIONS

Long-term obligations for the year ended June 30, 2016 is as follows:

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2016</u>	<u>Due within one year</u>
Primary Government					
<u>Governmental activities</u>					
Bonds					
General obligation	\$ 34,440,000	\$ 5,395,000	\$ 1,425,000	\$ 38,410,000	\$ 3,480,000
Bond premiums	572,627	51,278	43,956	579,949	-
Special source revenue	3,710,000	-	3,710,000	-	-
Capital leases	2,535,947	-	681,858	1,854,089	785,233
Net OPEB obligation	1,333,440	295,461	63,638	1,565,263	-
Note payable	1,059,759	-	179,727	880,032	-
Landfill closure and postclosure costs	462,289	12,036	-	474,325	-
Net pension liability	22,318,419	3,762,174	1,402,084	24,678,509	-
Compensated absences	639,904	260,347	245,038	655,213	98,282
Total long-term liabilities	<u>\$ 67,072,385</u>	<u>\$ 9,776,296</u>	<u>\$ 7,751,301</u>	<u>\$ 69,097,380</u>	<u>\$ 4,363,515</u>
Component Units					
<u>Fire and Rescue Commission</u>					
General obligation bonds	\$ 7,030,000	\$ -	\$ 1,330,000	\$ 5,700,000	\$ 910,000
Capital Lease	2,763,635	-	279,592	2,484,043	286,151
Net OPEB obligation	258,565	41,822	3,486	296,901	-
Net pension liability	7,148,358	1,375,692	512,026	8,012,024	-
Compensated absences	263,071	102,207	114,935	250,343	37,551
Total Fire and Rescue	<u>\$ 17,463,629</u>	<u>\$ 1,519,721</u>	<u>\$ 2,240,039</u>	<u>\$ 16,743,311</u>	<u>\$ 1,233,702</u>
<u>Library</u>					
Compensated absences	\$ 22,227	\$ 15,018	\$ 15,650	\$ 21,595	\$ 3,239
Net pension liability	603,114	69,516	36,672	635,958	-
Net OPEB obligation	143,231	41,569	3,486	181,314	-
Total Library	<u>\$ 768,572</u>	<u>\$ 126,103</u>	<u>\$ 55,808</u>	<u>\$ 838,867</u>	<u>\$ 3,239</u>

Primary Government

Bonds Payable

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

The South Carolina constitution permits the County to incur general obligation (general purpose) bonded indebtedness not to exceed 8% of the assessed value of taxable property in the County. At June 30, 2016, the County was in compliance with this requirement.

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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, 2016:

<u>General Obligation Bonds</u>	<u>Balance</u>
\$5,395,000 General Obligation Bond, Series 2015, with interest of 3.498%, annual principal and interest payments beginning in 2017, matures 2032, for the purpose of refunding the special source revenue bond and for economic development purposes.	\$ 5,395,000
\$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.	3,315,000
\$29,700,000 General Obligation Bond Series 2015, 1.82% annual interest, annual principal and interest payments beginning in 2016, matures 2024, for the purpose of county-wide projects approved by voters.	<u>29,700,000</u>
	<u><u>\$ 38,410,000</u></u>

The annual requirements to amortize the bonds are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 3,480,000	\$ 801,891	\$ 4,281,891
2018	4,055,000	740,378	4,795,378
2019	4,105,000	673,965	4,778,965
2020	4,185,000	597,428	4,782,428
2021	4,275,000	510,078	4,785,078
2022-2026	14,560,000	1,278,945	15,838,945
2027-2031	3,070,000	443,402	3,513,402
2032	680,000	24,226	704,226
	<u><u>\$ 38,410,000</u></u>	<u><u>\$ 5,070,313</u></u>	<u><u>\$ 42,776,087</u></u>

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED

Capital Leases Payable	Balance
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.	\$ 222,597
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.	1,181,492
	\$ 1,854,089

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 \$4,815,260 with accumulated amortization of \$1,442,597 for a net \$3,372,663 value. Depreciation expense was \$290,797 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, 2016 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 785,233	\$ 37,709	\$ 822,942
2018	798,856	22,072	820,928
2019	90,000	6,067	96,067
2020	90,000	3,767	93,767
2021	90,000	1,450	91,450
	\$ 1,854,089	\$ 71,065	\$ 1,925,154

The interest paid on the capital lease obligations for the year ended June 30, 2016 was approximately \$50,088.

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED

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

Future debt service requirements for notes payable at June 30, 2016 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
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	171,429	-	171,429
2022-2025	365,745	-	365,745
	\$ 880,032	\$ 125,508	\$ 1,005,540

Landfill Closure and Post Closure Care Costs

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

The \$474,325 reported as an accrual for landfill closure and post closure care costs at June 30, 2016 includes the cumulative amount reported less amounts paid to date for the open site based on the following information.

Estimated Remaining Landfill Life	Percentage Balance of Capacity Used	Estimated Total Costs			Remaining To Be Recognized
		Closure	Postclosure	Total	
27 years	46.10%	\$ 670,680	\$ 116,568	\$ 787,248	\$ 312,923

These amounts are based on what it would cost to perform all closure and post closure care in fiscal year 2016. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. The Council has designated cash of \$363,636 for payment of closure and post closure care costs.

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED

Discretely Presented Component Units

Fire and rescue general obligation bonds payable at June 30, 2016 consist of the following:

General Obligation Bonds	Balance
\$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.	\$ 975,000
\$6,445,000 Fire Protection Service General Obligation Bonds, Series 2012, 0.4% to 2.6% annual interest, annual principal and interest payments beginning in 2013, matures 2026.	4,725,000
	\$ 5,700,000

Future debt service requirements for fire and rescue general obligation bonds outstanding at June 30, 2016 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 910,000	\$ 130,661	\$ 1,040,661
2018	940,000	109,120	1,049,120
2019	450,000	85,570	535,570
2020	455,000	76,570	531,570
2021	465,000	67,470	532,470
2022-2026	2,480,000	183,303	2,663,303
	\$ 5,700,000	\$ 652,694	\$ 6,352,694

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED

Capital Lease Payable	Balance
\$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.	\$ 2,484,043
	\$ 2,484,043

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 \$490,442 with a net value of \$2,932,342. Depreciation expense was \$171,608 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, 2016 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 286,151	\$ 57,628	\$ 343,779
2018	292,790	50,989	343,779
2019	299,583	44,197	343,780
2020	306,533	37,246	343,779
2021	313,644	30,135	343,779
2022-2024	985,342	46,066	1,031,408
	\$ 2,484,043	\$ 266,261	\$ 2,750,304

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, 2016**

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 2016, the County contributed \$70,610 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, 2016**

NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED

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

	Primary Government	Component Units		Total
		Fire and Rescue	Library	
Annual required contribution	\$ 292,549	\$ 41,257	\$ 41,257	\$ 375,063
Interest on net OPEB obligation	56,672	10,989	6,087	73,748
ARC adjustment	(53,760)	(10,424)	(5,775)	(69,959)
Annual OPEB cost	295,461	41,822	41,569	378,852
Contributions made	(63,638)	(3,486)	(3,486)	(70,610)
Increase in net OPEB obligation	231,823	38,336	38,083	308,242
Net OPEB obligation - beginning of year	1,333,440	258,565	143,231	1,735,236
Net OPEB obligation - end of year	\$ 1,565,263	\$ 296,901	\$ 181,314	\$ 2,043,478

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2016 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>				
6/30/2016	\$ 295,461	\$ 24,719	8.37%	\$ 1,565,263
6/30/2015	253,652	22,577	8.90%	1,333,440
6/30/2014	249,209	37,117	14.89%	1,102,365
<i>Fire and Rescue</i>				
6/30/2016	\$ 41,822	\$ 3,486	8.34%	\$ 296,901
6/30/2015	36,053	3,152	8.74%	258,565
6/30/2014	35,640	2,594	7.41%	225,664
<i>Library</i>				
6/30/2016	\$ 41,569	\$ 3,486	8.39%	\$ 181,314
6/30/2015	35,576	3,152	8.86%	143,231
6/30/2014	34,799	2,594	7.51%	110,807

Funded Status and Funding Progress

As of June 30, 2015, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$3,179,537, and the actuarial value of the assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,179,537. The covered payroll (annual payroll of active employees covered by the plan) was \$15,771,489 and the ratio of the UAAL to the covered payroll was 20.2%.

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED

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

Actuarial Methods and Assumptions

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

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Unit Credit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2016	\$ -	\$ 3,179,537	\$ 3,179,537	0.0%	\$ 15,771,489	20.2%
6/30/2015	-	2,608,908	2,608,908	0.0%	15,326,465	17.0%
6/30/2014	-	2,608,908	2,608,908	0.0%	14,020,788	18.6%

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED

Pension Plan

Description of the Entity

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the 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.

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

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the 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, 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.

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

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED

Membership

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

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits

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

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

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

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED

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

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

Contributions

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

Required employee contribution rates¹ for fiscal year 2015-2016 are as follows:

	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2015</u>
SCRS		
Employee Class Two	8.16%	8.00%
Employee Class Three	8.16%	8.00%
PORS		
Employee Class Two	8.74%	8.41%
Employee Class Three	8.74%	8.41%

¹Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED

Required employer contribution rates¹ for fiscal year 2015-2016 are as follows:

	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2015</u>
SCRS		
Employer Class Two	10.91%	10.75%
Employer Class Three	10.91%	10.75%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employer Class Two	13.34%	13.01%
Employer Class Three	13.34%	13.01%
Employer Accidental Death Program	0.20%	0.20%
Employer Incidental Death Benefit	0.20%	0.20%

¹Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Actuarial assumptions and methods used during the evaluation process are subject to periodic revision, typically with an experience study, as actual results over an extended period of time are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2010, and the next experience study, performed on data through June 30, 2015, is currently underway.

The June 30, 2015, total pension liability, net pension liability, and sensitivity information were determined by consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2014, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board which utilized membership data as of July 1, 2014. The total pension liability was rolled forward from the valuation date to the plan's fiscal year ended June 30, 2015, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED

The following provides a summary of the actuarial assumptions and methods used in the July 1, 2014, valuations for SCRS and PORS.

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

¹ includes inflation at 2.75%

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000. Assumptions used in the July 1, 2014, valuations for SCRS are as follows:

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

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL proportionate share, as of June 30, 2015, for SCRS and PORS are presented as follows:

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability</u>	<u>Plan Fiduciary Net Position as a % of the Total Pension Liability</u>
SCRS	\$ 43,499,792	\$ 24,791,292	\$ 18,708,500	57.0%
PORS	41,256,911	26,638,920	14,617,991	64.6%

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

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED

Long-term Expected Rate of Return

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 expected returns, along with the expected inflation rate, form the basis for the target asset allocation as adopted by the Investment Commission for fiscal year 2015. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.50% assumed annual investment rate of return set in statute and used in the calculation of the total pension liability includes 4.75% real rate of return and a 2.75% inflation component.

<u>Asset class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Short Term	5.0%		
Cash	2.0%	1.90%	0.04%
Short Duration	3.0%	2.00%	0.06%
Domestic Fixed Income	13.0%		
Core Fixed Income	7.0%	2.70%	0.19%
Mixed Credit	6.0%	3.80%	0.23%
Global Fixed Income	9.0%		
Global Fixed Income	3.0%	2.80%	0.08%
Emerging Markets Debt	6.0%	5.10%	0.31%
Global Public Equity	31.0%	7.10%	2.20%
Global Tactical Asset Allocation	10.0%	4.90%	0.49%
Alternatives	32.0%		
Hedge Funds (Low Beta)	8.0%	4.30%	0.34%
Private Debt	7.0%	9.90%	0.69%
Private Equity	9.0%	9.90%	0.89%
Real Estate (Broad Market)	5.0%	6.00%	0.30%
Commodities	3.0%	5.90%	0.18%
Total Expected Real Return	100.0%		6.00%
Inflation for Actuarial Purposes			2.75%
Total Expected Nominal Return			<u>8.75%</u>

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED

Discount Rate

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

Sensitivity Analysis

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
SCRS	\$ 23,586,072	\$ 18,708,500	\$ 14,620,474
PORS	19,912,968	14,617,991	9,884,362

Pension Expense

Components of the proportionate share of pension expense reported in the Schedules of Pension Amounts by Employer for the fiscal year ended June 30, 2015, are presented below:

Description	SCRS	PORS
Service cost (annual cost of current service)	\$ 734,114	\$ 1,033,563
Interest on the total pension liability	3,105,433	2,919,746
Plan administrative costs	12,384	12,999
Plan member contributions	(706,404)	(716,669)
Expected return on plan assets	(1,867,949)	(1,986,501)
Recognition of current year amortization - Difference between expected and actual experience	138,278	98,329
Recognition of current year amortization - Difference between projected and actual investment earnings	(58,183)	(52,869)
Other	1,311	(7,114)
Total	\$ 1,358,984	\$ 1,301,484

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED

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

Deferred Outflows of Resources and Deferred Inflows of Resources

The following schedule reflects the amortization of collective deferred outflows/inflows of resources related to pension outstanding as of June 30, 2015.

