



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2014**

COUNTY COUNCIL

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

COUNTY ADMINISTRATOR

Kevin Griffin

CHIEF FINANCIAL OFFICER

Dennis E. Averkin

PREPARED BY:
FINANCE DEPARTMENT

Colleton County, South Carolina Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2014

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	7
List of Principal Officers	8
FINANCIAL SECTION	
Independent Auditors' Report	9
Management's Discussion and Analysis	12
Basic Financial Statements	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Position	22
Statement of Activities	23
<i>Fund Financial Statements:</i>	
Balance Sheet - Governmental Funds	24
Reconciliation of the Balance Sheet of Governmental Funds to Statement of Net Position	25
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds to the Statement of Activities	27
Statement of Fiduciary Assets and Liabilities	28
<i>Notes to the Financial Statements</i>	29
Required Supplementary Information:	
Budgetary Comparison Schedule - General Fund	56
Schedule of Funding Progress	57
Other Supplementary Information	
<i>Combining Individual Fund Statements and Schedules:</i>	
Combining Balance Sheet - Nonmajor Governmental Funds	59
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	65
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Nonmajor Governmental Funds	71
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Capital Projects Fund	79
Statement of Changes in Assets and Liabilities - Agency Funds	81

Colleton County, South Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014

Component Units:

Fire and Rescue Commission	
Balance Sheet	85
Reconciliation of the Balance Sheet of Governmental Funds to Statement of Net Position	86
Statement of Revenues, Expenditures and Changes in Fund Balances	87
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds to the Statement of Activities	88
Budgetary Comparison Schedule	89
Memorial Library	
Balance Sheet	90
Reconciliation of the Balance Sheet of Governmental Funds to Statement of Net Position	91
Statement of Revenues, Expenditures and Changes in Fund Balances	92
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	93
Budgetary Comparison Schedule	94
Schedule of Court Fines, Assessments, and Surcharges	95

STATISTICAL SECTION

Net Position by Components	97
Changes in Net Position	98
Fund Balances, Governmental Funds	99
Changes in Fund Balances, Governmental Funds	100
Assessed Value and Actual Value of Taxable Property	101
Direct and Overlapping Property Tax Rates	102
Principal Property Taxpayers	103
Property Tax Levies and Collections	104
Ratios of Outstanding Debt by Type	105
Ratios of General Bonded Debt Outstanding	106
Direct and Overlapping Governmental Activities Debt	107
Legal Debt Margin Information	108
Pledged Revenue Coverage	109
Demographic Statistics	110
Principal Employers	111
Full-time Equivalent County Government Employers by Function/Program	112
Operating Indicators by Function/Program	113
Capital Asset Statistics by Function/Program	114

Colleton County, South Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014

COMPLIANCE SECTION

Schedule of Expenditures of Federal Awards	115
Notes to the Schedules of Expenditures of Federal Awards	117
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	118
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	120
Schedule of Findings and Questioned Costs	123
Schedule of Prior Year Findings	127

INTRODUCTORY SECTION

Colleton County, South Carolina



December 23, 2014

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, 2014.

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, 2014 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 unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2014 are fairly presented in conformity with GAAP. The independent auditors report is presented as the first component of the financial section of this report.

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

Profile of the Government

Colleton County was founded in 1682 through a land grant to Sir John Colleton by King Charles II, of England and was one of the original proprietary counties in the present-day Carolinas. It is located in the Lowcountry region of South Carolina, midway between Charleston, South Carolina and Savannah, Georgia on the I-95 corridor. The County currently occupies a land area of approximately 1,100 square miles and has a population of roughly 38,892 (2014 estimate). The County is empowered to levy a property tax on both real and personal properties located within its boundaries.

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

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

The annual budget serves as the foundation for the County's financial planning and control. All departments of Colleton County are required to submit requests for appropriations to the manager on or before the last day in March each year. The County Administrator uses these requests as the starting point for developing a proposed budget. The County Administrator then presents this proposed budget to the Council for review prior to May 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 54 as part of the required supplementary information for governmental funds.

Factors Affecting Financial Condition

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

Local Economy

The County's fiscal year 2014 assessable property tax base is \$124,529,285. As reported by the US Census Bureau, per capita income for the County in 2012 was \$18,221 for Colleton County as a whole and \$23,906 for South Carolina. Median household income in the County was \$31,289 compared to \$44,623 for South Carolina.

The U.S. Census Bureau estimated the 2012 population for the Colleton County to be 38,153. For 2014, the U.S. Census Bureau estimates that the overall County population has declined by 1.9% since 2010. To date, there are approximately 1,900 single family homes in Colleton County. Historically, Colleton County has had fairly static growth in population since 1940, the County has experienced significant job growth and had significant investment within the past two years. The

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

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

Colleton County has been proactive in attracting new industry to its three industrial parks, the Colleton County Commerce Center, the Airport Industrial Park and the Colleton Venture Park. In the past year, four new manufacturing industries have re-located to Colleton County creating over 299 jobs and over \$64 million dollars in new investment, thanks in part to a skilled workforce, attractively-priced industrial space and excellent road and airport connectivity. Additionally, the newly-constructed Career Skills Center has been open for business in the Airport Industrial Park that allows employers to train their workforces using incentives provided by "*Workforce Training with ReadySC™*". Courses taught at this facility include welding, CNC machine operation, and industrial management. The Lowcountry Regional Airport located near Walterboro has a 6,002 ft runway with ILS, GPS, ADS-B Tower and RCO with parallel taxiway. Prospects for industrial development with a heavy focus on exporting are encouraging, due to numerous available Level IV certified Foreign Trade Zone sites combined with interstate, rail or airport access connections. Colleton County is attractively situated approximately 45 miles from the Port of Charleston, South Carolina and 68 miles from the Port of Savannah, Georgia. Economic development remains the chief driver of the County's efforts at improving the quality of life for residents. A major cornerstone of this effort is recent construction of the County's Commerce Center Speculative Building II located at Exit 62 off Interstate 95 which was completed in November, 2014.

Civic uses have also increased in recent years. The County has recently completed construction of one of the most modern multi-field baseball recreation complexes in the state of South Carolina, the ACE Basin Sports Complex, which hosts baseball and softball tournaments that include participants from throughout the Southeast. The nationally acclaimed, award-winning Colleton Museum and Farmer's market also opened recently and has been a major success in drawing tourists and locals alike to the County. Located within County limits, The University of South Carolina - Salkehatchie ("USC-Salk") has a four-year university campus established in 1965 as a regional center of the University of South Carolina with over 900 students enrolled. USC-Salkehatchie offers bachelor degrees in Elementary Education, Nursing, Liberal Studies and Organizational Leadership. The 131 bed, acute-care Colleton Medical Center Hospital facility is regionally affiliated with 6-member HCA South Atlantic network and has provided services for over 50 years. Colleton County has significant tourism that includes Edisto Beach and the Ashepoo, Combahee, and Edisto River Basins also known as the ACE Basin. Tourism is vibrant within these areas of the County with abundant recreational and eco-tourism opportunities.

Long-Term Financial Planning

The County closed FY13 with a strong financial position as noted with Moody's rating on Colleton County Government debt at Aa3. Additionally, Standard & Poor's rating on County Debt was just upgraded in September, 2014 to AA-. Total fund balance and unassigned fund balance as of June 30, 2014, in the General Fund was \$7,054,019 and \$5,981,162 respectively. These figures represent 24.0% and 33.4% of total expenditures, respectively. County budget ordinance requires the general fund balance to be 20.3% of total expenditures. As a reference point, 15% is the minimum level of general fund unassigned fund balance recommended by the GFOA in its 2002 and 2009 "Best Practice" bulletins.

Pension Plans

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

Economic Development Goals & Strategies

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

Risk Management

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

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement in Financial Reporting. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report will conform to certificate of achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for a certificate.

The preparation of the comprehensive annual financial report would not have been possible without the assistance of the Finance Department staff. The 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,

A handwritten signature in blue ink, appearing to read "Dennis E. Averkin".

Dennis E. Averkin
Chief Financial Officer

A handwritten signature in blue ink, appearing to read "J. Kevin Griffin".

J. Kevin Griffin
County Administrator

This page left blank intentionally.

COLLETON COUNTY VOTERS

COLLETON COUNTY GOVERNMENT

BOARD OF EDUCATION

SUPERINTENDENT OF EDUCATION

SCHOOL OPERATIONS

CONSTITUTIONAL & GENERAL ASSEMBLY CREATED OFFICES

AUDITOR

CLERK OF COURT

CORONER

SHERIFF

E-911

JAIL

TREASURER

COLLETON COUNTY COUNCIL

COUNTY ATTORNEY

CLERK TO COUNCIL

ALCOHOL & DRUG COMMISSION

LIBRARY BOARD

COUNTY ADMINISTRATOR

Chief Financial Officer

Accounts Payable/Payroll
Accounting/Audits
Fixed Assets/ Reporting
Procurement

Government Affairs Manager

Administrative Services
Public Relations
Insurance Services
Legal Liaison

County Engineer

Project Management
CTC

GENERAL COUNTY OPERATIONS

JUDICIAL

PROBATE JUDGE

PUBLIC DEFENDER

SOLICITOR

CIRCUIT COURT

FAMILY COURT

MAGISTRATES

LEGISLATIVE DELEGATION

BOARD of ELECTIONS & VOTER REGISTRATION

VETERAN'S AFFAIRS OFFICE

COUNTY TRANSPORTATION COMMITTEE (CTC)

DELEGATION SECRETARY

ANIMAL & ENVIRONMENTAL CONTROL

- Adoptions
- Pickup and Protection
- Ordinance Enforcement
- Emergency

FACILITIES MGMT

- Building Maintenance
- Custodial Services
- Landings
- Grounds Maintenance

ECONOMIC DEVELOPMENT

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

FIRE/ RESCUE

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

TECHNOLOGY

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

MUSEUM

- Operations
- Community Activities
- Farmers Market
- Fundraising

PLANNING & DEVELOPMENT

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

Human Resources

- Risk Management
- Personnel
- Benefits

ROADS & BRIDGES

- Road Repair Maintenance
- Paved Road Repairs

SOLID WASTE

- Transfer Station
- Convenience Centers
- C&D Landfill

TAX ASSESSOR

- Land Use/Tax Determinations
- Re-Appraisal

FLEET MGMT

- Vehicle Repair Maintenance
- Vehicle Purchasing
- Project Management

DELINQUENT TAX

- Delinquent Property Tax Collection
- Mobile Home Decal

Recreation

- Parks
- Active Recreation
- Fitness

Register of Deeds

- Plats
- Deeds
- Recording

EMERGENCY PREPAREDNESS

- Disaster Planning
- EOP
- EOC
- LEPC



COLLETON COUNTY
SOUTH CAROLINA

**COLLETON COUNTY
SOUTH CAROLINA**

**LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2014**

TITLE	NAME
County Administrator	Kevin Griffin
Chairman	Phillip M. Taylor, Sr.
Council Member.....	Evon Robinson, Sr.
Council Member.....	Gene Whetsell
Council Member.....	Steven D. Murdaugh
Council Member.....	Joseph F. Flowers, M.D.
Chief Financial Officer.....	Dennis Averkin
Auditor	James O. Hiott, Jr.
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

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

Report on Financial Statements

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, 2014, and the related notes to the financial statements, which collectively comprise Colleton County, South Carolina's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Colleton County Commission on Alcohol and Drug Abuse, which represents 2% of the assets, 5% of the net position and 7% of the revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Colleton County Commission on Alcohol and Drug Abuse, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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, 2014, 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 56), and the Schedule of Funding Progress (on page 57) 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

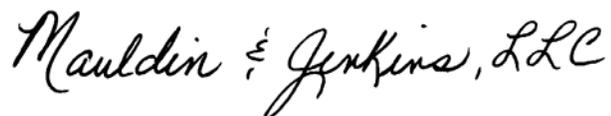
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Colleton County, South Carolina's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, statement of changes in 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2014, 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.



Macon, Georgia
December 23, 2014

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, 2014. 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

- FY 2013 general fund revenues were \$27,668,502 and general fund expenditures were \$29,334,357. The County's general fund decreased from \$7,929,223 at the beginning of FY 2013 to \$7,054,019 at the end of FY 2014.
- The assets of the County exceed its liabilities at the close of the most recent fiscal year by \$55,766,565 (net position). Of this amount, \$14,202,852 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors. The County's net position decreased by \$277,705.
- At the close of the current fiscal year the County's governmental funds reported combined ending fund balances of \$24,306,090, a decrease of \$1,999,709.

Overview of the Financial Statements

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

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

Government-wide Financial Statements - Government-wide financial statements are designed to provide readers with a broad overview of the financial position of the County and are similar to financial statements issued in the private sector. They include a statement of net position and a statement of activities. These statements appear on pages 22 and 23 of this report.

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

The statement of net position shows the County's assets less its liabilities at June 30, 2014. The difference between these assets and liabilities is reported as net position. Changes in net position over time may be helpful in indicating an improving or deteriorating financial position.

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

Both statements attempt to distinguish functions of Colleton County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The County has no business-type activities. Governmental activities reported in the statements include general government, judicial, public safety, streets and highways, sanitation, recreation and culture, health and human services, intergovernmental, and economic development.

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

Governmental Funds – Governmental funds, presented on pages 24 and 26, essentially account for the same functions as those reported under the government-wide statement of net position and statement of activities. However, this set of financial statements focuses on events that produce near-term inflows and outflows of available resources as well as on the balance available at the end of the fiscal year and is a narrower focus than the government-wide financial statements. Such information may be useful in evaluating the County's near-term financing requirements and available resources.

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

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

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in both the government-wide and fund financial statements. Notes to the financial statements are presented on pages 29 to 55 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 56. Also included is the schedule of funding progress for the OPEB health plan and page 57.

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 59 – 83 of this report.

Component unit financial statements are presented for the memorial library and the fire and rescue commission on pages 84 – 94 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 \$55,766,565 at June 30, 2014, as compared to \$49,182,945 at June 30, 2013.

COLLETON COUNTY, SOUTH CAROLINA NET POSITION		
	Governmental Activities	
	2014	2013
Assets		
Current and other assets	\$ 32,144,094	\$ 26,893,194
Capital assets	42,742,405	42,987,891
Total assets	<u>74,886,499</u>	<u>69,881,085</u>
Liabilities		
Long-term liabilities	13,564,330	15,604,602
Other liabilities	5,555,604	5,093,538
Total liabilities	<u>19,119,934</u>	<u>20,698,140</u>
Net Position		
Net investment in capital assets	31,257,962	29,208,570
Fund balance:		
Restricted	10,305,751	8,976,701
Unrestricted	14,202,852	10,997,674
Total net position	<u>\$ 55,766,565</u>	<u>\$ 49,182,945</u>

At the end of the current fiscal year, the County is able to report positive balances in all categories of net position. The increase in the assets and net position of the County relates to the inclusion of the Transportation Committee and the Solicitor in the County's net position as a prior period adjustment.

By far the largest portion of the County net position \$31,257,962 (56%) 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, 2014, as compared to \$29,208,570 (60%) at June 30, 2013. 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, 2014, the County had a net position restricted for debt service in the amount of \$1,092,993, as compared to \$1,970,937 restricted at June 30, 2013.

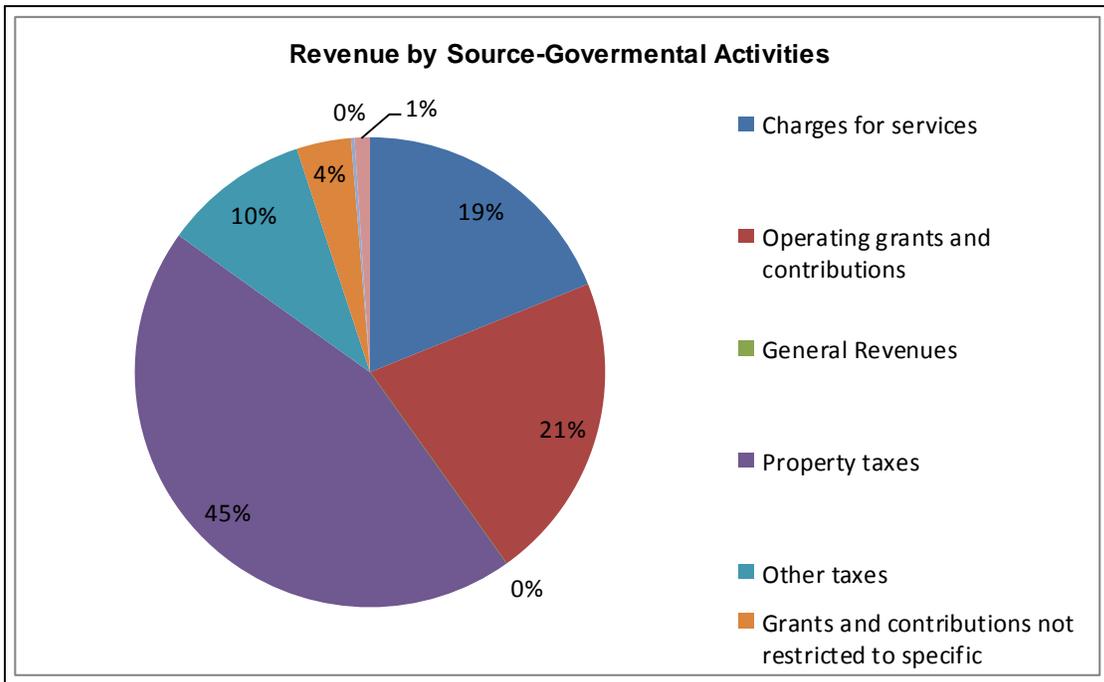
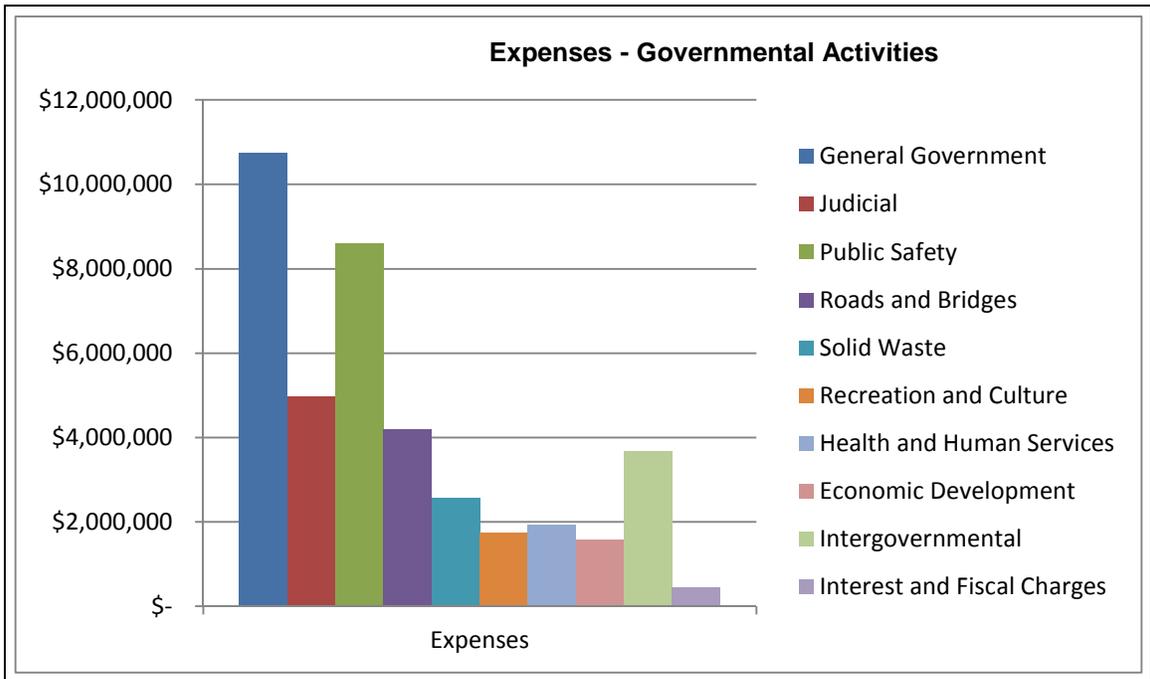
The restricted portion of net position of \$10,305,751 (18%) represents the balances of net position that have restricted resources and are not available to fund other commitments. The restricted net position relate to solid waste, debt service accounts, economic development, emergency and law enforcement services, and other revenue sources that are earmarked for specific County functions.