	Difference between expected and actual experience			
	SCRS		PORS	
	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>
Initial Balance	\$ 643,884	\$ (44,031)	\$ 427,298	\$ 45,412
Amortization period¹	4.233	4.164	4.233	4.164
Amortized² period ending June 30,				
2014	\$ (152,110)	-	\$ (100,944)	-
2015	(152,110)	\$ 10,574	(100,944)	\$ (10,906)
2016	(152,110)	10,574	(100,944)	(10,906)
2017	(152,110)	10,574	(100,944)	(10,906)
2018	(35,444)	10,574	(23,522)	(10,906)
2019	-	1,735	-	(1,788)
	Difference between projected and actual investment earnings			
	SCRS		PORS	
	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>
Initial Balance	\$ (1,828,954)	\$ 1,498,866	\$ (1,839,004)	\$ 1,592,766
Amortization period³	5	5	5	5
Amortized² period ending June 30,				
2014	\$ 365,791	-	\$ 367,801	-
2015	365,791	\$ (299,773)	367,801	\$ (318,553)
2016	365,791	(299,773)	367,801	(318,553)
2017	365,791	(299,773)	367,801	(318,553)
2018	365,790	(299,773)	367,800	(318,553)
2019	-	(299,774)	-	(318,554)

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

²Amount amortized and included in pension expense during the measurement period listed.

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

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED

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

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

Employer Contributions

Employers' proportionate shares were calculated on the basis of employer contributions actually remitted to the plan for the fiscal year ended June 30, 2015. Employer contributions recognized by the Systems that are not representative of future contribution effort are excluded in the determination of employers' proportionate shares. Examples of employer contributions not representative of future contribution effort are contributions towards the purchase of employee service purchases and employer contributions paid by employees.

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

	SCRS	PORS
Employer Contributions Reported in SCRS Statement of Changes in Net Position for the fiscal year ended June 30, 2015	\$ 1,011,600	\$ 1,124,377
Deduct: Employer Contributions Not Representative of Future Contribution Effort	(466)	(2,141)
Employer Contributions Used as the Basis for Allocating Employers' Proportionate Shares of Collective Pension Amounts - June 30, 2015 Measurement Date	\$ 1,011,134	\$ 1,122,236

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled for the Systems' audited financial statements for the fiscal year ended June 30, 2015, and the accounting and financial reporting actuarial valuation as of June 30, 2015. Additional information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the System CAFR.

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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, 2016**

NOTE 7 OTHER INFORMATION – CONTINUED

Commitments

Construction Commitments: At June 30, 2016, the County has commitments under contracts for various architectural and engineering projects not completed of approximately \$939,367 that relate to the capital penny sales tax project approved by voter referendum.

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

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

Capital projects fund	\$ 939,367
Total	<u>\$ 939,367</u>

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, 2016 is \$54,832.

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, 2016 are as follows:

<u>Year ending June 30,</u>	<u>Total</u>
2017	\$ 43,751
2018	30,966
2019	23,008
2020	9,814
2021	3,820
Total Payments	<u>\$ 111,359</u>

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 16, 2016. The County is experiencing budget overages estimated at \$700,000. The County anticipates a reimbursement from FEMA of 75% of these costs.

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 8 – NET INVESTMENT IN CAPITAL ASSETS

The following summarizes the amounts included in the calculation for the net investment in capital assets. The County received the proceeds of \$30,272,627 million bond in May 2015 and spent \$2,457,129 out of those proceeds by the end of June 2016. The list of projects includes asset acquisitions as well as assistance to other entities within the County. The net investment in capital assets is summarized below:

	County	Component Units	
	Governmental Activities	Memorial Library	Fire and Rescue
Capital Assets, Net	\$ 45,687,199	\$ 197,422	\$ 11,248,111
Long-term obligations	(69,097,380)	(838,867)	(16,743,311)
Net pension liability	24,678,509	635,958	8,012,024
Compensated absences	655,213	21,595	250,343
OPEB liability	1,565,263	181,314	296,901
Landfill closure	474,325	-	-
Bond proceeds on hand	27,815,498	-	-
Net Investment in Capital Assets	<u>\$ 31,778,627</u>	<u>\$ 197,422</u>	<u>\$ 3,064,068</u>

NOTE 9 – RESTATEMENT OF BEGINNING NET POSITION

The County has determined that a restatement of beginning net position of the primary government and its component units is required to reflect a correction of an error in the June 30, 2015 financial report that did not properly record and report depreciation expense for the years 2012 to 2015 on several capital assets. The result of the correction is a decrease in the net position of the County, the Memorial Library, and the Fire and Rescue for \$447,908, \$85,375, and \$61,771, respectively.

	County	Component Units	
	Governmental Activities	Memorial Library	Fire and Rescue
Net Position June 30, 2015, as Previously Reported	\$ 34,832,946	\$ (451,788)	\$ (2,470,558)
Depreciation, Net	(447,908)	(85,375)	(61,771)
Net Position, June 30, 2015, as restated	<u>\$ 34,385,038</u>	<u>\$ (537,163)</u>	<u>\$ (2,532,329)</u>

The County has determined that a restatement of beginning net position of its component unit is required to reflect a correction of an error in the June 30, 2015 financial report that did not properly record and report accounts receivable and accounts payable. The result of the correction is an increase in the fund balance and net position of the Alcohol & Drug Commission for \$16,678.

Component Unit	Fund Balance	Net Position
<u>Alcohol & Drug Commission</u>		
June 30, 2015, as Previously Reported	\$ 282,787	\$ 265,258
Accounts Receivable	6,678	6,678
Accounts Payable	10,000	10,000
June 30, 2015, as restated	<u>\$ 299,465</u>	<u>\$ 281,936</u>

REQUIRED SUPPLEMENTARY
INFORMATION

**COLLETON COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Taxes	\$ 20,997,137	\$ 20,997,137	\$ 20,866,713	\$ (130,424)
Intergovernmental revenues	1,699,052	1,881,494	1,764,538	(116,956)
Fines and fees	5,124,614	5,124,614	5,353,589	228,975
Other income	118,508	288,792	243,180	(45,612)
Total revenues	<u>27,939,311</u>	<u>28,292,037</u>	<u>28,228,020</u>	<u>(64,017)</u>
Expenditures				
Current				
General government	9,316,932	9,359,441	8,698,565	660,876
Judicial	1,367,964	1,367,964	1,328,436	39,528
Public safety	6,476,733	6,410,546	6,307,687	102,859
Roads and bridges	2,055,666	2,052,997	1,666,437	386,560
Solid waste	2,229,278	2,252,585	2,096,609	155,976
Recreation and culture	1,222,117	1,360,722	1,573,619	(212,897)
Health and human services	679,201	702,276	715,311	(13,035)
Economic development	248,262	249,006	241,256	7,750
Intergovernmental	3,616,140	3,618,990	3,618,989	1
Capital Outlay				
General government	221,546	421,239	338,922	82,317
Public safety	-	66,221	66,221	-
Streets and highways	-	5,993	5,993	-
Sanitation	-	113,670	89,306	24,364
Recreation and culture	50,000	93,026	4,510	88,516
Total expenditures	<u>27,483,839</u>	<u>28,074,676</u>	<u>26,751,861</u>	<u>1,322,815</u>
Excess (deficiency) of revenues over (under) expenditures	<u>455,472</u>	<u>217,361</u>	<u>1,476,159</u>	<u>1,258,798</u>
Other financing sources (uses)				
Sales of capital assets	-	174,981	174,981	-
Insurance recoveries	-	60,069	87,898	27,829
Transfers in	1,965,483	1,965,483	3,006,263	1,040,780
Transfers out	(2,402,462)	(2,417,894)	(3,330,687)	(912,793)
Total other financing sources (uses)	<u>(436,979)</u>	<u>(217,361)</u>	<u>(61,545)</u>	<u>155,816</u>
Net change in fund balances	18,493	-	1,414,614	1,414,614
Fund balance, beginning of year	7,054,019	7,054,019	7,013,800	(40,219)
Fund balance, end of year	<u>\$ 7,072,512</u>	<u>\$ 7,054,019</u>	<u>\$ 8,428,414</u>	<u>\$ 1,374,395</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]
6/30/2016	\$ -	\$ 3,179,537	\$ 3,179,537	0.0%	\$ 15,771,489	20.2%
6/30/2015	-	2,608,908	2,608,908	0.0%	15,326,465	17.0%
6/30/2014	-	2,608,908	2,608,908	0.0%	14,020,788	18.6%
6/30/2013	-	2,625,858	2,625,858	0.0%	15,973,784	16.4%

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

GENERAL GOVERNMENT

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Proportion of the Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.094651%	0.092174%
Proportionate Share of the Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 16,295,756	\$ 17,480,579
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 8,710,229	\$ 8,800,266
Proportionate Share of the New Pension Liability as a Percentage of Its Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	187.09%	198.64%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	59.90%	57.00%

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	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Proportion of the Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.314595%	0.330253%
Proportionate Share of the Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 6,022,663	\$ 7,197,930
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 3,964,012	\$ 3,956,317
Proportionate Share of the New Pension Liability as a Percentage of Its Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	151.93%	181.94%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	67.50%	64.60%

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Proportion of the Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.002650%	0.003117%
Proportionate Share of the Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 456,236	\$ 591,963
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 243,862	\$ 297,612
Proportionate Share of the New Pension Liability as a Percentage of Its Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	187.09%	198.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	59.90%	57.00%

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	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2015
Proportion of the Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.349565%	0.340447%
Proportionate Share of the Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 6,692,122	\$ 7,420,061
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 4,404,638	\$ 4,078,445
Proportionate Share of the New Pension Liability as a Percentage of Its Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	151.93%	181.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	67.50%	64.60%

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Proportion of the Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.003503%	0.003354%
Proportionate Share of the Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 603,114	\$ 635,958
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 322,367	\$ 320,215
Proportionate Share of the New Pension Liability as a Percentage of Its Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	187.09%	198.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	59.90%	57.00%

N/A - Not Available

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

PRIMARY GOVERNMENT

SCRS

Fiscal Year

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Contractually Required Contribution	N/A	\$ 949,415	\$ 973,309							
Contributions in Relation to the Contractually Required Contribution	N/A	949,415	973,309							
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	N/A	\$ 8,710,229	\$ 8,800,266							
Contributions as a Percentage of Covered-Employee Payroll	N/A	10.90%	11.06%							

PORS

Fiscal Year

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2015
Contractually Required Contribution	N/A	\$ 531,574	\$ 543,598							
Contributions in Relation to the Contractually Required Contribution	N/A	531,574	543,598							
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	N/A	\$ 3,964,012	\$ 3,956,317							
Contributions as a Percentage of Covered-Employee Payroll	N/A	13.41%	13.74%							

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Contractually Required Contribution	N/A	\$ 26,581	\$ 32,916							
Contributions in Relation to the Contractually Required Contribution	N/A	26,581	32,916							
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	N/A	\$ 243,862	\$ 297,612							
Contributions as a Percentage of Covered-Employee Payroll	N/A	10.90%	11.06%							

PORS

Fiscal Year

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Contractually Required Contribution	N/A	\$ 590,662	\$ 560,378							
Contributions in Relation to the Contractually Required Contribution	N/A	590,662	560,378							
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	N/A	\$ 4,404,638	\$ 4,078,445							
Contributions as a Percentage of Covered-Employee Payroll	N/A	13.41%	13.74%							

N/A - Not Available

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

LIBRARY

SCRS

Fiscal Year

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Contractually Required Contribution	N/A	\$ 35,138	\$ 35,416							
Contributions in Relation to the Contractually Required Contribution	N/A	35,138	35,416							
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	N/A	\$ 322,367	\$ 320,215							
Contributions as a Percentage of Covered-Employee Payroll	N/A	10.90%	11.06%							

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.

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

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.