The balance of unrestricted net position, \$14,202,852 (26%), may be used to meet the County's ongoing obligations to citizens and creditors.

Governmental Activities. The County's total net position decreased \$277,705 in 2014 compared to a decrease of \$1,612,637 in 2013. 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	
	2014	2013
Revenues:		
Program Revenues		
Charges for services	\$ 7,240,684	\$ 7,107,783
Operating grants and contributions	9,860,851	3,073,637
General Revenues		
Property taxes	17,168,109	19,352,855
Other taxes	3,861,250	3,603,539
Grants and contributions not restricted to specific programs	1,436,657	1,430,665
Gain on sale of capital assets	90,713	66,667
Miscellaneous income	438,004	271,784
Transfers	-	(52,796)
Total Revenues	<u>40,096,268</u>	<u>34,854,134</u>
Expenses:		
Governmental Activities:		
General government	10,740,147	8,178,472
Judicial	4,957,014	4,594,583
Public safety	8,589,140	8,410,210
Roads and bridges	4,182,236	2,496,358
Solid waste	2,568,610	2,449,740
Recreation and culture	1,743,106	1,313,153
Health and human services	1,925,374	1,789,799
Economic development	1,569,363	3,373,628
Intergovernmental	3,661,372	3,360,676
Interest and fiscal charges	437,611	500,152
Total Expenses	<u>40,373,973</u>	<u>36,466,771</u>
Change in Net Position	(277,705)	(1,612,637)
Net Position, beginning of year	49,182,945	50,982,093
Prior period adjustment	<u>6,861,325</u>	<u>(186,511)</u>
Net Position, end of year	<u>\$ 55,766,565</u>	<u>\$ 49,182,945</u>

During the current fiscal year, net position for governmental activities decreased \$277,705 from the prior fiscal year for an ending balance of \$55,766,565. Overall revenues were up \$5,241,134 while expenses were up \$3,907,202. The increase in revenues and expenses is related to the inclusion of the revenues and expenses of the Transportation Committee in roads and bridges that were previously reported as agency funds and the revenues and expenses for the disaster recovery as a result of the flooding in the summer of 2013 and the ice storm in early 2014. Another reason that revenues are up relates to the inclusion of the Solicitor's funds in the County's financial report. The prior period adjustment of \$6,861,325 represents the effect of the reclassification of funds that were previously reported as agency funds or not included in the County's financial report. See the notes to financial statements for more information on the re-statement.



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, 2014, the County's governmental funds reported combined fund balances of \$24,306,090, a decrease of \$1,999,709 in comparison with the prior year. Approximately 25% of this amount \$5,981,162 constitutes *unassigned fund balance*, with is available for spending at the County's discretion. The remainder of the fund balance is either *nonspendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form (\$2,753,424), 2) restricted for particular purposes (\$7,604,818), 3) committed for particular purposes (\$5,459,283), 4) assigned for particular purposes (\$2,507,403).

The general fund is the chief operating fund of the County. At June 30, 2014, unassigned fund balance of the general fund was \$5,981,162. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 22% of total general expenditures, while total fund balance represents approximately 26%. County ordinance requires that unassigned fund balance be maintained at 25% of total general fund expenditures.

During the current fiscal year, the fund balance of the County's general fund decreased by \$2,511,021. This was due primarily to budgeted fund balance appropriations totaling \$3,829,000 offset by revenues of \$2,148,530 (FEMA disaster recovery and insurance revenues following the ice storm of February, 2014) , and shortfalls in budgeted property tax revenues of \$1,222,959.

During the current fiscal year, the fund balance of the County's capital projects fund increased by \$1,217,718. This is due to the inclusion of the Colleton Transportation Committee's (CTC) fund balance in the overall capital projects fund balance.

Budgetary Highlights

General Fund - The County's actual amounts reported for revenues of \$27,668,502 were \$1,672,418 less than the final budgeted amount of \$29,340,920. The majority of this decrease (\$1,222,959) related to taxes. Overall expenditures of \$29,334,357 were under the final budgeted amount of \$29,619,587 by \$285,228.

Capital Projects Fund - The County's actual amounts reported for revenues of \$2,917,327 were \$52,210 more than the final budgeted amount of \$2,865,117. Overall expenditures of \$4,106,656 were under the final budgeted amount of \$7,624,418 by \$3,517,760. Transfers into the capital projects fund were \$77,868 less than budgeted.

Capital Asset and Debt Administration

Capital Assets – the County’s investment in capital assets for its governmental activities as of June 30, 2014, amounts to \$42,742,405 (net of accumulated depreciation) as compared to \$42,987,891 at June 30, 2013. 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 2014 include some of the following:

- Economic Development – spec buildings and park infrastructure \$1,664,020
- Solid Waste – compactors and containers \$254,546
- Roads and Bridges – motor grader \$181,574
- Public Safety – vehicles and technology equipment \$537,156
- Judicial – vehicles \$129,239
- General Government – vehicles, technology equipment & building improvements \$606,773

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	
	2014	2013
Land and land infrastructure	\$ 6,239,611	\$ 8,210,386
Construction in progress	1,625,866	319,596
Buildings and improvements	16,543,811	16,757,340
Improvements other than buildings	8,442,844	6,606,784
Equipment and vehicles	6,086,125	6,507,612
Infrastructure	3,804,148	4,586,173
Total	<u>\$ 42,742,405</u>	<u>\$ 42,987,891</u>

Debt Administration - On June 30, 2014, Colleton County had long term obligations of \$13,564,330 compared to outstanding debt at June 30, 2013 totaling \$15,604,602, which represents a 13% decrease from the prior fiscal year. During the fiscal year, no new debt was issued. Payments on debt were made in accordance with the scheduled debt payments.

COLLETON COUNTY, SOUTH CAROLINA LONG-TERM OBLIGATIONS

	Governmental Activities	
	2014	2013
General Obligation Bonds	\$ 6,110,000	\$ 7,280,000
Special Revenue Bonds	4,090,000	4,455,000
Capital Leases	932,153	1,526,344
Net OPEB obligation	1,102,365	890,273
Note payable	352,290	517,977
Landfill closure and post closure costs	452,134	430,950
Compensated absences	525,388	504,058
Total	<u>\$ 13,564,330</u>	<u>\$ 15,604,602</u>

Additional information on the County's capital assets can be found in note 6 on page 43 in the notes to the financial statements.

In accordance with State Law, the amount of General Obligation Bonds (GOB) a government entity may issue (without referendum) is equal to eight percent of its total assessed value. The current General Obligation Bond debt limitation for Colleton County based on information received from the County Auditor related to the 2013 tax assessments is \$13,649,065 for fiscal year ending June 30, 2014.

Debt Rating - On January 20, 2012, Moody's Investor Services listed their rating on Colleton County debt at Aa3. Additionally, on September 12, 2014 Standard and Poor's upgraded its rating on County debt to AA- from A+. S&P's rating was based on "the County's consistently strong financial performance and very strong reserves despite recent national and local economic weakening due to the recession." 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. 14-O-06 to provide for the levy of taxes in Colleton County, South Carolina with third and final reading on June 12, 2014 to be effective July 1, 2014 through June 30, 2015. The following budgets and millages were approved by this ordinance:

General Fund	\$ 23,998,437	108.45
Debt Service Fund	1,542,260	7.41
Fire Rescue Commission	8,146,233	33.56
Fire Rescue Commission Debt Service	1,801,058	17.67
Capital Fund	2,137,065	-
Special Revenue Fund SRO	4,123,786	-
Memorial Library Fund	628,719	-
IV-D Sheriff Unit Costs	13,981	-
IV-D Clerk of Court Unit Costs	135,495	-
IV-D Clerk of Court Fund Incentives	43,066	-
Victim Witness Services	52,560	-
Animal Care & Control	19,000	-
SSRB Canady's DSF	1,334,218	-
Non-GOB Related Debt Service	306,698	-
Emergency Telephone Fund	481,360	-
Infrastructure/Industrial Development Fund	946,172	-
SSRB Economic Dev & Capital Improvements Fund	775,485	-
County Hospitality Tax Fund	505,475	-
County Accommodations Tax Fund	331,232	-
Recreation Fund	865,063	-
Road & Bridges Fund	1,969,414	-
Solid Waste Fund	2,243,307	-
Total	<u>\$ 52,400,084</u>	<u>167.09</u>

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

BASIC FINANCIAL STATEMENTS

COLLETON COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2014

	Component Units			
	Governmental Activities	Memorial Library	Fire and Rescue Commission	Alcohol & Drug Commission
Assets				
Cash and cash equivalents	\$ 17,252,321	\$ 42,328	\$ 1,894,887	\$ 193,387
Investments	3,765,012	-	-	156,183
Receivables, net of allowances	8,143,069	1,044	2,393,410	113,122
Prepays and deposits	282,759	9,061	117,419	-
Assets held for resale	2,700,933	-	-	-
Capital assets				
Nondepreciable	7,865,477	-	1,026,513	-
Depreciable, net of accumulated depreciation	34,876,928	269,538	12,829,840	-
Total assets	<u>\$ 74,886,499</u>	<u>\$ 321,971</u>	<u>\$ 18,262,069</u>	<u>\$ 462,692</u>
Liabilities				
Current liabilities				
Accounts payable	\$ 4,397,634	\$ 13,256	\$ 238,847	\$ 90,573
Payroll liabilities	665,647	18,271	249,158	-
Accrued liabilities	182,094	-	126,140	-
Unearned revenues	310,229	11,044	6,250	-
Noncurrent liabilities				
Due within one year	2,623,893	3,505	1,564,127	34,363
Due in more than one year	10,940,437	129,674	10,222,198	-
Total liabilities	<u>19,119,934</u>	<u>175,750</u>	<u>12,406,720</u>	<u>124,936</u>
Net position				
Net investment in capital assets	31,257,962	269,538	2,534,396	-
Restricted				
Community development	171,221	-	-	-
Emergency services	398,670	-	-	-
Courts administration	144,175	-	-	-
Law enforcement	215,378	-	-	-
Solid waste	362,911	-	-	-
Economic development				
Expendable	5,214,418	-	-	-
Nonexpendable	2,700,933	-	-	-
Debt service	1,092,993	-	686,409	-
Other purposes	5,052	-	-	-
Unrestricted (deficit)	14,202,852	(123,317)	2,634,544	337,756
Total net position	<u>55,766,565</u>	<u>146,221</u>	<u>5,855,349</u>	<u>337,756</u>
Total liabilities and net position	<u>\$ 74,886,499</u>	<u>\$ 321,971</u>	<u>\$ 18,262,069</u>	<u>\$ 462,692</u>

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

**COLLETON COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units		
					Governmental Activities	Memorial Library	Fire and Rescue Commission	Alcohol & Drug Commission
Primary Government								
Governmental activities								
General government	\$ 10,740,147	\$ 568,195	\$ 2,415,540	\$ -	\$ (7,756,412)	\$ -	\$ -	\$ -
Judicial	4,957,014	1,159,451	2,727,422	-	(1,070,141)	-	-	-
Public safety	8,589,140	357,982	2,178,613	-	(6,052,545)	-	-	-
Roads and Bridges	4,182,236	911,965	1,710,438	-	(1,559,833)	-	-	-
Solid Waste	2,568,610	1,737,436	46,281	-	(784,893)	-	-	-
Recreation and culture	1,743,106	330,566	136,790	-	(1,275,750)	-	-	-
Health and human services	1,925,374	633,729	639,283	-	(652,362)	-	-	-
Economic development	1,569,363	1,541,360	6,484	-	(21,519)	-	-	-
Intergovernmental	3,661,372	-	-	-	(3,661,372)	-	-	-
Interest and fiscal charges	437,611	-	-	-	(437,611)	-	-	-
Total governmental activities	<u>40,373,973</u>	<u>7,240,684</u>	<u>9,860,851</u>	<u>-</u>	<u>(23,272,438)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Component Units								
Memorial Library	737,732	29,764	619,204	-	-	(88,764)	-	-
Fire and Rescue Commission	9,691,693	1,345,683	3,681,264	-	-	-	(4,664,746)	-
Alcohol & Drug Commission	842,901	305,995	426,138	16,356	-	-	-	(94,412)
Total component units	<u>\$ 11,272,326</u>	<u>\$ 1,681,442</u>	<u>\$ 4,726,606</u>	<u>\$ 16,356</u>	<u>(88,764)</u>	<u>(4,664,746)</u>	<u>(94,412)</u>	
			General Revenues					
			Property taxes		17,168,109	-	4,930,778	-
			Alcohol excise tax		-	-	-	59,737
			Local option sales tax		2,902,773	-	-	-
			Local accommodations tax		421,091	-	-	-
			Hospitality tax		479,934	-	-	-
			Franchise fees		57,452	-	-	-
			Grants and contributions not restricted to specific programs		1,436,657	-	-	-
			Miscellaneous		528,717	41,638	448,117	-
			Total general revenues		<u>22,994,733</u>	<u>41,638</u>	<u>5,378,895</u>	<u>59,737</u>
			Change in net position		(277,705)	(47,126)	714,149	(34,675)
			Net position - beginning of year		49,182,945	193,347	5,141,200	372,431
			Prior period adjustment		6,861,325	-	-	-
			Net position - end of year		<u>\$ 55,766,565</u>	<u>\$ 146,221</u>	<u>\$ 5,855,349</u>	<u>\$ 337,756</u>

**COLLETON COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014**

	General	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 6,482,452	\$ 6,325,961	\$ 4,443,908	\$ 17,252,321
Investments	365,012	3,400,000	-	3,765,012
Receivables, net of allowances	5,845,353	977,198	1,320,518	8,143,069
Prepaid items	14,004	-	38,487	52,491
Assets held for resale	-	2,700,933	-	2,700,933
Total assets	<u>\$ 12,706,821</u>	<u>\$ 13,404,092</u>	<u>\$ 5,802,913</u>	<u>\$ 31,913,826</u>
LIABILITIES				
Accounts payable	\$ 3,085,973	\$ 1,017,525	\$ 294,136	\$ 4,397,634
Accrued payroll and benefits	513,864	-	151,783	665,647
Accrued expenses	-	-	59,602	59,602
Unearned revenue	-	250,017	60,212	310,229
Total liabilities	<u>3,599,837</u>	<u>1,267,542</u>	<u>565,733</u>	<u>5,433,112</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	1,696,466	-	121,659	1,818,125
Unavailable revenue-spec assessments	356,499	-	-	356,499
Total deferred inflows of resources	<u>2,052,965</u>	<u>-</u>	<u>121,659</u>	<u>2,174,624</u>
FUND BALANCES				
Nonspendable				
Assets held for resale	-	2,700,933	-	2,700,933
Prepaid items	14,004	-	38,487	52,491
Restricted				
Community development	-	-	171,221	171,221
Emergency services	-	-	398,670	398,670
Courts administration	-	-	144,175	144,175
Law enforcement	-	-	215,378	215,378
Solid waste	362,911	-	-	362,911
Economic development	-	5,214,418	-	5,214,418
Debt service	-	-	1,092,993	1,092,993
Other purposes	-	-	5,052	5,052
Committed				
Economic development	-	4,221,199	-	4,221,199
Recreation and culture	-	-	1,238,084	1,238,084
Assigned				
Solid waste	422,554	-	-	422,554
Road and bridges	272,388	-	-	272,388
Recreation and culture	1,000	-	-	1,000
Law enforcement	-	-	1,682,191	1,682,191
Health and welfare	-	-	129,270	129,270
Unassigned	5,981,162	-	-	5,981,162
Total fund balances	<u>7,054,019</u>	<u>12,136,550</u>	<u>5,115,521</u>	<u>24,306,090</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,706,821</u>	<u>\$ 13,404,092</u>	<u>\$ 5,802,913</u>	<u>\$ 31,913,826</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, 2014