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

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

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

**COLLETON COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

	Special Revenue Funds			
	Sheriff's Discretionary Funds	Sheriff's Title IV D	Clerk of Court IV Incentives	Clerk of Court IV Unit Costs
Assets				
Cash and cash equivalents	\$ 135,088	\$ 458	\$ 88,404	\$ 12,691
Receivables, net of allowances	-	2,195	3,329	20,513
Total assets	<u>\$ 135,088</u>	<u>\$ 2,653</u>	<u>\$ 91,733</u>	<u>\$ 33,204</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 481	\$ 3,509
Accrued payroll and benefits	-	449	-	4,578
Accrued liabilities	9,930	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>9,930</u>	<u>449</u>	<u>481</u>	<u>8,087</u>
Deferred Inflows of Resources				
Unavailable revenues-property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Assigned	-	-	-	-
Committed	-	-	-	-
Restricted	125,158	2,204	91,252	25,117
Total fund balances	<u>125,158</u>	<u>2,204</u>	<u>91,252</u>	<u>25,117</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 135,088</u>	<u>\$ 2,653</u>	<u>\$ 91,733</u>	<u>\$ 33,204</u>

**COLLETON COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

	Special Revenue Funds			
	Victim Witness Services	14th Circuit Court Solicitor	Public Defender Corporation	Special Revenue
Assets				
Cash and cash equivalents	\$ 136,560	\$ 1,527,863	\$ 41,040	\$ 2,087
Receivables, net of allowances	658	5,384	-	434,154
Total assets	<u>\$ 137,218</u>	<u>\$ 1,533,247</u>	<u>\$ 41,040</u>	<u>\$ 436,241</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 334	\$ 59,734	-	\$ 216,508
Accrued payroll and benefits	1,870	157,957	-	73,618
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	49,758
Total liabilities	<u>2,204</u>	<u>217,691</u>	<u>-</u>	<u>339,884</u>
Deferred Inflows of Resources				
Unavailable revenues-property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Assigned	-	1,315,556	41,040	-
Committed	-	-	-	-
Restricted	135,014	-	-	96,357
Total fund balances	<u>135,014</u>	<u>1,315,556</u>	<u>41,040</u>	<u>96,357</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 137,218</u>	<u>\$ 1,533,247</u>	<u>\$ 41,040</u>	<u>\$ 436,241</u>

**COLLETON COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

	Special Revenue Funds			
	Animal Care Control Donations	Emergency Telephone	County Hospitality Tax	County Accommodations Tax
Assets				
Cash and cash equivalents	\$ 129,760	\$ 357,710	\$ 15,442	\$ 474,608
Receivables, net of allowances	-	36,637	47,390	71,117
Total assets	<u>\$ 129,760</u>	<u>\$ 394,347</u>	<u>\$ 62,832</u>	<u>\$ 545,725</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 461	\$ 12,789	-	\$ 4,205
Accrued payroll and benefits	-	4,644	-	31,258
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>461</u>	<u>17,433</u>	<u>-</u>	<u>35,463</u>
Deferred Inflows of Resources				
Unavailable revenues-property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Assigned	129,299	-	-	-
Committed	-	-	62,832	510,262
Restricted	-	376,914	-	-
Total fund balances	<u>129,299</u>	<u>376,914</u>	<u>62,832</u>	<u>510,262</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 129,760</u>	<u>\$ 394,347</u>	<u>\$ 62,832</u>	<u>\$ 545,725</u>

**COLLETON COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

	Special Revenue Funds		Debt Service	
	State		SSRB	
	Accommodations		Cannady's	GO Bond
	Tax	Debt Service	Debt Service	Fund
Assets				
Cash and cash equivalents	\$ 5,672	\$ 291,047	\$ -	\$ 1,507,182
Receivables, net of allowances	-	138,786	-	-
Total assets	\$ 5,672	\$ 429,833	\$ -	\$ 1,507,182
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	-	-	-	-
Deferred Inflows of Resources				
Unavailable revenues-property taxes	-	99,910	-	-
Total deferred inflows of resources	-	99,910	-	-
Fund Balances				
Assigned	-	-	-	-
Committed	-	-	-	-
Restricted	5,672	329,923	-	1,507,182
Total fund balances	5,672	329,923	-	1,507,182
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,672	\$ 429,833	\$ -	\$ 1,507,182

**COLLETON COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

	Debt Service		Total Nonmajor Governmental Funds
	Capital	Debt Service	
	Sales Tax Debt Service	Non-GOB	
Assets			
Cash and cash equivalents	\$ 2,635,930	\$ 129,565	\$ 7,491,107
Receivables, net of allowances	1,023,718	-	1,783,881
Total assets	<u>\$ 3,659,648</u>	<u>\$ 129,565</u>	<u>\$ 9,274,988</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	\$ -	\$ -	\$ 298,021
Accrued payroll and benefits	-	-	274,374
Accrued liabilities	-	-	9,930
Unearned revenues	-	-	49,758
Total liabilities	<u>-</u>	<u>-</u>	<u>632,083</u>
Deferred Inflows of Resources			
Unavailable revenues-property taxes	-	-	99,910
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>99,910</u>
Fund Balances			
Assigned	-	-	1,485,895
Committed	-	-	573,094
Restricted	3,659,648	129,565	6,484,006
Total fund balances	<u>3,659,648</u>	<u>129,565</u>	<u>8,542,995</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,659,648</u>	<u>\$ 129,565</u>	<u>\$ 9,274,988</u>

COLLETON COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Special Revenue Funds			
	Sheriff's Discretionary Funds	Sheriff's Title IV D	Clerk of Court IV Incentives	Clerk of Court IV Unit Costs
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	63,072	11,286	40,608	118,679
Fines and fees	-	-	-	-
Other income	12,651	8	204	13
Total revenues	<u>75,723</u>	<u>11,294</u>	<u>40,812</u>	<u>118,692</u>
Expenditures				
Current				
General government	2	-	-	-
Judicial	-	-	2,446	137,987
Public safety	60,437	9,090	-	-
Roads and Bridges	-	-	-	-
Recreation and culture	-	-	-	-
Health and human services	-	-	-	-
Economic development	-	-	-	-
Intergovernmental	-	-	-	-
Capital outlay				
Judicial	-	-	-	-
Public safety	78,049	-	-	-
Roads and Bridges	-	-	-	-
Recreation and culture	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>138,488</u>	<u>9,090</u>	<u>2,446</u>	<u>137,987</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(62,765)</u>	<u>2,204</u>	<u>38,366</u>	<u>(19,295)</u>
Other financing sources (uses)				
Proceeds of Refunding Debt	-	-	-	-
Bond premium	-	-	-	-
Payment to Refunded Debt Escrow	-	-	-	-
Gain/loss on sale of asset	5,295	-	-	-
Insurance proceeds	-	-	-	-
Transfers in	-	-	-	44,411
Transfers out	-	(5,050)	(51,265)	(25,104)
Total other financing sources (uses)	<u>5,295</u>	<u>(5,050)</u>	<u>(51,265)</u>	<u>19,307</u>
Net change in fund balances	(57,470)	(2,846)	(12,899)	12
Fund balances, beginning of year	182,628	5,050	104,151	25,105
Fund balances, end of year	<u>\$ 125,158</u>	<u>\$ 2,204</u>	<u>\$ 91,252</u>	<u>\$ 25,117</u>

COLLETON COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Special Revenue Funds			
	Victim Witness Services	14th Circuit Court Solicitor	Public Defender Corporation	Special Revenue
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	57,782	3,050,736	-	2,159,983
Fines and fees	-	406,050	-	-
Other income	282	1,368	94	920
Total revenues	<u>58,064</u>	<u>3,458,154</u>	<u>94</u>	<u>2,160,903</u>
Expenditures				
Current				
General government	-	-	-	-
Judicial	-	3,559,575	-	247,308
Public safety	50,322	-	-	486,802
Roads and Bridges	-	-	-	7,999
Recreation and culture	-	-	-	31,340
Health and human services	-	-	-	1,064,830
Economic development	-	-	-	-
Intergovernmental	-	-	-	257,418
Capital outlay				
Judicial	-	7,223	-	-
Public safety	-	-	-	40,290
Roads and Bridges	-	-	-	39,453
Recreation and culture	-	-	-	50,405
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>50,322</u>	<u>3,566,798</u>	<u>-</u>	<u>2,225,845</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,742</u>	<u>(108,644)</u>	<u>94</u>	<u>(64,942)</u>
Other financing sources (uses)				
Proceeds of Refunding Debt	-	-	-	-
Bond premium	-	-	-	-
Payment to Refunded Debt Escrow	-	-	-	-
Gain/loss on sale of asset	-	-	-	-
Insurance proceeds	-	278	-	-
Transfers in	9,181	-	-	82,143
Transfers out	(8,290)	(33,331)	-	-
Total other financing sources (uses)	<u>891</u>	<u>(33,053)</u>	<u>-</u>	<u>82,143</u>
Net change in fund balances	8,633	(141,697)	94	17,201
Fund balances, beginning of year	126,381	1,457,253	40,946	79,156
Fund balances, end of year	<u>\$ 135,014</u>	<u>\$ 1,315,556</u>	<u>\$ 41,040</u>	<u>\$ 96,357</u>

COLLETON COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Special Revenue Funds			
	Animal Care	Emergency Telephone	County	County
	Control Donations		Hospitality Tax	Accommodations Tax
Revenues				
Taxes	\$ -	\$ -	\$ 570,041	\$ 485,941
Intergovernmental revenues	1,708	80,413	-	-
Fines and fees	13,666	250,095	-	-
Other income	304	879	133	1,699
Total revenues	<u>15,678</u>	<u>331,387</u>	<u>570,174</u>	<u>487,640</u>
Expenditures				
Current				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	13,340	388,165	-	-
Roads and Bridges	-	-	-	5,820
Recreation and culture	-	-	15,000	418,905
Health and human services	-	-	-	-
Economic development	-	-	42,744	-
Intergovernmental	-	-	6,000	25,702
Capital outlay				
Judicial	-	-	-	-
Public safety	-	-	-	-
Roads and Bridges	-	-	-	-
Recreation and culture	-	-	-	50,387
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>13,340</u>	<u>388,165</u>	<u>63,744</u>	<u>500,814</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,338</u>	<u>(56,778)</u>	<u>506,430</u>	<u>(13,174)</u>
Other financing sources (uses)				
Proceeds of Refunding Debt	-	-	-	-
Bond premium	-	-	-	-
Payment to Refunded Debt Escrow	-	-	-	-
Gain/loss on sale of asset	-	-	-	-
Insurance proceeds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(487,791)	(263,755)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(487,791)</u>	<u>(263,755)</u>
Net change in fund balances	2,338	(56,778)	18,639	(276,929)
Fund balances, beginning of year	126,961	433,692	44,193	787,191
Fund balances, end of year	<u>\$ 129,299</u>	<u>\$ 376,914</u>	<u>\$ 62,832</u>	<u>\$ 510,262</u>

COLLETON COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Special Revenue Funds		Debt Service Funds	
	State		SSRB	
	Accommodations		Cannady's	GO Bond
	Tax	Debt Service	Debt Service	Fund
Revenues				
Taxes	\$ -	\$ 1,746,352	\$ -	\$ -
Intergovernmental revenues	602	-	-	-
Fines and fees	-	7,159	-	-
Other income	12	2,955	-	2,752
Total revenues	614	1,756,466	-	2,752
Expenditures				
Current				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Roads and Bridges	-	-	-	-
Recreation and culture	-	-	-	-
Health and human services	-	-	-	-
Economic development	-	-	-	-
Intergovernmental	-	-	-	-
Capital outlay				
Judicial	-	-	-	-
Public safety	-	-	-	-
Roads and Bridges	-	-	-	-
Recreation and culture	-	-	-	-
Debt service				
Principal retirement	-	1,425,000	-	-
Interest and fiscal charges	-	218,274	118,164	122,270
Total expenditures	-	1,643,274	118,164	122,270
Excess (deficiency) of revenues over (under) expenditures	614	113,192	(118,164)	(119,518)
Other financing sources (uses)				
Proceeds of Refunding Debt	-	-	-	5,395,000
Bond premium	-	-	-	51,278
Payment to Refunded Debt Escrow	-	-	(3,710,000)	-
Gain/loss on sale of asset	-	-	-	-
Insurance proceeds	-	-	-	-
Transfers in	-	91,414	3,828,164	-
Transfers out	-	(286,656)	-	(3,819,578)
Total other financing sources (uses)	-	(195,242)	118,164	1,626,700
Net change in fund balances	614	(82,050)	-	1,507,182
Fund balances, beginning of year	5,058	411,973	-	-
Fund balances, end of year	\$ 5,672	\$ 329,923	\$ -	\$ 1,507,182

COLLETON COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Debt Service Funds		Total Nonmajor Governmental Funds
	Capital		
	Sales Tax Debt Service	Debt Service Non-GOB	
Revenues			
Taxes	\$ 3,727,717	\$ -	\$ 6,530,051
Intergovernmental revenues	-	-	5,584,869
Fines and fees	-	-	676,970
Other income	372	420	25,066
Total revenues	<u>3,728,089</u>	<u>420</u>	<u>12,816,956</u>
Expenditures			
Current			
General government	-	-	2
Judicial	-	-	3,947,316
Public safety	-	-	1,008,156
Roads and Bridges	-	-	13,819
Recreation and culture	-	-	465,245
Health and human services	-	-	1,064,830
Economic development	-	-	42,744
Intergovernmental	-	-	289,120
Capital outlay			
Judicial	-	-	7,223
Public safety	-	-	118,339
Roads and Bridges	-	-	39,453
Recreation and culture	-	-	100,792
Debt service			
Principal retirement	-	861,585	2,286,585
Interest and fiscal charges	355,097	77,379	891,184
Total expenditures	<u>355,097</u>	<u>938,964</u>	<u>10,274,808</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,372,992</u>	<u>(938,544)</u>	<u>2,542,148</u>
Other financing sources (uses)			
Proceeds of Refunding Debt	-	-	5,395,000
Bond premium	-	-	51,278
Payment to Refunded Debt Escrow	-	-	(3,710,000)
Gain/loss on sale of asset	-	-	5,295
Insurance proceeds	-	-	278
Transfers in	286,656	943,468	5,285,437
Transfers out	-	-	(4,980,820)
Total other financing sources (uses)	<u>286,656</u>	<u>943,468</u>	<u>2,046,468</u>
Net change in fund balances	3,659,648	4,924	4,588,616
Fund balances, beginning of year	-	124,641	3,954,379
Fund balances, end of year	<u>\$ 3,659,648</u>	<u>\$ 129,565</u>	<u>\$ 8,542,995</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, 2016

Sheriff's Title IV D				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 13,981	\$ 13,981	\$ 11,286	\$ (2,695)
Other income	-	5,050	8	(5,042)
Total revenues	<u>13,981</u>	<u>19,031</u>	<u>11,294</u>	<u>(7,737)</u>
Expenditures				
Current				
Public safety	13,981	13,981	9,090	4,891
Total expenditures	<u>13,981</u>	<u>13,981</u>	<u>9,090</u>	<u>4,891</u>
Excess (deficiency) of revenues over expenditures	-	5,050	2,204	(2,846)
Other financing sources (uses)				
Transfers out	-	(5,050)	(5,050)	-
Total other financing sources (uses)	<u>-</u>	<u>(5,050)</u>	<u>(5,050)</u>	<u>-</u>
Net change in fund balances	-	-	(2,846)	(2,846)
Fund balance, beginning of year	5,050	5,050	5,050	-
Fund balance, end of year	<u>\$ 5,050</u>	<u>\$ 5,050</u>	<u>\$ 2,204</u>	<u>\$ (2,846)</u>

Clerk of Court IV Incentives				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 36,975	\$ 36,975	\$ 40,608	\$ 3,633
Other income	19,290	19,290	204	(19,086)
Total revenues	<u>56,265</u>	<u>56,265</u>	<u>40,812</u>	<u>(15,453)</u>
Expenditures				
Current				
Judicial	5,000	5,000	2,446	2,554
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>2,446</u>	<u>2,554</u>
Excess (deficiency) of revenues over (under) expenditures	51,265	51,265	38,366	(12,899)
Other financing sources (uses)				
Transfers out	(51,265)	(51,265)	(51,265)	-
Total other financing sources (uses)	<u>(51,265)</u>	<u>(51,265)</u>	<u>(51,265)</u>	<u>-</u>
Net change in fund balances	-	-	(12,899)	(12,899)
Fund balance, beginning of year	104,151	104,151	104,151	-
Fund balance, end of year	<u>\$ 104,151</u>	<u>\$ 104,151</u>	<u>\$ 91,252</u>	<u>\$ (12,899)</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, 2016

Clerk of Court IV Unit Costs				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 119,303	\$ 119,304	\$ 118,679	\$ (625)
Other income	-	25,104	13	(25,091)
Total revenues	<u>119,303</u>	<u>144,408</u>	<u>118,692</u>	<u>(25,716)</u>
Expenditures				
Current				
Judicial	138,188	138,189	137,987	202
Total expenditures	<u>138,188</u>	<u>138,189</u>	<u>137,987</u>	<u>202</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,885)</u>	<u>6,219</u>	<u>(19,295)</u>	<u>(25,514)</u>
Other financing sources (uses)				
Transfers in	18,885	18,885	44,411	25,526
Transfers out	-	(25,104)	(25,104)	-
Total other financing sources (uses)	<u>18,885</u>	<u>(6,219)</u>	<u>19,307</u>	<u>25,526</u>
Net change in fund balances	-	-	12	12
Fund balance, beginning of year	25,105	25,105	25,105	-
Fund balance, end of year	<u>\$ 25,105</u>	<u>\$ 25,105</u>	<u>\$ 25,117</u>	<u>\$ 12</u>

Victim Witness				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 53,150	\$ 53,150	\$ 57,782	\$ 4,632
Other income	-	8,490	282	(8,208)
Total revenues	<u>53,150</u>	<u>61,640</u>	<u>58,064</u>	<u>(3,576)</u>
Expenditures				
Current				
Public safety	53,150	53,150	50,322	2,828
Total expenditures	<u>53,150</u>	<u>53,150</u>	<u>50,322</u>	<u>2,828</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>8,490</u>	<u>7,742</u>	<u>(748)</u>
Other financing sources (uses)				
Transfers in	-	-	9,181	9,181
Transfers out	-	(8,490)	(8,290)	200
Total other financing sources (uses)	<u>-</u>	<u>(8,490)</u>	<u>891</u>	<u>9,381</u>
Net change in fund balances	-	-	8,633	8,633
Fund balance, beginning of year	126,381	126,381	126,381	-
Fund balance, end of year	<u>\$ 126,381</u>	<u>\$ 126,381</u>	<u>\$ 135,014</u>	<u>\$ 8,633</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, 2016

14th Circuit Court Solicitor				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 2,917,055	\$ 3,050,736	\$ 3,050,736	\$ -
Fines and fees	449,097	439,734	406,050	(33,684)
Other income	2,053	248,605	1,368	(247,237)
Total revenues	<u>3,368,205</u>	<u>3,739,075</u>	<u>3,458,154</u>	<u>(280,921)</u>
Expenditures				
Current				
Judicial	3,121,466	3,724,148	3,559,575	164,573
Capital Outlay				
Judicial	-	7,223	7,223	-
Total expenditures	<u>3,121,466</u>	<u>3,731,371</u>	<u>3,566,798</u>	<u>164,573</u>
Excess (deficiency) of revenues over (under) expenditures	<u>246,739</u>	<u>7,704</u>	<u>(108,644)</u>	<u>(116,348)</u>
Other financing sources (uses)				
Insurance proceeds	-	278	278	-
Transfers in	-	-	-	-
Transfers out	-	(7,982)	(33,331)	(25,349)
Total other financing sources (uses)	<u>-</u>	<u>(7,704)</u>	<u>(33,053)</u>	<u>(25,349)</u>
Net change in fund balances	246,739	-	(141,697)	(141,697)
Fund balance, beginning of year	1,457,253	1,457,253	1,457,253	-
Fund balance, end of year	<u>\$ 1,703,992</u>	<u>\$ 1,457,253</u>	<u>\$ 1,315,556</u>	<u>\$ (141,697)</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, 2016

	Special Revenue			Variance with final budget - positive (negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 1,027,260	\$ 5,030,211	\$ 2,159,983	\$ (2,870,228)
Fines and fees	-	-	-	-
Other income	-	2,246	920	(1,326)
Total revenues	<u>1,027,260</u>	<u>5,032,457</u>	<u>2,160,903</u>	<u>(2,871,554)</u>
Expenditures				
Current				
Judicial	-	377,533	247,308	130,225
Public safety	328,446	619,950	486,802	133,148
Roads and Bridges	-	43,573	7,999	35,574
Recreation and culture	-	42,502	31,340	11,162
Health and human services	728,033	1,523,899	1,064,830	459,069
Economic development	-	1,250,000	-	1,250,000
Intergovernmental	-	363,835	257,418	106,417
Capital Outlay				
Public safety	-	138,896	40,290	98,606
Roads and Bridges	-	727,927	39,453	688,474
Recreation and culture	-	50,405	50,405	-
Total expenditures	<u>1,056,479</u>	<u>5,138,520</u>	<u>2,225,845</u>	<u>2,912,675</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(29,219)</u>	<u>(106,063)</u>	<u>(64,942)</u>	<u>41,121</u>
Other financing sources (uses)				
Transfers in	18,775	106,063	82,143	(23,920)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>18,775</u>	<u>106,063</u>	<u>82,143</u>	<u>(23,920)</u>
Net change in fund balances	(10,444)	-	17,201	17,201
Fund balance, beginning of year	79,156	79,156	79,156	-
Fund balance, end of year	<u>\$ 68,712</u>	<u>\$ 79,156</u>	<u>\$ 96,357</u>	<u>\$ 17,201</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, 2016

Animal Care Control Donations				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ 1,708	\$ 1,708
Fines and fees	20,000	20,000	13,666	(6,334)
Other income	-	-	304	304
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>15,678</u>	<u>(4,322)</u>
Expenditures				
Current				
Public safety	20,000	20,000	13,340	6,660
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>13,340</u>	<u>6,660</u>
Net change in fund balances	-	-	2,338	2,338
Fund balance, beginning of year	126,961	126,961	126,961	-
Fund balance, end of year	<u>\$ 126,961</u>	<u>\$ 126,961</u>	<u>\$ 129,299</u>	<u>\$ 2,338</u>

Emergency Telephone				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 75,980	\$ 75,980	\$ 80,413	\$ 4,433
Fines and fees	314,220	314,220	250,095	(64,125)
Other income	48,971	48,971	879	(48,092)
Total revenues	<u>439,171</u>	<u>439,171</u>	<u>331,387</u>	<u>(107,784)</u>
Expenditures				
Current				
Public safety	439,171	439,171	388,165	51,006
Total expenditures	<u>439,171</u>	<u>439,171</u>	<u>388,165</u>	<u>51,006</u>
Net change in fund balances	-	-	(56,778)	(56,778)
Fund balance, beginning of year	433,692	433,692	433,692	-
Fund balance, end of year	<u>\$ 433,692</u>	<u>\$ 433,692</u>	<u>\$ 376,914</u>	<u>\$ (56,778)</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, 2016

County Hospitality Tax				Variance with final budget - positive (negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Taxes	\$ 549,854	\$ 549,854	\$ 570,041	\$ 20,187
Intergovernmental revenues	-	-	-	-
Other income	-	1,681	133	(1,548)
Total revenues	549,854	551,535	570,174	18,639
Expenditures				
Current				
Recreation and culture	15,000	15,000	15,000	-
Economic development	41,063	42,744	42,744	-
Intergovernmental	6,000	6,000	6,000	-
Total expenditures	62,063	63,744	63,744	-
Excess (deficiency) of revenues over (under) expenditures	487,791	487,791	506,430	18,639
Other financing sources (uses)				
Transfers out	(487,791)	(487,791)	(487,791)	-
Total other financing sources (uses)	(487,791)	(487,791)	(487,791)	-
Net change in fund balances	-	-	18,639	18,639
Fund balance, beginning of year	44,193	44,193	44,193	-
Fund balance, end of year	\$ 44,193	\$ 44,193	\$ 62,832	\$ 18,639

County Accommodations Tax				Variance with final budget - positive (negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Taxes	\$ 421,091	\$ 421,091	\$ 485,941	\$ 64,850
Other income	138,639	402,394	1,699	(400,695)
Total revenues	559,730	823,485	487,640	(335,845)
Expenditures				
Current				
Roads and Bridges	5,088	5,088	5,820	(732)
Recreation and culture	428,940	436,961	418,905	18,056
Intergovernmental	25,702	25,702	25,702	-
Capital Outlay				
Recreation and culture	100,000	91,979	50,387	41,592
Total expenditures	559,730	559,730	500,814	58,916
Excess (deficiency) of revenues over (under) expenditures	-	263,755	(13,174)	(276,929)
Other financing sources (uses)				
Transfers out	-	(263,755)	(263,755)	-
Total other financing sources (uses)	-	(263,755)	(263,755)	-
Net change in fund balances	-	-	(276,929)	(276,929)
Fund balance, beginning of year	787,191	787,191	787,191	-
Fund balance, end of year	\$ 787,191	\$ 787,191	\$ 510,262	\$ (276,929)