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

Total fund balances - governmental funds		\$ 24,306,090
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Land and land infrastructure	6,239,611	
Construction in progress	1,625,866	
Buildings and improvements, net of accumulated depreciation of \$9,500,964	16,543,811	
Improvements other than buildings, net of accumulated depreciation of \$2,633,197	8,442,844	
Equipment and vehicles, net of accumulated depreciation of \$14,083,058	6,086,125	
Infrastructure, net of accumulated depreciation of \$4,199,801	<u>3,804,148</u>	
		42,742,405
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the funds.		
Property taxes and other special assessments		2,174,624
Disbursements for insurance coverage reflected in the funds cover periods extending beyond year-end.		
		230,268
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	(6,110,000)	
Note payable	(352,290)	
Special source revenue bonds	(4,090,000)	
Capital leases	(932,153)	
Compensated absences	(525,388)	
Landfill closure and post closure cost	(452,134)	
Accrued interest	(122,492)	
OPEB obligation	<u>(1,102,365)</u>	
		<u>(13,686,822)</u>
Total net position - governmental activities		<u>\$ 55,766,565</u>

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

COLLETON COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenue				
Taxes	\$ 18,955,958	\$ -	\$ 2,134,463	\$ 21,090,421
Intergovernmental revenues	3,828,707	2,144,088	5,324,713	11,297,508
Fines, fees, and service charges	4,846,713	528,768	1,836,947	7,212,428
Other income	37,124	244,471	18,632	300,227
Total revenue	<u>27,668,502</u>	<u>2,917,327</u>	<u>9,314,755</u>	<u>39,900,584</u>
Expenditures				
Current				
General government	10,292,729	647	-	10,293,376
Judicial	1,111,598	4,596	3,339,995	4,456,189
Public safety	6,761,513	5,276	873,079	7,639,868
Roads and bridges	1,897,018	1,569,489	-	3,466,507
Solid waste	2,240,632	18	-	2,240,650
Recreation and culture	836,004	-	464,879	1,300,883
Health and human services	1,266,560	-	528,238	1,794,798
Economic development	568,385	612,477	-	1,180,862
Intergovernmental	3,516,037	-	145,335	3,661,372
Capital Outlay				
General government	329,513	46,781	190,039	566,333
Judicial	-	-	129,239	129,239
Public safety	-	222,440	314,716	537,156
Streets and highways	-	181,574	-	181,574
Sanitation	-	254,546	-	254,546
Economic development	-	1,208,812	455,208	1,664,020
Debt Service				
Principal retirement	499,966	-	1,794,912	2,294,878
Interest payments	14,402	-	452,130	466,532
Total expenditures	<u>29,334,357</u>	<u>4,106,656</u>	<u>8,687,770</u>	<u>42,128,783</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,665,855)</u>	<u>(1,189,329)</u>	<u>626,985</u>	<u>(2,228,199)</u>
Other financing sources (uses)				
Proceeds from sales of capital assets	-	47,831	42,882	90,713
Insurance proceeds	58,632	79,145	-	137,777
Transfers in	2,019,804	3,566,571	634,400	6,220,775
Transfers out	(2,923,602)	(1,286,500)	(2,010,673)	(6,220,775)
Total other financing sources (uses)	<u>(845,166)</u>	<u>2,407,047</u>	<u>(1,333,391)</u>	<u>228,490</u>
Net change in fund balance	(2,511,021)	1,217,718	(706,406)	(1,999,709)
Fund balances, beginning of year	7,929,223	-	11,595,195	19,524,418
Prior period adjustment	1,635,817	10,918,832	(5,773,268)	6,781,381
Fund balances, end of year	<u>\$ 7,054,019</u>	<u>\$ 12,136,550</u>	<u>\$ 5,115,521</u>	<u>\$ 24,306,090</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, 2014

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

Net change in fund balances - total governmental funds \$ (1,999,709)

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 were less than depreciation in the current period.

Capital outlay	3,332,868	
Depreciation expense	<u>(3,547,653)</u>	(214,785)

In the statement of activities, the gain or loss on disposal of capital assets is reported. Conversely, governmental funds report only proceeds from disposal of capital assets. Thus, the change in net position differs from the change in fund balance by cost of the capital assets sold.

(110,646)

Because some property taxes will not be collected for several months after the County's fiscal year end, they are not considered "available" revenues in the governmental funds. Similarly, other revenues that do not provide current financial resources are not reported as revenues in the funds. Amounts not meeting current year availability criteria, not recognized in governmental funds in the current year:

Property taxes and other special assessments		(32,806)
--	--	----------

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	(21,330)	
Landfill closure and postclosure cost	(21,184)	
OPEB obligation	(212,092)	
Accrued interest	<u>28,921</u>	(225,685)

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

General obligation bonds	1,170,000	
Note payable	165,687	
Special source revenue bonds	365,000	
Capital leases	<u>594,191</u>	2,294,878

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.

11,048

Change in net position of governmental activities		<u>\$ (277,705)</u>
---	--	---------------------

**COLLETON COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2014**

	Agency Funds
Assets	
Cash and equivalents	\$ 9,281,160
Total assets	\$ 9,281,160
Liabilities	
Accounts payable	\$ 913
Assets held for others	9,280,247
Total liabilities	\$ 9,281,160

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

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

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, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Presentation – Government-Wide Financial Statements

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

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

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

Basis of Presentation – Fund Financial Statements

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

The government reports the following major governmental funds:

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

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

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

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

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

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

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, 2014**

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. Other special revenue funds and debt service funds 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 Council. 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, 2014**

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, 2014 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, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any amounts to be reported as deferred outflows at this time.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. 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, 2014**

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, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenues and Expenditures/Expenses

Program Revenues

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

Property Taxes

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

Compensated absences

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

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

Use of Estimates

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

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2 – DEPOSITS AND INVESTMENTS

Primary Government, Fire and Rescue Commission, and Library

Except for petty cash accounts and the Alcohol and Drug Commission accounts, the funds of the Fire and Rescue Commission and the Library are included in the funds administered by the County Treasurer.

As of June 30, 2014, the County had the following investment maturities:

Investment Type	Fair Value	Investment Maturities (in years) Less than 1
Certificates of deposits	\$ 3,765,012	\$ 3,765,012
Total fair value	\$ 3,765,012	\$ 3,765,012

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, 2014**

NOTE 2 DEPOSITS AND INVESTMENTS - CONTINUED

Deposits and Investments - Continued

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

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer. The County places no limit on the amount that may be invested in any one issuer.

See below for additional information regarding investment credit risk and concentration of credit risk.

	<u>Fair Value at June 30, 2014</u>	<u>Percentage of Portfolio</u>	<u>Credit Rating</u>
Repurchase agreements	\$ 24,593,900	76%	Unrated
Certificates of deposit	3,765,012	12%	N/A
Savings accounts	1,706,452	5%	N/A
Checking accounts	<u>2,170,344</u>	<u>7%</u>	N/A
Deposits and investments held by County Treasurer	<u>\$ 32,235,708</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, 2014**

NOTE 2 DEPOSITS AND INVESTMENTS – CONTINUED

As of June 30, 2014, the County's bank balance of \$30,823,856 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, 2014, \$24,593,900 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	\$ 4,094,979	\$ -	\$ 293,454	\$ 1,446,021	\$ -	\$ -
Accounts	953,546	-	-	6,056,899	-	-
Other	3,306,005	977,198	1,175,759	281,145	1,044	113,122
Gross receivables	<u>8,354,530</u>	<u>977,198</u>	<u>1,469,213</u>	<u>7,784,065</u>	<u>1,044</u>	<u>113,122</u>
Allowance for uncollectibles						
Taxes	2,073,458	-	148,695	726,843	-	-
Accounts	435,719	-	-	4,663,812	-	-
Total allowance	<u>2,509,177</u>	<u>-</u>	<u>148,695</u>	<u>5,390,655</u>	<u>-</u>	<u>-</u>
Net total receivables	<u>\$ 5,845,353</u>	<u>\$ 977,198</u>	<u>\$ 1,320,518</u>	<u>\$ 2,393,410</u>	<u>\$ 1,044</u>	<u>\$ 113,122</u>

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 4 INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2014 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds		
General	\$ 2,019,804	\$ 2,923,602
Capital Projects Fund	3,566,571	1,286,500
Nonmajor governmental funds	634,400	2,010,673
Total interfund balances	<u>\$ 6,220,775</u>	<u>\$ 6,220,775</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, 2014 was as follows:

<u>Governmental Activities</u>	<u>June 30, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2014</u>
Capital assets not being depreciated				
Land	\$ 1,732,093	\$ -	\$ -	\$ 1,732,093
Land - infrastructure	4,507,518	-	-	4,507,518
Construction in progress	319,596	2,096,864	790,594	1,625,866
Total capital assets, not being depreciated	<u>6,559,207</u>	<u>2,096,864</u>	<u>790,594</u>	<u>7,865,477</u>
Capital assets being depreciated				
Buildings and improvements	25,336,488	708,287	-	26,044,775
Improvements other than buildings	11,055,616	19,425	-	11,075,041
Equipment and vehicles	19,361,093	1,197,850	389,760	20,169,183
Infrastructure	8,804,949	-	-	8,804,949
Total capital assets, being depreciated	<u>64,558,146</u>	<u>1,925,562</u>	<u>389,760</u>	<u>66,093,948</u>
Less accumulated depreciation for:				
Buildings and improvements	8,482,950	1,018,014	-	9,500,964
Improvements other than buildings	2,078,732	554,465	-	2,633,197
Equipment and vehicles	12,927,815	1,535,392	380,149	14,083,058
Infrastructure	4,560,019	439,782	-	4,999,801
Total accumulated depreciation	<u>28,049,516</u>	<u>3,547,653</u>	<u>380,149</u>	<u>31,217,020</u>
Total capital assets being depreciated, net	<u>36,508,630</u>	<u>(1,622,091)</u>	<u>9,611</u>	<u>34,876,928</u>
Governmental activities capital assets, net	<u>\$ 43,067,837</u>	<u>\$ 474,773</u>	<u>\$ 800,205</u>	<u>\$ 42,742,405</u>

The beginning balances have been increased \$79,944 to include the 14th Circuit Court Solicitor's assets which is now a part of the governmental activities of the County.

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 5 CAPITAL ASSETS - CONTINUED

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

<u>Government Activities</u>	
General government	\$ 403,213
Judicial	451,463
Public safety	885,455
Roads and bridges	699,841
Solid waste	298,782
Recreation and culture	430,119
Health and human service	95,404
Economic development	283,376
Total depreciation expense - governmental activities	<u><u>\$ 3,547,653</u></u>

Discretely Presented Component Units

Activity for the year ended June 30, 2014 is as follows:

<u>Fire and Rescue Commission</u>	<u>June 30, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2014</u>
Capital assets not being depreciated				
Land	\$ 339,517	\$ -	\$ -	\$ 339,517
Construction in progress	1,707,679	833,117	1,853,800	686,996
Total capital assets, not being depreciated	<u>2,047,196</u>	<u>833,117</u>	<u>1,853,800</u>	<u>1,026,513</u>
Capital assets being depreciated				
Buildings and improvements	3,985,463	1,463,669	-	5,449,132
Improvements other than buildings	133,839	-	-	133,839
Equipment and vehicles	14,896,652	3,863,829	-	18,760,481
Total capital assets, being depreciated	<u>19,015,954</u>	<u>5,327,498</u>	<u>-</u>	<u>24,343,452</u>
Less accumulated depreciation for:				
Buildings and improvements	1,237,060	150,811	-	1,387,871
Improvements other than buildings	87,203	8,213	-	95,416
Equipment and vehicles	9,107,942	922,383	-	10,030,325
Total accumulated depreciation	<u>10,432,205</u>	<u>1,081,407</u>	<u>-</u>	<u>11,513,612</u>
Total capital assets being depreciated, net	<u>8,583,749</u>	<u>4,246,091</u>	<u>-</u>	<u>12,829,840</u>
Fire and Rescue Commission capital assets, net	<u><u>\$ 10,630,945</u></u>	<u><u>\$ 5,079,208</u></u>	<u><u>\$ 1,853,800</u></u>	<u><u>\$ 13,856,353</u></u>

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 5 CAPITAL ASSETS - CONTINUED

<u>Library</u>	<u>June 30, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2014</u>
Capital assets being depreciated				
Buildings and improvements	\$ 119,026	\$ -	\$ -	\$ 119,026
Library materials	1,836,505	89,705	50,687	1,875,523
Equipment and vehicles	211,658	-	-	211,658
Total capital assets, being depreciated	<u>2,167,189</u>	<u>89,705</u>	<u>50,687</u>	<u>2,206,207</u>
Less accumulated depreciation for:				
Buildings and improvements	119,026	-	-	119,026
Library materials	1,581,119	79,168	50,687	1,609,600
Equipment and vehicles	207,766	277	-	208,043
Total accumulated depreciation	<u>1,907,911</u>	<u>79,445</u>	<u>50,687</u>	<u>1,936,669</u>
Total capital assets being depreciated, net	<u>259,278</u>	<u>10,260</u>	<u>-</u>	<u>269,538</u>
Library capital assets, net	<u>\$ 259,278</u>	<u>\$ 10,260</u>	<u>\$ -</u>	<u>\$ 269,538</u>
<u>Alcohol and Drug Commission</u>	<u>June 30, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2014</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, 2014 was as follows:

<u>Component Units</u>	
Fire and rescue	\$ 1,081,407
Library	79,445
Total depreciation expense - governmental activities	<u>\$ 1,160,852</u>

Assets held for sale

As of June 30, 2014, the County owns several parcels of land in the Colleton County Commerce Center for speculative purposes and is in the process of constructing a building for sale. The cost of this asset is \$2,700,933. The asset is considered held for sale. Assets held for sale are separated from capital assets on the Statement of Net Position and no depreciation will be taken on the asset since it is held for sale. As of June 30, 2014, the property has not been sold and is still being actively marketed.

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 6 – LONG-TERM OBLIGATIONS

Long-term obligations for the year ended June 30, 2014 is as follows:

	<u>Balance June 30, 2013</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2014</u>	<u>Due within one year</u>
Primary Government					
<u>Governmental activities</u>					
Bonds					
General obligation	\$ 7,280,000	\$ -	\$ 1,170,000	\$ 6,110,000	\$ 1,370,000
Special source revenue	4,455,000	-	365,000	4,090,000	380,000
Capital leases	1,526,344	-	594,191	932,153	605,930
Net OPEB obligation	890,273	249,209	37,117	1,102,365	18,000
Note payable	517,977	-	165,687	352,290	172,563
Landfill closure and postclosure costs	430,950	21,184	-	452,134	-
Compensated absences	504,058	321,670	300,340	525,388	77,400
Total long-term liabilities	<u>\$ 15,604,602</u>	<u>\$ 592,063</u>	<u>\$ 2,632,335</u>	<u>\$ 13,564,330</u>	<u>\$ 2,623,893</u>
Component Units					
<u>Fire and Rescue Commission</u>					
General obligation bonds	\$ 9,485,000	\$ -	\$ 1,200,000	\$ 8,285,000	\$ 1,255,000
Capital Lease		3,036,957	-	3,036,957	273,322
Net OPEB obligation	192,618	35,640	2,594	225,664	-
Compensated absences	199,350	207,288	167,934	238,704	35,805
Total Fire and Rescue	<u>\$ 9,876,968</u>	<u>\$ 3,279,885</u>	<u>\$ 1,370,528</u>	<u>\$ 11,786,325</u>	<u>\$ 1,564,127</u>
<u>Library</u>					
Compensated absences	\$ 22,381	\$ 16,298	\$ 16,307	\$ 22,372	\$ 3,505
Net OPEB obligation	78,602	34,799	2,594	110,807	-
Total Library	<u>\$ 100,983</u>	<u>\$ 51,097</u>	<u>\$ 18,901</u>	<u>\$ 133,179</u>	<u>\$ 3,505</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, 2014, the County was in compliance with this requirement.

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

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, 2014:

General Obligation Bonds	Balance
\$6,500,000 General Obligation, Series 2005, with interest of 3.5% to 6.5%, semi-annual principal and interest payments beginning in 2007, matures 2016.	\$ 2,450,000
\$4,000,000 General Obligation, Series 2012, with interest of 2.0% to 3.0%, semi-annual principal and interest payments beginning 2013, matures 2030.	3,660,000
	\$ 6,110,000

The annual requirements to amortize the bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2015	\$ 1,370,000	\$ 158,950	\$ 1,528,950
2016	1,425,000	120,250	1,545,250
2017	175,000	62,800	237,800
2018	180,000	59,200	239,200
2019	175,000	55,700	230,700
2020-2024	950,000	325,300	1,275,300
2025-2029	1,330,000	373,400	1,703,400
2030	505,000	69,900	574,900
	\$ 6,110,000	\$ 1,225,500	\$ 7,335,500

Special Source Revenue Bonds	Balance
\$4,720,000 Special Source Revenue Bond Series 2012, 4.37% annual interest, annual principal and interest payments beginning in 2013, matures 2023.	\$ 4,090,000
	\$ 4,090,000

The annual requirements to amortize the bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2015	\$ 380,000	\$ 170,430	\$ 550,430
2016	395,000	153,496	548,496
2017	415,000	135,798	550,798
2018	435,000	117,225	552,225
2019	455,000	97,779	552,779
2020-2023	2,010,000	180,041	2,190,041
	\$ 4,090,000	\$ 854,769	\$ 4,944,769

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED

Capital Leases Payable

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.

Balance
\$ 425,037

Lease #2 - The County has entered into a capital lease agreement, secured by equipment purchased, bearing interest at 1.43% with annual payments of \$514,367, maturing March 2015.

507,116
\$ 932,153

Equipment Under Capitalized Leases

The County has entered into the above lease agreements for leasing vehicles, equipment, and the civic center. The cost of these assets is \$3,438,274 with accumulated amortization of \$1,021,840 for a net \$2,416,434 value. Depreciation expense was \$197,083 for the current year. The lease on the vehicles and equipment is payable from the general fund while the civic center lease is payable from the County's debt service fund.

The remaining lease payments as of June 30, 2014 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Lease #1</u>	<u>Lease #2</u>	<u>Total</u>
2015	\$ 119,515	\$ 514,368	\$ 633,883
2016	119,515	-	119,515
2017	119,515	-	119,515
2018	119,515	-	119,515
Total minimum lease payments	478,060	514,368	992,428
Less amount representing interest	(53,023)	(7,252)	(60,275)
Present value of capital lease payments	<u>\$ 425,037</u>	<u>\$ 507,116</u>	<u>\$ 932,153</u>

The interest paid on the capital lease obligations for the year ended June 30, 2014 was approximately \$39,692.

Notes Payable

\$1,511,903 Enterprise financing agreement, 4.15% semi-annual interest, semi-annual principal and interest payments beginning in 2007, matures 2016.

Balance
\$ 352,290

\$ 352,290

Future debt service requirements for notes payable at June 30, 2014 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 172,563	\$ 14,620	\$ 187,183
2016	179,727	7,456	187,183
	<u>\$ 352,290</u>	<u>\$ 22,076</u>	<u>\$ 374,366</u>

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED

Landfill Closure and Postclosure Care Costs

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

The \$452,134 reported as an accrual for landfill closure and postclosure care costs at June 30, 2014 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	
22 years	41.00%	<u>\$ 654,000</u>	<u>\$ 243,000</u>	<u>\$ 897,000</u>	<u>\$ 444,866</u>

These amounts are based on what it would cost to perform all closure and postclosure care in fiscal year 2014. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. The Council has designated cash of \$362,911 for payment of closure and postclosure care costs.

Discretely Presented Component Units

Fire and rescue general obligation bonds payable at June 30, 2014 consist of the following:

<u>General Obligation Bonds</u>	<u>Balance</u>
\$2,400,000 Fire Protection Service General Obligation Bonds, Series 2005, 3.5% to 4.0% annual interest, annual principal and interest payments beginning in 2007, matures 2016.	\$ 850,000
\$4,000,000 Fire Protection Service General Obligation Bonds, Series 2008, 3.39% annual interest, annual principal and interest payments beginning in 2008, matures 2018.	1,850,000
\$6,445,000 Fire Protection Service General Obligation Bonds, Series 2012, 0.4% to 2.6% annual interest, annual principal and interest payments beginning in 2013, matures 2026.	<u>5,585,000</u>
	<u>\$ 8,285,000</u>

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED

Future debt service requirements for fire and rescue general obligation bonds outstanding at June 30, 2014 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,255,000	\$ 202,278	\$ 1,457,278
2016	1,330,000	169,590	1,499,590
2017	910,000	130,660	1,040,660
2018	940,000	109,120	1,049,120
2019	450,000	85,570	535,570
2020-2024	2,375,000	287,930	2,662,930
2025-2026	1,025,000	39,412	1,064,412
	<u>\$ 8,285,000</u>	<u>\$ 1,024,560</u>	<u>\$ 9,309,560</u>

Capital Lease Payable

\$3,036,957 lease payable for radios at an interest rate of 2.32% with annual payments of \$343,779 beginning in fiscal year 2015.

\$ 3,036,957

\$ 3,036,957

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 \$147,694 with a net value of \$3,275,090. Depreciation expense was \$147,695 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, 2014 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2015	\$ 343,779
2016	343,779
2017	343,779
2018	343,779
2019	343,779
2020-2024	1,718,897
Total minimum lease payments	<u>3,437,792</u>
Less amount representing interest	<u>(400,835)</u>
Present value of capital lease payments	<u>\$ 3,036,957</u>

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED

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.

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 2014, the County contributed \$42,305 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, 2014**

NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED

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

	Primary Government	Component Units		Total
		Fire and Rescue	Library	
Annual required contribution	\$ 246,264	\$ 35,003	\$ 34,539	\$ 315,806
Interest on net OPEB obligation	40,062	8,668	3,537	52,267
ARC adjustment	(37,117)	(8,031)	(3,277)	(48,425)
Annual OPEB cost	249,209	35,640	34,799	319,648
Contributions made	(37,117)	(2,594)	(2,594)	(42,305)
Increase in net OPEB obligation	212,092	33,046	32,205	277,343
Net OPEB obligation - beginning of year	890,273	192,618	78,602	1,161,493
Net OPEB obligation - end of year	\$ 1,102,365	\$ 225,664	\$ 110,807	\$ 1,438,836

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2014 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>				
6/30/2014	\$ 249,209	\$ 37,117	15.07%	\$ 1,102,365
6/30/2013	258,360	17,925	6.94%	890,273
6/30/2012	260,310	17,245	6.60%	649,838
<i>Fire and Rescue</i>				
6/30/2014	35,640	2,594	7.41%	225,664
6/30/2013	36,834	2,556	6.94%	192,618
6/30/2012	35,860	2,376	6.60%	158,340
<i>Library</i>				
6/30/2013	34,799	2,594	7.51%	110,807
6/30/2013	36,834	2,556	6.94%	78,602
6/30/2012	35,860	2,376	6.60%	44,324

Funded Status and Funding Progress

As of June 30, 2013, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$2,608,908, and the actuarial value of the assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,608,908. The covered payroll (annual payroll of active employees covered by the plan) was \$14,020,788 and the ratio of the UAAL to the covered payroll was 18.6%.

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED

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

Actuarial Methods and Assumptions

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

The following information is provided using the assumption that the County will continue its current pay-as-you-go funding policy for the foreseeable future. In that scenario the annual employer contributions each year are equal to the benefits that are paid on behalf of the retirees. Under this funding policy, GASB 45 requires the use of a discount rate consistent with the expected investment returns on the County's general assets. The June 30, 2013 actuarial valuation assumed a 4.5% discount rate. The projected unit credit cost method was used to calculate the ARC for the June 30, 2013 valuation, and an annual healthcare cost trend rate of 6% initially, reduced to an ultimate rate of 4.5% after ten years, which includes a 3% inflation assumption. The UAAL is being amortized as a level percentage of active member payrolls over an open period of 30 years.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Unit Credit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2014	\$ -	\$ 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%
6/30/2012	-	2,625,858	2,625,858	0.0%	15,973,784	16.4%

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 7 OTHER INFORMATION

Pension Obligations

Plan Description

All permanent employees of the County and its component units, except for certain employees involved in law enforcement and fire fighting activities, participate in the South Carolina Retirement System (SCRS). The employees excluded above participate in the South Carolina Police Officers' Retirement System (SCPORS). Both systems are cost sharing multiple-employer defined benefit plans administered by the Retirement Division of the State Budget and Control Board. The SCRS and the SCPORS provide retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance, and survivor benefits to plan members and beneficiaries. Each plan's provisions are established under Title 9 of the S.C. Code of Laws. A Comprehensive Annual Financial Report containing financial statements and required supplementary information for both the SCRS and SCPORS is issued and publicly available on the internet at www.retirement.sc.gov, or by writing to the South Carolina Public Benefit Authority, P.O. Box 11960, Columbia, SC 29211-1960.

Funding Policy - SCRS

Plan members are required to contribute 7.5% of their annual covered salary, and the employer is required to contribute at an actuarially determined rate. The current rate is 10.6% of annual covered payroll. The contribution requirements of Plan members and employers are established under authority of Title 9 of the S.C. Code of Laws.

Funding Policy – SCPORS

Plan members are required to contribute 7.84% of their annual covered salary, and the employer is required to contribute at an actuarially determined rate. The current rate is 12.84% of annual covered payroll. The contribution requirements of Plan members and employers are established under authority of Title 9 of the S.C. Code of Laws.

The following table presents the required contributions to the SCRS and SCPORS by the County and its component units for the years ended June 30, 2014, 2013, and 2012. All of the required contributions were contributed for the current and each of the previous two years.

	Year Ended June 30,		
	2014	2013	2012
SCRS Contributions			
Primary Government	\$ 913,120	\$ 960,486	\$ 798,064
Fire and Rescue	20,067	24,202	19,621
Library	37,168	34,980	31,835
Alcohol and Drug	46,321	46,415	50,457
Total SCRS	<u>\$ 1,016,676</u>	<u>\$ 1,066,083</u>	<u>\$ 899,977</u>
SCPORS Contributions			
Primary Government	\$ 467,578	\$ 456,532	\$ 442,170
Fire and Rescue	557,758	472,100	439,102
Total SCPORS	<u>\$ 1,025,336</u>	<u>\$ 928,632</u>	<u>\$ 881,272</u>

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 7 OTHER INFORMATION – CONTINUED

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, 2014**

NOTE 7 OTHER INFORMATION – CONTINUED

Commitments

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, 2014 is \$62,371.