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, 2016

Debt Service				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Taxes	\$ 1,704,355	\$ 1,704,355	\$ 1,746,352	\$ 41,997
Fines and fees	2,691	2,691	7,159	4,468
Other income	286,515	286,656	2,955	(283,701)
Total revenues	<u>1,993,561</u>	<u>1,993,702</u>	<u>1,756,466</u>	<u>(237,236)</u>
Expenditures				
Debt Service				
Principal retirement	1,580,186	1,580,186	1,425,000	155,186
Interest and fiscal charges	126,860	218,274	218,274	-
Total expenditures	<u>1,707,046</u>	<u>1,798,460</u>	<u>1,643,274</u>	<u>155,186</u>
Excess (deficiency) of revenues over (under) expenditures	<u>286,515</u>	<u>195,242</u>	<u>113,192</u>	<u>(82,050)</u>
Other financing sources (uses)				
Transfers in	-	91,414	91,414	-
Transfers out	-	(286,656)	(286,656)	-
Total other financing sources (uses)	<u>-</u>	<u>(195,242)</u>	<u>(195,242)</u>	<u>-</u>
Net change in fund balances	286,515	-	(82,050)	(82,050)
Fund balance, beginning of year	411,973	411,973	411,973	-
Fund balance, end of year	<u>\$ 698,488</u>	<u>\$ 411,973</u>	<u>\$ 329,923</u>	<u>\$ (82,050)</u>

SSRB Cannady's Debt Service				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Debt Service				
Interest and fiscal charges	-	118,164	118,164	-
Total expenditures	<u>-</u>	<u>118,164</u>	<u>118,164</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(118,164)</u>	<u>(118,164)</u>	<u>-</u>
Other financing sources (uses)				
Payment to Refunded Debt Escrow	-	(3,710,000)	(3,710,000)	-
Transfers in	-	3,828,164	3,828,164	-
Total other financing sources (uses)	<u>-</u>	<u>118,164</u>	<u>118,164</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2016

GO Bond Fund				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Other income	\$ -	\$ -	\$ 2,752	\$ 2,752
Total revenues	<u>-</u>	<u>-</u>	<u>2,752</u>	<u>2,752</u>
Expenditures				
Current				
Economic development	-	126,700	122,270	4,430
Capital Outlay				
Economic development	-	1,500,000	-	1,500,000
Total expenditures	<u>-</u>	<u>1,626,700</u>	<u>122,270</u>	<u>1,504,430</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(1,626,700)</u>	<u>(119,518)</u>	<u>1,507,182</u>
Other financing sources (uses)				
Proceeds of Refunding Debt	-	5,395,000	5,395,000	-
Bond premiums	-	51,278	51,278	-
Transfers out	-	(3,819,578)	(3,819,578)	-
Total other financing sources (uses)	<u>-</u>	<u>1,626,700</u>	<u>1,626,700</u>	<u>-</u>
Net change in fund balances	-	-	1,507,182	1,507,182
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,507,182</u>	<u>\$ 1,507,182</u>

Capital Sales Tax Debt Service				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Taxes	\$ -	\$ 68,582	\$ 3,727,717	\$ 3,659,135
Other income	-	-	372	372
Total revenues	<u>-</u>	<u>68,582</u>	<u>3,728,089</u>	<u>3,659,507</u>
Expenditures				
Debt Service				
Interest and fiscal charges	-	355,097	355,097	-
Total expenditures	<u>-</u>	<u>355,097</u>	<u>355,097</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(286,515)</u>	<u>3,372,992</u>	<u>3,659,507</u>
Other financing sources (uses)				
Transfers in	-	286,515	286,656	141
Total other financing sources (uses)	<u>-</u>	<u>286,515</u>	<u>286,656</u>	<u>141</u>
Net change in fund balances	-	-	3,659,648	3,659,648
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,659,648</u>	<u>\$ 3,659,648</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, 2016

Debt Service Non-GOB				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Other income	\$ -	\$ -	\$ 420	\$ 420
Total revenues	<u>-</u>	<u>-</u>	<u>420</u>	<u>420</u>
Expenditures				
Debt Service				
Principal retirement	862,019	862,019	861,585	434
Interest and fiscal charges	81,449	81,449	77,379	4,070
Total expenditures	<u>943,468</u>	<u>943,468</u>	<u>938,964</u>	<u>4,504</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(943,468)</u>	<u>(943,468)</u>	<u>(938,544)</u>	<u>4,924</u>
Other financing sources (uses)				
Transfers in	943,468	943,468	943,468	-
Total other financing sources (uses)	<u>943,468</u>	<u>943,468</u>	<u>943,468</u>	<u>-</u>
Net change in fund balances	-	-	4,924	4,924
Fund balance, beginning of year	124,641	124,641	124,641	-
Fund balance, end of year	<u>\$ 124,641</u>	<u>\$ 124,641</u>	<u>\$ 129,565</u>	<u>\$ 4,924</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, 2016**

	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 69,950	\$ 2,406,465	\$ 6,253,265	\$ 3,846,800
Other income	24,000	34,045,315	358,809	(33,686,506)
Total revenues	<u>93,950</u>	<u>36,451,780</u>	<u>6,612,074</u>	<u>(29,839,706)</u>
Expenditures				
Current				
General government	-	197,221	6,508	190,713
Public safety	-	719,718	33,064	686,654
Roads and bridges	69,950	69,950	3,964,366	(3,894,416)
Solid waste	-	395,404	31,341	364,063
Recreation and culture	-	276,610	-	276,610
Economic development	-	953,583	780,234	173,349
Intergovernmental	-	16,378,166	1,682,764	14,695,402
Capital Outlay				
General government	-	1,816,402	120,380	1,696,022
Public safety	-	5,158,611	1,435,247	3,723,364
Roads and bridges	-	517,802	511,488	6,314
Solid waste	-	3,252,841	263,727	2,989,114
Recreation and culture	-	4,520,148	76,450	4,443,698
Economic development	-	2,128,941	-	2,128,941
Total expenditures	<u>69,950</u>	<u>36,385,397</u>	<u>8,905,569</u>	<u>27,479,828</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,000</u>	<u>66,383</u>	<u>(2,293,495)</u>	<u>(2,359,878)</u>
Other financing sources (uses)				
Proceeds from sales of capital assets	-	-	9,563	9,563
Insurance proceeds	-	48,652	49,311	659
Transfers in	-	-	131,512	131,512
Transfers out	(24,000)	(111,705)	(111,705)	-
Total other financing sources (uses)	<u>(24,000)</u>	<u>(63,053)</u>	<u>78,681</u>	<u>141,734</u>
Net change in fund balances	-	3,330	(2,214,814)	(2,218,144)
Fund balance, beginning of year	<u>41,939,490</u>	<u>41,939,490</u>	<u>41,939,490</u>	<u>-</u>
Fund balance, end of year	<u>\$ 41,939,490</u>	<u>\$ 41,942,820</u>	<u>\$ 39,724,676</u>	<u>\$ (2,218,144)</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.

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

Delinquent Tax Fund – to account for delinquent taxes collected.

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

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, 2016

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
Assets				
		TOTAL		
Cash and equivalents	\$ 10,355,007	\$ 149,154,438	\$ 146,515,294	\$ 12,994,151
Investments	10,000,000	1,524,075	11,524,075	-
Accounts receivable, net	-	143,098	-	143,098
Total assets	\$ 20,355,007	\$ 150,821,611	\$ 158,039,369	\$ 13,137,249
Liabilities				
Accounts payable	\$ 972	\$ 27,075	\$ 972	\$ 27,075
Assets held for others	20,354,035	105,423,378	112,667,239	13,110,174
Total liabilities	\$ 20,355,007	\$ 105,450,453	\$ 112,668,211	\$ 13,137,249
SHERIFF'S SEIZURE FUND				
Assets				
Cash and equivalents	\$ 238,487	\$ 12,297	\$ 24,215	\$ 226,569
Total assets	\$ 238,487	\$ 12,297	\$ 24,215	\$ 226,569
Liabilities				
Assets held for others	\$ 238,487	\$ 12,297	\$ 24,215	\$ 226,569
Total liabilities	\$ 238,487	\$ 12,297	\$ 24,215	\$ 226,569
WILLOW SWAMP WATER SHED FUND				
Assets				
Cash and equivalents	\$ 19,247	\$ 23,624	\$ 19,227	\$ 23,644
Total assets	\$ 19,247	\$ 23,624	\$ 19,227	\$ 23,644
Liabilities				
Assets held for others	\$ 19,247	\$ 4,397	\$ -	\$ 23,644
Total liabilities	\$ 19,247	\$ 4,397	\$ -	\$ 23,644
LAW OFFICER'S MEMORIAL FUND				
Assets				
Cash and equivalents	\$ 579	\$ 1	\$ -	\$ 580
Total assets	\$ 579	\$ 1	\$ -	\$ 580
Liabilities				
Assets held for others	\$ 579	\$ 1	\$ -	\$ 580
Total liabilities	\$ 579	\$ 1	\$ -	\$ 580
TREASURER FUND				
Assets				
Cash and equivalents	\$ 337,573	\$ 21,512,851	\$ 21,519,737	\$ 330,687
Accounts receivable, net	-	2,599	-	2,599
Total assets	\$ 337,573	\$ 21,515,450	\$ 21,519,737	\$ 333,286
Liabilities				
Accounts payable	\$ 8	\$ 44	\$ 8	\$ 44
Assets held for others	337,565	29,671,432	29,675,755	333,242
Total liabilities	\$ 337,573	\$ 29,671,476	\$ 29,675,763	\$ 333,286
14TH CIRCUIT COURT SOLICITOR FUND				
Assets				
Cash and equivalents	\$ 25,969	\$ 841,855	\$ 838,954	\$ 28,870
Accounts receivable, net	-	617	-	617
Total assets	\$ 25,969	\$ 842,472	\$ 838,954	\$ 29,487
Liabilities				
Accounts payable	\$ -	\$ 26,229	\$ -	\$ 26,229
Assets held for others	\$ 25,969	\$ 754,481	\$ 777,192	\$ 3,258
Total liabilities	\$ 25,969	\$ 780,710	\$ 777,192	\$ 29,487

COLLETON COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
DELINQUENT TAX FUND				
Assets				
Cash and equivalents	\$ 1,677,469	\$ 24,319,641	\$ 25,330,144	\$ 666,966
Total assets	<u>\$ 1,677,469</u>	<u>\$ 24,319,641</u>	<u>\$ 25,330,144</u>	<u>\$ 666,966</u>
Liabilities				
Assets held for others	\$ 1,677,469	\$ 8,267,653	\$ 9,278,156	\$ 666,966
Total liabilities	<u>\$ 1,677,469</u>	<u>\$ 8,267,653</u>	<u>\$ 9,278,156</u>	<u>\$ 666,966</u>
CLERK OF COURT FUND				
Assets				
Cash and equivalents	\$ 311,933	\$ 56,821	\$ 28,067	\$ 340,687
Total assets	<u>\$ 311,933</u>	<u>\$ 56,821</u>	<u>\$ 28,067</u>	<u>\$ 340,687</u>
Liabilities				
Assets held for others	\$ 311,933	\$ 56,821	\$ 28,067	\$ 340,687
Total liabilities	<u>\$ 311,933</u>	<u>\$ 56,821</u>	<u>\$ 28,067</u>	<u>\$ 340,687</u>
MAGISTRATE FUND				
Assets				
Cash and equivalents	\$ 77,348	\$ 28,380	\$ 2,167	\$ 103,561
Total assets	<u>\$ 77,348</u>	<u>\$ 28,380</u>	<u>\$ 2,167</u>	<u>\$ 103,561</u>
Liabilities				
Assets held for others	\$ 77,348	\$ 28,380	\$ 2,167	\$ 103,561
Total liabilities	<u>\$ 77,348</u>	<u>\$ 28,380</u>	<u>\$ 2,167</u>	<u>\$ 103,561</u>
PROBATE JUDGE FUND				
Assets				
Cash and equivalents	\$ 7,223	\$ 1	\$ -	\$ 7,224
Total assets	<u>\$ 7,223</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 7,224</u>
Liabilities				
Assets held for others	\$ 7,223	\$ 1	\$ -	\$ 7,224
Total liabilities	<u>\$ 7,223</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 7,224</u>
FIREMENS FUND				
Assets				
Cash and equivalents	\$ 84,388	\$ 279,538	\$ 284,192	\$ 79,734
Accounts receivable, net	-	139,882	-	139,882
Total assets	<u>\$ 84,388</u>	<u>\$ 419,420</u>	<u>\$ 284,192</u>	<u>\$ 219,616</u>
Liabilities				
Accounts payable	\$ 964	\$ 802	\$ 964	\$ 802
Assets held for others	83,424	419,420	284,030	218,814
Total liabilities	<u>\$ 84,388</u>	<u>\$ 420,222</u>	<u>\$ 284,994</u>	<u>\$ 219,616</u>
COLLETON COUNTY SCHOOL FUND				
Assets				
Cash and equivalents	\$ 7,574,791	\$ 102,079,429	\$ 98,468,591	\$ 11,185,629
Investments	10,000,000	1,524,075	11,524,075	-
Total assets	<u>\$ 17,574,791</u>	<u>\$ 103,603,504</u>	<u>\$ 109,992,666</u>	<u>\$ 11,185,629</u>
Liabilities				
Assets held for others	\$ 17,574,791	\$ 66,208,495	\$ 72,597,657	\$ 11,185,629
Total liabilities	<u>\$ 17,574,791</u>	<u>\$ 66,208,495</u>	<u>\$ 72,597,657</u>	<u>\$ 11,185,629</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, 2016**

	General	Capital Projects	Debt Service	Total
Assets				
Cash and equivalents	\$ 380,717	\$ -	\$ 70,325	\$ 451,042
Receivables, net of allowances	2,542,135	-	220,918	2,763,053
Total assets	<u>\$ 2,922,852</u>	<u>\$ -</u>	<u>\$ 291,243</u>	<u>\$ 3,214,095</u>
Liabilities				
Accounts payable	\$ 206,728	\$ -	\$ -	\$ 206,728
Accrued payroll liabilities	327,912	-	-	327,912
Total liabilities	<u>534,640</u>	<u>-</u>	<u>-</u>	<u>534,640</u>
Deferred Inflows of Resources				
Unavailable revenue-property taxes	255,694	-	153,725	409,419
Unavailable revenue-fees	2,006,833	-	-	2,006,833
Total deferred inflows of resources	<u>2,262,527</u>	<u>-</u>	<u>153,725</u>	<u>2,416,252</u>
Fund Balances				
Restricted	-	-	137,518	137,518
Unassigned	125,685	-	-	125,685
Total fund balances	<u>125,685</u>	<u>-</u>	<u>137,518</u>	<u>263,203</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,922,852</u>	<u>\$ -</u>	<u>\$ 291,243</u>	<u>\$ 3,214,095</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, 2016**

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

Total fund balance - fire and rescue commission	\$	263,203
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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	\$	440,536	
Construction in progress		88,629	
Buildings & improvements, net of accumulated depreciation of \$1,752,000		5,156,991	
Other improvements, net of accumulated depreciation of \$110,260		37,272	
Equipment & vehicles, net of accumulated depreciation of \$13,317,323		5,524,683	
			11,248,111

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

Property taxes		409,419	
EMS fee receivables		2,006,833	
			2,416,252

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		896,510	
Deferred inflows related to pensions		(10,507)	
Total deferred outflows and inflows of resources			886,003

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

138,995

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		(5,700,000)	
Capital Lease		(2,484,043)	
Compensated absences		(250,343)	
Accrued interest		(91,476)	
Net pension liability		(8,012,024)	
OPEB obligation		(296,901)	
			(16,834,787)

Total net position - governmental activities	\$	(1,882,223)
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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, 2016**

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total</u>
Revenues				
Taxes	\$ 3,231,837	\$ -	\$ 2,153,254	\$ 5,385,091
Intergovernmental revenues	3,090,925	-	-	3,090,925
Fees	1,456,948	-	-	1,456,948
Other income	872	-	1,103	1,975
Total revenues	<u>7,780,582</u>	<u>-</u>	<u>2,154,357</u>	<u>9,934,939</u>
Expenditures				
Current				
Public safety	7,999,206	5,745	-	8,004,951
Capital outlay				
Public Safety	5,940	-	-	5,940
Debt service				
Principal retirement	-	-	1,609,592	1,609,592
Interest payments	-	-	233,477	233,477
Total expenditures	<u>8,005,146</u>	<u>5,745</u>	<u>1,843,069</u>	<u>9,853,960</u>
Excess (deficiency) of revenues over expenditures	<u>(224,564)</u>	<u>(5,745)</u>	<u>311,288</u>	<u>80,979</u>
Other financing sources (uses)				
Proceeds from insurance settlements	3,268	-	-	3,268
Transfers in	420,727	-	-	420,727
Transfers out	-	(418)	(420,309)	(420,727)
Total other financing sources (uses)	<u>423,995</u>	<u>(418)</u>	<u>(420,309)</u>	<u>3,268</u>
Net change in fund balances	199,431	(6,163)	(109,021)	84,247
Fund balances, beginning of year	(73,746)	6,163	246,539	178,956
Fund balances, end of year	<u>\$ 125,685</u>	<u>\$ -</u>	<u>\$ 137,518</u>	<u>\$ 263,203</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, 2016**

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

Total net change in fund balance - fire and rescue commission \$ 84,247

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays was less than depreciation in the current period.

Capital outlay	\$ 5,940	
Loss on disposal of capital assets	(13,638)	
Depreciation expense	<u>(1,377,343)</u>	(1,385,041)

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	(151,207)	
EMS fees receivable	<u>472,562</u>	321,355

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	12,728	
OPEB obligation	(38,336)	
Accrued interest	18,284	
Pension expenses	<u>26,375</u>	19,051

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		1,609,592
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Disbursements for insurance policies that cover periods extending beyond year-end are expenditures in the governmental funds but are deferred and amortized over the policy period in the statement of net position.

		<u>902</u>
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Changes in net position of governmental activities	\$	<u><u>650,106</u></u>
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**COLLETON COUNTY, SOUTH CAROLINA
COMPONENT UNIT - FIRE AND RESCUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Taxes	\$ 5,266,360	\$ 5,266,360	\$ 5,385,091	\$ 118,731
Intergovernmental revenues	3,068,647	3,090,926	3,090,925	(1)
Fees	1,630,242	1,707,258	1,456,948	(250,310)
Other income	5,000	324,474	1,975	(322,499)
Total revenues	<u>9,970,249</u>	<u>10,389,018</u>	<u>9,934,939</u>	<u>(454,079)</u>
Expenditures				
Current				
Public safety	7,939,221	8,116,994	8,004,951	112,043
Capital outlay				
Public safety	-	9,323	5,940	3,383
Debt Service				
Principal retirement	1,609,663	1,609,663	1,609,592	71
Interest and fiscal charges	233,408	233,408	233,477	(69)
Total expenditures	<u>9,782,292</u>	<u>9,969,388</u>	<u>9,853,960</u>	<u>115,428</u>
Excess (deficiency) of revenues over (under) expenditures	<u>187,957</u>	<u>419,630</u>	<u>80,979</u>	<u>(338,651)</u>
Other financing sources (uses)				
Proceeds from insurance settlements	-	1,097	3,268	2,171
Transfers in	-	-	420,727	420,727
Transfers out	-	(420,727)	(420,727)	-
Total other financing sources (uses)	<u>-</u>	<u>(419,630)</u>	<u>3,268</u>	<u>422,898</u>
Net change in fund balances	187,957	-	84,247	84,247
Fund balances, beginning of year	178,956	178,956	178,956	-
Fund balances, end of year	<u>\$ 366,913</u>	<u>\$ 178,956</u>	<u>\$ 263,203</u>	<u>\$ 84,247</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, 2016**

	General Fund	Special Revenue Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and equivalents	\$ 79,519	\$ 1,112	\$ 80,631
Receivables, net of allowances	1,941	-	1,941
Total assets	<u>\$ 81,460</u>	<u>\$ 1,112</u>	<u>\$ 82,572</u>
Liabilities			
Accounts payable	\$ 21,674	\$ 604	\$ 22,278
Accrued payroll and benefits	22,652	-	22,652
Unearned revenues	13,360	-	13,360
Total liabilities	<u>57,686</u>	<u>604</u>	<u>58,290</u>
Fund Balances			
Assigned	-	508	508
Unassigned	23,774	-	23,774
Total fund balances	<u>23,774</u>	<u>508</u>	<u>24,282</u>
Total liabilities and fund balances	<u>\$ 81,460</u>	<u>\$ 1,112</u>	<u>\$ 82,572</u>

**COLLETON COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
MEMORIAL LIBRARY
JUNE 30, 2016**

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

Total fund balance - Memorial Library	\$	24,282
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 \$1,783,027	\$ 194,360	
Equipment & vehicles, net of accumulated depreciation of \$211,658	<u>3,062</u>	
		197,422
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	51,478	
Deferred inflows related to pensions	<u>(11,287)</u>	
Total deferred outflows and inflows of resources		40,191
Disbursements for insurance coverage reflected in the funds cover periods extending beyond year-end		
		8,127
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	(21,595)	
OPEB Obligation	(181,314)	
Net pension liability	<u>(635,958)</u>	
		<u>(838,867)</u>
Total net position - governmental activities	\$	<u><u>(568,845)</u></u>

**COLLETON COUNTY, SOUTH CAROLINA
 COMPONENT UNIT - MEMORIAL LIBRARY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016**

	General Fund	Special Revenue Fund	Total
Revenues			
Intergovernmental revenues	\$ 575,820	\$ 75,000	\$ 650,820
Fines and	30,037	-	30,037
Other income	46,238	22	46,260
Total revenues	<u>652,095</u>	<u>75,022</u>	<u>727,117</u>
Expenditures			
Current			
Recreation and culture	570,760	67,399	638,159
Capital outlay			
Recreation and culture	84,794	-	84,794
Total expenditures	<u>655,554</u>	<u>67,399</u>	<u>722,953</u>
Excess (deficiency) of revenues over expenditures	<u>(3,459)</u>	<u>7,623</u>	<u>4,164</u>
Other financing sources (uses)			
Transfers in	7,600	-	7,600
Transfers out	-	(7,600)	(7,600)
Total other financing sources (uses)	<u>7,600</u>	<u>(7,600)</u>	<u>-</u>
Net change in fund balances	4,141	23	4,164
Fund balances, beginning of year	19,633	485	20,118
Fund balances, end of year	<u>\$ 23,774</u>	<u>\$ 508</u>	<u>\$ 24,282</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, 2016

Total net change in fund balance - Memorial Library \$ 4,164

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	\$ 84,793	
Depreciation expense	(88,098)	
		(3,305)

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	632	
OPEB obligation	(38,083)	
Pension expense	5,966	
		(31,485)

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.

(1,056)

Changes in net position of governmental activities

\$ (31,682)

**COLLETON COUNTY, SOUTH CAROLINA
 COMPONENT UNIT - MEMORIAL LIBRARY
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance with final
	Original	Final		budget - positive (negative)
Revenues				
Intergovernmental revenues	\$ 622,493	\$ 650,835	\$ 650,820	\$ (15)
Fines, fees, and service charges	-	-	30,037	30,037
Other income	-	43,037	46,260	3,223
Total revenues	<u>622,493</u>	<u>693,872</u>	<u>727,117</u>	<u>33,245</u>
Expenditures				
Current				
Recreation and culture	622,493	693,872	638,159	55,713
Capital outlay				
Recreation and culture	-	-	84,794	(84,794)
Total expenditures	<u>622,493</u>	<u>693,872</u>	<u>722,953</u>	<u>(29,081)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>4,164</u>	<u>4,164</u>
Other financing sources (uses)				
Transfers in	-	7,600	7,600	-
Transfers out	-	(7,600)	(7,600)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	4,164	4,164
Fund balances, beginning of year	<u>20,118</u>	<u>20,118</u>	<u>20,118</u>	<u>-</u>
Fund balances, end of year	<u>\$ 20,118</u>	<u>\$ 20,118</u>	<u>\$ 24,282</u>	<u>\$ 4,164</u>

NOTES TO REQUIRED SUPPLEMENTARY SCHEDULE:

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

**COLLETON COUNTY, SOUTH CAROLINA
SCHEDULE OF COURT FINES, ASSESSMENTS, AND SURCHARGES
FOR THE YEAR ENDED JUNE 30, 2016**

Court fines, surcharges, and assessments		
Collected	\$	1,345,835
Remitted to State Treasurer		(520,762)
Retained by County	\$	<u>825,073</u>
Fines, surcharges and assessments retained by County		
General fund	\$	542,455
Other agencies		34,054
Victims' advocate services		54,456
Total surcharges and assessments	\$	<u>630,965</u>
Funds allocated to victims' advocate service		
Carryover funds from prior year	\$	126,381
Other income		9,181
Interest earned		282
Surcharges and assessments retained		57,782
Expenditures for victims advocate retained		(58,612)
Balance of victims funds at end of year	\$	<u>135,014</u>

STATISTICAL SECTION

COLLETON COUNTY, SOUTH CAROLINA

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	109-112
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	113-115
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	116-121
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help comparisons over time and with other governments.	122-123
Operating Information These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	124-126

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

**COLLETON COUNTY, SOUTH CAROLINA
NET POSITION BY COMPONENTS
LAST TEN FISCAL YEARS**

Schedule 1

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 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	\$ 31,778,627
Restricted	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	17,017,936
Unrestricted	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)	(11,885,105)
Total Governmental Activities Net Position	<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>	<u>\$ 36,911,458</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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities:										
General government	\$ 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	\$ 9,227,968
Judicial	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	5,871,221
Public safety	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	8,319,638
Roads and bridges	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	6,405,248
Solid Waste	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	2,418,936
Recreation and culture	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	2,627,302
Health and human services	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	1,908,438
Economic development	353,263	402,344	637,276	259,688	380,812	2,027,728	3,373,628	1,569,363	1,568,862	1,650,684
Intergovernmental	320,196	638,346	262,917	250,113	3,485,734	3,130,391	3,360,676	3,661,372	3,836,524	5,590,873
Interest and fiscal charges	875,038	714,427	740,453	3,422,305	655,432	560,225	500,152	437,611	469,185	895,063
Total Expenses	<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>	<u>44,915,371</u>
Revenues										
Governmental Activities:										
Program Revenues										
Charges for Services:										
General government	475,461	560,509	594,443	461,919	434,053	407,482	483,659	568,195	531,064	1,231,180
Judicial	526,510	531,060	354,456	845,808	3,052,629	2,852,878	2,769,668	1,159,451	1,117,461	1,058,359
Public safety	1,331,084	1,390,379	1,342,620	149,508	512,453	352,108	364,705	357,982	342,051	282,939
Streets and highways	-	-	762,092	979,340	913,889	964,525	1,015,102	911,965	895,833	934,318
Sanitation	467,428	508,640	399,346	1,106,419	1,443,781	1,150,138	1,636,460	1,737,436	1,802,512	2,071,414
Recreation and culture	85,368	130,601	3,570	-	160,145	175,987	210,835	330,566	326,236	464,510
Health and human services	-	497,112	-	139,036	708,738	725,761	627,354	633,729	33,107	25,911
Economic development	-	-	-	295,251	-	-	-	1,541,360	677,045	-
Operating Grants and Contributions	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	11,726,799
Capital Grants and Contributions	129,862	174,643	440,452	621,186	3,181,056	1,438,292	-	-	4,473,000	-
General Revenues										
Taxes	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	27,045,537
Grants and contributions not restricted to specific program	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	1,875,873
Interest and investment earnings	745,946	525,192	132,325	52,452	89,429	79,474	-	-	-	-
Miscellaneous	8,807	157,455	47,202	108,356	24,912	311,507	271,784	438,004	428,830	724,951
Gain (loss) on sale of assets	-	45,847	45,728	95,889	129,976	227,984	66,667	-	-	-
Transfers in (out)	170,210	-	-	-	-	-	(52,796)	90,713	-	-
Total Revenues	<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>	<u>47,441,791</u>
Change in net position	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	2,526,420
Net Position-Beginning	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	34,832,946
Prior Period Adjustment	-	-	-	-	-	-	(186,511)	6,861,325	(22,101,740)	(447,908)
Net Position-Ending	<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>	<u>\$ 36,911,458</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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
GENERAL FUND										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 2,442	\$ 6,718	\$ 6,076	\$ 14,004	\$ 10,534	\$ 11,570
Restricted	12,190	4,512	7,092	2,592	-	204,307	2,101	362,911	363,272	363,636
Assigned	-	-	-	-	-	-	-	695,942	893,097	968,193
Unassigned	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	7,085,015
Total General Fund	<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>	<u>\$ 8,428,414</u>
ECONOMIC DEVELOPMENT AND CAPITAL IMPROVEMENTS FUND										
Nonspendable	\$ 2,237,674	\$ 4,123,586	\$ 2,737,489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Economic Development Fund	<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>	<u>\$ -</u>
CAPITAL PROJECTS FUND										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,700,933	\$ 2,922,238	\$ -
Restricted	-	-	-	-	-	-	-	5,214,418	4,954,705	10,170,294
Committed	-	-	-	-	-	-	-	4,221,199	34,062,547	29,554,382
Total Economic Development Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,136,550</u>	<u>\$ 41,939,490</u>	<u>\$ 39,724,676</u>				
2005 BOND FUND										
Nonspendable	\$ 1,066,216	\$ 135,200	\$ 1,061	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Economic Development Fund	<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>	<u>\$ -</u>
ALL OTHER GOVERNMENTAL FUNDS										
Restricted	\$ 355,864	\$ 366,834	\$ 369,375	\$ 1,825,429	\$ 4,752,641	\$ 4,338,743	\$ 7,728,952	\$ 2,027,489	\$ 1,497,835	\$ 6,484,006
Committed	270,844	320,844	348,042	356,323	722,624	1,873,050	3,136,266	1,238,084	831,384	573,094
Nonspendable	-	-	-	-	-	-	567,675	38,487	-	-
Assigned	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	1,485,895
Total All Other Governmental Funds	<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>	<u>\$ 8,542,995</u>

Source: County Audit Reports

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$ 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	\$ 27,396,764
Licenses and permits	151,555	223,315	156,842	-	-	-	-	-	-	-
Fines and fees	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	13,602,672
Intergovernmental	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	6,030,559
Interest	741,997	525,308	132,442	97,238	89,338	79,470	-	-	-	-
Other	128,524	297,356	298,610	139,684	124,420	515,179	173,666	300,227	302,635	627,055
Total Revenues	<u>28,055,229</u>	<u>28,789,293</u>	<u>30,669,547</u>	<u>31,004,118</u>	<u>34,403,492</u>	<u>34,205,006</u>	<u>35,670,908</u>	<u>39,900,584</u>	<u>37,488,525</u>	<u>47,657,050</u>
Expenditures										
Current:										
General government	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	8,705,075
Judicial	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	5,275,752
Public safety	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	7,348,907
Streets and highways	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	5,644,622
Sanitation	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	2,127,950
Recreation and culture	983,338	1,127,037	1,179,546	758,729	761,261	872,178	1,055,271	1,300,883	2,462,699	2,038,864
Health and human services	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	1,780,141
Economic development	300,050	389,283	622,021	2,844,242	235,493	1,864,496	3,101,594	1,097,322	1,110,361	1,186,504
Intergovernmental	320,194	594,082	218,773	3,227,967	3,441,590	6,006,861	3,360,676	3,661,372	3,836,524	5,590,873
Capital Outlay	5,153,267	2,970,732	2,996,675	63,109	5,424,846	5,315,933	3,082,720	3,332,868	7,569,037	3,178,051
Debt Service										
Principal	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	2,286,585
Interest	873,360	727,785	763,115	675,223	676,249	388,136	536,892	466,532	393,567	768,914
Total Expenditures	<u>31,164,921</u>	<u>30,895,616</u>	<u>30,280,583</u>	<u>33,935,842</u>	<u>33,862,483</u>	<u>41,142,879</u>	<u>38,363,543</u>	<u>42,128,783</u>	<u>46,848,525</u>	<u>45,932,238</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,109,692)</u>	<u>(2,106,323)</u>	<u>388,964</u>	<u>(2,931,724)</u>	<u>541,009</u>	<u>(6,937,873)</u>	<u>(2,692,635)</u>	<u>(2,228,199)</u>	<u>(9,360,000)</u>	<u>1,724,812</u>
Other Financing Sources (Uses)										
Proceeds from sale of property	58,606	48,028	18,492	9,441	39,330	53,082	66,667	90,713	46,578	184,544
Debt proceeds	-	4,000,000	-	1,462,500	2,452,446	6,519,794	-	-	33,362,384	5,395,000
Donation of capital asset	-	-	-	-	-	-	-	-	4,473,000	-
Legal settlement	-	-	-	-	-	-	-	-	7,411	-
Debt payments	-	(1,314,241)	-	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-	-	-	51,278
Payment to refund debt escrow	-	-	-	-	-	-	-	-	-	(3,710,000)
Gain/loss on sale of asset	-	-	-	-	-	-	-	-	-	5,295
Insurance proceeds	-	4,800	31,343	87,372	112,399	177,318	98,118	137,777	72,206	137,487
Transfers in	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	8,423,212
Transfers out	(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)	(8,423,212)
Total other financing sources (uses)	<u>58,606</u>	<u>2,738,587</u>	<u>49,835</u>	<u>1,560,163</u>	<u>2,604,176</u>	<u>6,750,194</u>	<u>111,989</u>	<u>228,490</u>	<u>37,961,579</u>	<u>2,063,604</u>
Net Change in Fund Balances	(3,051,086)	632,264	438,799	(1,371,561)	3,145,185	(187,679)	(2,580,646)	(1,999,709)	28,601,579	3,788,416
Other changes in fund balance	205,210	-	-	-	-	2,669,997	513,218	6,781,381	-	-
Fund Balances, Beginning	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	52,907,669
Fund Balances, Ending	<u>\$ 16,264,841</u>	<u>\$ 16,897,105</u>	<u>\$ 17,335,904</u>	<u>\$ 15,964,343</u>	<u>\$ 19,109,528</u>	<u>\$ 21,591,846</u>	<u>\$ 19,524,418</u>	<u>\$ 24,306,090</u>	<u>\$ 52,907,669</u>	<u>\$ 56,696,085</u>
Debt service as a percentage of noncapital expenditures	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
	REAL PROPERTY	PERSONAL PROPERTY	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	TOTAL	RATE
JUNE 30, 2007	\$ 121,292,503	\$ 42,168,888	\$ 163,461,391	\$ 1,708,084,265	\$ 599,017,219	\$ 2,307,101,484	113.60
2008	126,823,441	41,473,101	168,296,542	1,729,360,519	591,825,021	2,321,185,540	115.60
2009	129,036,420	40,735,379	169,771,799	1,965,699,616	607,984,487	2,573,684,103	116.20
2010	123,603,434	41,435,519	165,038,953	2,977,709,647 **	608,617,821	3,586,327,468	116.20
2011	135,718,521 *	43,267,945 *	178,986,466 *	4,946,871,251 *	640,058,358 *	5,586,929,609 *	113.27
2012	127,313,207	44,104,392	171,417,599	3,677,625,787	561,477,710	4,239,103,497	115.86
2013	124,529,285	45,681,967	170,211,252	3,677,288,314	577,742,213	4,255,030,527	115.86
2014	124,290,470	46,322,848	170,613,318	3,675,411,178	542,309,703	4,217,720,881	115.86
2015	124,833,360	38,508,140	163,341,500	3,743,314,532	459,532,616	4,202,847,148	115.86
2016	125,463,400	41,403,580	166,866,980	3,792,357,210	512,687,036	4,305,044,246	125.05

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* Reassessment Year.

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

Data Source: County Auditor

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

Schedule 6

FISCAL YEAR ENDED JUNE 30,	COUNTY DIRECT RATES			OVERLAPPING RATES					
	COUNTY OPERATIONS	COUNTY DEBT	TOTAL DIRECT RATE	SCHOOL OPERATIONS	SCHOOL DEBT SERVICE	COUNTY FIRE PROTECTION	COUNTY FIRE DEBT SERVICE	TOWN OF EDISTO BEACH	CITY OF WALTERBORO
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
2016	114.81	10.24	125.05	110.42	49.50	33.56	22.66	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	2016			2007			
	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	\$ 7,717,580	1	4.52%	N/A	-	N/A	%
Coastal Electric Coop	2,627,360	2	1.54%	N/A	-	N/A	
Walterboro Community Hospital	893,670	3	0.52%	N/A	-	N/A	
CSX Transportation, Inc	823,110	4	0.48%	N/A	-	N/A	
Central Electric Power Coop	797,100	5	0.47%	N/A	-	N/A	
Wal-Mart Real Estate	765,000	6	0.45%	N/A	-	N/A	
Cherokee Plantation Owners LLC	569,380	7	0.33%	N/A	-	N/A	
Dayco Products LLC	417,370	8	0.24%	N/A	-	N/A	
Hinesville Shopping LLC	387,300	9	0.23%	N/A	-	N/A	
Comcast Cablevision of Carolina Inc.	346,960	10	0.20%	N/A	-	N/A	
Total	<u>\$ 15,344,830</u>		<u>8.98%</u>	<u>\$ -</u>		<u>-</u>	<u>%</u>

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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
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	856,039	47,048,219	98.02
2015	14,791,090	13,733,646	92.85	796,980	14,530,626	98.24
2016	16,482,359	15,385,339	93.34	-	15,385,339	93.34

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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			
2007	\$ 10,351,955	\$ 1,382,306	\$ 1,722,722	\$ 3,248,956	\$ 16,705,939	16.03	\$ 431
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	33.86	1,120.39
2016	38,989,949	880,032	1,854,089	-	41,724,070	33.39	1,105.83

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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

FISCAL YEAR ENDED JUNE 30,	GENERAL OBLIGATION BONDS	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUNDS	TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
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
2016	38,989,949	5,496,753	33,493,196	20.1	888

**COLLETON COUNTY, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2016**

<u>GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE</u>	<u>ESTIMATED SHARE OF OVERLAPPING DEBT</u>
Debt repaid with property taxes			
Colleton County School District	\$ 88,122,315	100.00%	\$ 88,122,315
Fire and Rescue Commission	8,184,043	100.00%	8,184,043
City of Walterboro	2,883,054	20.00%	576,611
Subtotal overlapping debt	<u>99,189,412</u>		<u>96,882,969</u>
County direct debt	<u>41,724,070</u>	100.00%	<u>41,724,070</u>
Total direct and overlapping debt	<u><u>\$ 140,913,482</u></u>		<u><u>\$ 138,607,039</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 2016

Assessed Value	\$ 166,866,980
Debt limit (8% of assessed value)	13,349,358
Debt applicable to limit:	
General Obligation	<u>8,758,832</u>
Total net debt applicable to limit	<u>8,758,832</u>
Legal Debt Margin	<u><u>\$ 4,590,526</u></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>	<u>2016</u>
Debt Limit	\$ 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	\$ 13,349,358
Total net debt applicable to limit	<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>	<u>8,758,832</u>
Legal debt margin	<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>	<u><u>\$ 4,590,526</u></u>
Total net debt applicable to the limit as a percentage of debt limit %	<u><u>79.16%</u></u>	<u><u>68.51%</u></u>	<u><u>58.59%</u></u>	<u><u>53.07%</u></u>	<u><u>60.73%</u></u>	<u><u>81.50%</u></u>	<u><u>69.09%</u></u>	<u><u>44.76%</u></u>	<u><u>36.27%</u></u>	<u><u>65.61%</u></u>

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

Source: County Audit Report
County Auditor

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

FISCAL YEAR ENDED JUNE 30,	DEBT SERVICE COLLECTIONS	DEBT SERVICE		COVERAGE
		PRINCIPAL	INTEREST	
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
2016	5,487,307	1,425,000	573,371	2.75

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

FISCAL YEAR ENDED JUNE 30,	POPULATION	PERSONAL INCOME (thousands of dollars)	PER CAPITA PERSONAL INCOME	MEDIAN AGE	SCHOOL ENROLLMENT	UNEMPLOYMENT RATE %
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	1,249,641	33,120	40.0	5,713	7.5
2016	37,731	1,249,641	33,120	41.5	6,545	6.1

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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

EMPLOYER	2016			2007		
	FTE EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
Colleton County School District	932	1	5.7 %	N/A		N/A %
Walmart	476	2	2.9	N/A		N/A
Colleton County Government	392	3	2.4	N/A		N/A
Colleton Medical Center	335	4	2.0	N/A		N/A
Dayco Products LLC	140	5	0.9	N/A		N/A
Carolina Visuals LLC	140	9	0.9	N/A		N/A
Sarlaflex	120	7	0.7	N/A		N/A
SCE&G	120	8	0.7	N/A		N/A
City of Walterboro	109	6	0.7	N/A		N/A
Crescent Dairy	60	10	0.4	N/A		N/A
Total	<u>2,824</u>		<u>17.3</u>	<u>-</u>		<u>-</u>

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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

FUNCTION/PROGRAM	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government	85.5	89.0	88.5	81.5	87.5	85.5	93.0	77.0	76.5	84.0
Judicial	21.5	20.5	20.0	19.5	20.0	20.0	18.5	58.0	55.0	78.0
Public Safety	130.0	135.0	135.0	134.5	132.5	133.0	132.0	116.0	103.0	135.0
Roads and Bridges	28.5	28.5	28.5	28.5	28.5	27.5	27.5	17.0	15.0	25.0
Solid Waste	15.0	15.0	14.5	14.5	15.5	15.5	15.5	12.0	23.5	44.0
Recreation and Culture	8.0	9.5	9.0	9.0	9.0	10.0	9.0	13.0	15.0	28.0
Health and Human Services	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2.0	6.0	17.0
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	10.5	10.5	10.5	10.5	10.5	9.0	8.5	11.0
Library	1.5	1.5	1.5	1.5	2.5	4.0	5.0	10.0	12.5	16.0
Fire and Rescue	68.5	69.0	69.0	69.0	77.0	75.5	77.5	76.0	77.5	82.0
Total	372.0	381.5	380.0	372.0	386.5	385.0	392.0	392.0	394.5	522.0

Source: County Human Resources Dept.

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

Schedule 17

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
GENERAL GOVERNMENT	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
JUDICIAL	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PUBLIC SAFETY	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EMS Transports	N/A	N/A	N/A	N/A	N/A	N/A	4,878	4,881	5,225	5,155
STREETS AND HIGHWAYS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SANITATION	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
RECREATION AND CULTURE	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HEALTH & HUMAN SERVICES	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ECONOMIC DEVELOPMENT	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A - INFORMATION IS NOT AVAILABLE. 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>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>	<u>2016</u>
RECREATION AND CULTURE										
Community Centers	N/A	N/A	N/A	N/A	N/A	N/A	13	13	13	13
Recreation Complex	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1	1
Golf Course	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1
EMERGENCY SERVICES:										
Number of fire stations	30	30	30	30	30	30	33	34	34	34
Number of fire trucks	92	97	106	105	108	109	119	106	106	115
Number of Ambulances	9	9	10	10	10	11	12	12	12	16
STREETS AND HIGHWAYS										
Miles of roads	N/A	N/A	N/A	347.8	347.8	347.8	347.8	362.7	362.7	362.7
Collection sites	11	13	13	13	13	13	13	13	13	13
SHERIFF:										
Patrol units	86	86	86	86	86	86	86	86	86	92
HEALTH, EDUCATION & WELFARE										
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 30,2016**

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures	Sub-Recipient
U.S. Department of Agriculture:				
Passed through S.C. Department of Social Services Child and Adult Care Food Program	10.558	AR20260	\$ 58,524	\$ -
	Total 10.558		<u>58,524</u>	<u>-</u>
Passed through S.C. Department of Education Office of Health & Nutrition Summer Food Service Program for Children	10.559	SF-134	291,634	-
Summer Food Service Program for Children	10.559	SF-6388	197,993	-
	Total 10.559		<u>489,627</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>548,151</u>	<u>-</u>
U.S. Department of Commerce:				
Direct EDA Economic Adjustment Program	11.307	04-79-07083	5,877	-
Total U.S. Department of Commerce			<u>5,877</u>	<u>-</u>
U.S. Department of Housing and Urban Development:				
Passed through S. C. Department of Commerce: Community Development Block Grants-Booster Pump	14.228	4-A-15-001	9,000	-
Community Development Block Grants-Bama Road	14.228	4-CI-15-009	8,000	-
	Total 14.228		<u>17,000</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>17,000</u>	<u>-</u>
U.S. Department of Justice:				
Direct Federal Equitable Sharing Program	16.922	N/A	123,293	-
Passed through S.C. Department of Public Safety Victims of Crime Act Grant (JAG)	16.575	1V14127	32,000	-
Victims of Crime Act Grant (JAG)	16.575	1V15154	68,816	-
			<u>100,816</u>	<u>-</u>
Direct State Criminal Alien Assistance Program	16.606	2015-AP-BX-0339	87	-
Direct Bulletproof Vest Partnership Program	16.607	N/A	2,083	-
Direct Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	2015-DJ-BX-0283	13,945	-
Passed through S.C. Department of Public Safety Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	1G14038	145,161	-
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	1G14033	62,745	-
	Total 16.738		<u>221,851</u>	<u>-</u>
Total U.S. Department of Justice			<u>448,131</u>	<u>-</u>

**COLLETON COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30,2016**

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures	Sub-Recipient
U. S. Department of Transportation:				
Direct				
Airport Improvement Program Grant	20.106	3-45-0057-014-2015	\$ -	\$ 228,148
Passed through S.C. Department of Public Safety				
State and Community Highway Safety Grant	20.600	PT-2016-HS-34-16	39,037	-
14th Judicial Circuit Law Enforcement Network Grant	20.600	2JC15014	16,236	-
	Total 20.600		<u>55,273</u>	<u>-</u>
Passed through S.C. Emergency Management Agency				
Hazardous Materials Emergency Preparedness Training and Planning Grants	20.703	HM_HMP-0477-15-01-00	700	-
			<u>55,973</u>	<u>228,148</u>
Total U. S. Department of Transportation				
U.S. Department of Homeland Security:				
Passed through S.C. Emergency Management Agency				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	029-99029-00	91,827	-
	Total 97.036		<u>91,827</u>	<u>-</u>
2013 Emergency Management Performance Grant	97.042	15EMPG01	48,234	-
2014 Emergency Management Performance Grant	97.042	14EMPG01	11,871	-
	Total 97.042		<u>60,105</u>	<u>-</u>
			<u>151,932</u>	<u>-</u>
Total U.S. Department of Homeland Security				
U.S. Department of Health and Human Services:				
Passed through S.C. Department of Social Services				
Child Support Enforcement IV-D Incentive Payments	93.563	C70015C-4	40,608	-
Child Support Enforcement IV-D Sheriff's Department	93.563	C70061C-3	11,286	-
Child Support Enforcement IV-D Family Court	93.563	C70015C-3	118,679	-
	Total 93.563		<u>170,573</u>	<u>-</u>
			<u>170,573</u>	<u>-</u>
Total U.S. Department of Health and Human Services				
U.S. Institute of Museum Library Services				
Passed through S. C. State Library				
LSTA Sub Grant: Conference Attendance Grant	45.310	IIIA-15-24	410	-
LSTA Sub Grant: Conference Attendance Grant	45.310	IIIA-14-514-517	387	-
LSTA Sub Grant: Conference Attendance Grant	45.310	IIIA-15-21	941	-
LSTA Project IID: Summer Reading Resource Grant	45.310	IIID-14-129	150	-
LSTA Project IID: Summer Reading Resource Grant	45.310	IID-15-138	1,000	-
	Total 45.310		<u>2,888</u>	<u>-</u>
			<u>2,888</u>	<u>-</u>
Total U.S. Institute of Museum Library Services				
Total Expenditures of Federal Awards			<u>\$ 1,400,525</u>	<u>\$ 228,148</u>

COLLETON COUNTY, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Colleton County, South Carolina (the County) under programs of the federal government for the year ended June 30, 2016. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 MEASUREMENT FOCUS

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

NOTE 4 PROGRAM TYPE DETERMINATION

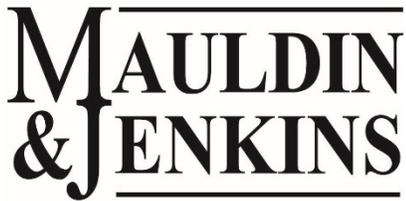
Type A programs are defined as federal programs with federal expenditures exceeding the larger of \$750,000 or three percent of total federal expenditures. The threshold of \$750,000 was used in distinguishing between Type A and Type B programs.

NOTE 5 METHOD OF MAJOR PROGRAM SELECTION

The risk based approach was used in the selection of federal programs to be tested as major programs. The County did not qualify as a low-risk auditee for the fiscal year ended June 30, 2016.

NOTE 6 SUBRECIPIENTS

During the fiscal year ended June 30, 2016, the County passed through funds received from the U.S. Department of Transportation Airport Improvement Grant to the Colleton County Airport Commission that were used to layout and plan for apron drainage design and repair study.



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Colleton County, South Carolina (the "County"), as of and for the year ended June 30, 2016, 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 16, 2016. Our report includes a reference to other auditors who audited the financial statements of the Colleton County Commission on Alcohol and Drug Abuse, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the 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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2016-001 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

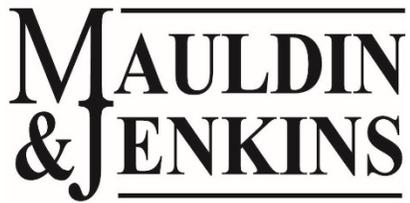
Colleton County, South Carolina's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express 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 16, 2016



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

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

Report on Compliance for Each Major Federal Program

We have audited Colleton County, South Carolina's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2016. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

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

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



Macon, Georgia
December 16, 2016

COLLETON COUNTY, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unmodified

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

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

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

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

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

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.559	U.S. Department of Agriculture – Summer Food Service Program for Children
16.738	U.S. Department of Justice – Edward Byrne Memorial Justice Assistance Grant (JAG)

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

Auditee qualified as low-risk auditee? Yes No

COLLETON COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2016-001. Management of Capital Assets

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

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

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

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

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

Recommendation: We recommend the County, Library, and 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 have established 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 FISCAL YEAR ENDED JUNE 30, 2016

SECTION IV
SCHEDULE OF PRIOR YEAR FINDINGS

2015-001

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.

Status: The above finding was not corrected for the fiscal year ended June 30, 2016. See finding 2016-001.

COLLETON COUNTY, SOUTH CAROLINA

MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

2016-001. Management of Capital Assets

Name of the Contact Person Responsible for the Corrective Action Plan: Jon Carpenter, Finance Director

Corrective Action Plan: We have undertaken a complete review of all depreciable assets that were in service as of June 30, 2016 and verified depreciation based on the applicable useful life being recorded. In addition, we added a secondary verification step that occurs after an asset is added to the capital asset accounting system to verify that the asset is being depreciated over the correct useful life as dictated by our financial policies.

Anticipated Completion Date: In place.