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, 2014 are as follows:

Fiscal Year Ending June 30,	Amount
2015	\$ 43,593
2016	39,810
2017	28,444
2018	18,669
2019	12,395
2020-2024	26,205
2025-2028	20,964
Total minimum lease payments	\$ 190,080

Construction Commitments: At June 30, 2014, the County has commitments under contracts for construction of various projects not completed of approximately \$3,404,701.

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 23, 2014.

Voters approved a referendum for a 1% penny sales tax effective January 1, 2015 to expire in eight years that is renewable by referendum for capital projects within Colleton County, the City of Walterboro, Town of Edisto Beach, and the Town of Cottageville.

A revenue bond for \$1.2 million from Santee-Cooper was issued by pledging multi-county fees for the construction of spec building 3. The terms of the loan call for interest only during the first five years of the loan.

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 7 OTHER INFORMATION – CONTINUED

Restatement of Prior Year Fund Balances and Net Position

The County has determined that a restatement of beginning net position of governmental activities, beginning fund balance of the General Fund, and beginning fund balance of the Nonmajor governmental funds is required to reflect a correction of an error in the June 30, 2013 financial report. These restatements are as follows:

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Governmental Activities
Recreation Center	\$ 947	\$ -	\$ (947)	\$ -
Roads and Bridges	592,371	-	(592,371)	-
Solid Waste	1,042,499	-	(1,042,499)	-
SSRB Economic Development	-	3,218,214	(3,218,214)	-
SSRB Industrial Park Bond	-	1,820,621	(1,820,621)	-
Infrastructure Industrial Development	-	821,396	(821,396)	-
County GOB Bond Proceeds	-	8,687	(8,687)	-
Capital Improvements	-	9,189	(9,189)	-
Sheriff's Discretionary Fund	-	-	25,557	25,557
Transportation Committee	-	5,040,725	-	5,040,725
14th Circuit Court Solicitor	-	-	1,715,099	1,715,099
Capital Assets - Solicitor	-	-	-	79,944
Total	<u>\$ 1,635,817</u>	<u>\$ 10,918,832</u>	<u>\$(5,773,268)</u>	<u>\$ 6,861,325</u>

To further explain the above restatements, the following information is provided:

Reclassification of Special Revenue Funds. Governmental Accounting Standards Board (GASB) Statement No. 54. defines special revenue funds as funds that are used to account for the proceeds of resources that are restricted or committed for purposes other than debt service or capital projects. Additionally, the restricted or committed resources need to comprise a substantial portion of the inflows reported in the special revenue fund. The County noted that the Recreation Fund, Roads & Bridges Fund, and Solid Waste Fund did not meet the definition of special revenue funds as defined under GASB 54. The County determined that an adjustment was needed to reclassify the Recreation Fund, Roads & Bridges Fund, and Solid Waste Fund as departments of the General Fund due to the fact that historically, a significant portion of the inflows reported in these funds were transfers from the General Fund. This resulted in an increase in beginning fund balance of the General Fund and a decrease in beginning fund balance of the Other Governmental Funds in the amount of \$1,635,817.

Adjustment to record the activity of the inmate trust account. The County noted that the Inmate Trust bank account had previously been recorded and reconciled as if it were an agency fund where the cash balance and an offsetting liability was adjusted monthly. As this account holds cash to be used for the betterment of the jail and for inmates' needs from commissions on sales to inmates (commissary income) and is recorded in a special revenue fund, the County determined that an adjustment to beginning fund balance was necessary to properly reflect fund balance in the Sheriff's Discretionary special revenue fund and Governmental Activities in the amount of \$25,557.

**COLLETON COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 7 OTHER INFORMATION – CONTINUED

Adjustment to record the activity of the Transportation Committee fund. The County noted that the activity in the County's Transportation Committee fund had previously been recorded as an agency fund with only assets and offsetting liabilities recorded in the Financial Statements of prior years. As such, the County determined that the activities of the Transportation Committee fund should be recorded in a capital projects fund given that the County receives the revenues from a gas tax paid to each County within the State to be used for road improvements and infrastructure. The revenues are referred to as "C Funds". The County spends these monies on roads and improvements at the direction of the County's Transportation Committee members who are tasked to instruct the County to spend the C Funds as they see fit. The Transportation Committee is not a separate legal entity from the County, but is a committee that advises on spending the C Funds. An adjustment to governmental activities and Transportation Committee fund balance in the amount of \$5,040,724 was made to properly record the accumulated earnings of this fund.

14th Circuit Court Solicitor. In the current year, the County determined that it was necessary to record the activity and operations involving the 14th District Solicitor's Office (See 0157.000 for S.C. law describing the arrangement). In so doing it was necessary to increase the fund balance of the Nonmajor Governmental Funds as well as the net position of Governmental Activities at June 30, 2013 as the activities of the 14th District Solicitor's Office had not previously been recorded in Colleton County's financial statements. The adjustment to beginning net position of Governmental Activities and Nonmajor Governmental Fund Balance is \$1,715,099, which represents the 14th District Solicitor's fund balance at 6/30/2013.

Adjustment to Combine Capital Project Funds. During the year ended June 30, 2014, the County decided to combine the various capital project funds into a single Capital Projects Fund, a major fund. This resulted in a decrease in beginning fund balance of the Nonmajor Governmental Funds and an increase in beginning fund balance of the Capital Projects Fund in the amount of \$5,878,107.

REQUIRED SUPPLEMENTARY
INFORMATION

**COLLETON COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual	Variance with final
	Original	Final		budget - positive (negative)
Revenues				
Taxes	\$ 20,178,917	\$ 20,178,917	\$ 18,955,958	\$ (1,222,959)
Intergovernmental revenues	1,741,066	3,878,634	3,828,707	(49,927)
Fines, fees, and service charges	5,130,959	5,130,959	4,846,713	(284,246)
Other income	152,410	152,410	37,124	(115,286)
Total revenues	<u>27,203,352</u>	<u>29,340,920</u>	<u>27,668,502</u>	<u>(1,672,418)</u>
Expenditures				
Current				
General government	8,737,711	10,882,636	10,292,729	589,907
Judicial	1,420,526	1,139,555	1,111,598	27,957
Public safety	6,629,884	6,629,832	6,761,513	(131,681)
Roads and bridges	1,830,036	1,902,367	1,897,018	5,349
Solid waste	2,197,605	2,257,279	2,240,632	16,647
Recreation and culture	857,609	848,802	836,004	12,798
Health and human services	1,402,977	1,406,977	1,266,560	140,417
Economic development	253,219	580,439	568,385	12,054
Intergovernmental	3,122,165	3,122,165	3,516,037	(393,872)
Capital Outlay				
General government	335,165	335,165	329,513	5,652
Debt Service				
Principal retirement	499,966	499,966	499,966	-
Interest and fiscal charges	14,401	14,401	14,402	(1)
Total expenditures	<u>27,301,264</u>	<u>29,619,584</u>	<u>29,334,357</u>	<u>285,227</u>
Excess (deficiency) of revenues over expenditures				
	<u>(97,912)</u>	<u>(278,664)</u>	<u>(1,665,855)</u>	<u>(1,387,191)</u>
Other financing sources (uses)				
Insurance proceeds	303,519	366,343	58,632	(307,711)
Transfers in	1,954,613	1,954,613	2,019,804	65,191
Transfers out	<u>(3,024,058)</u>	<u>(3,317,165)</u>	<u>(2,923,602)</u>	<u>393,563</u>
Total other financing sources (uses)	<u>(765,926)</u>	<u>(996,209)</u>	<u>(845,166)</u>	<u>151,043</u>
Net change in fund balances*				
	(863,838)	(1,274,873)	(2,511,021)	(1,236,148)
Fund balance, beginning of year				
	<u>9,565,040</u>	<u>9,565,040</u>	<u>9,565,040</u>	<u>9,565,040</u>
Fund balance, end of year				
	<u>\$ 8,701,202</u>	<u>\$ 8,290,167</u>	<u>\$ 7,054,019</u>	<u>\$ 8,328,892</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

NOTES TO REQUIRED SUPPLEMENTARY SCHEDULE:

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

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) 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]
6/30/2014	\$ -	\$ 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%
6/30/2012	-	2,625,858	2,625,858	0.0%	15,973,784	16.4%

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.

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, 2014**

	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	\$ 108,539	\$ -	\$ 106,790	\$ 19,234
Receivables, net of allowances	34	627	717	24,198
Prepaid items	-	-	-	-
Total assets	<u>\$ 108,573</u>	<u>\$ 627</u>	<u>\$ 107,507</u>	<u>\$ 43,432</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 2,951	\$ 435
Accrued payroll and benefits	-	498	-	3,378
Accrued liabilities	135	28	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>135</u>	<u>526</u>	<u>2,951</u>	<u>3,813</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	-	-	-	-
Nonspendable	-	-	-	-
Committed	-	-	-	-
Restricted	<u>108,438</u>	<u>101</u>	<u>104,556</u>	<u>39,619</u>
Total fund balances	<u>108,438</u>	<u>101</u>	<u>104,556</u>	<u>39,619</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 108,573</u>	<u>\$ 627</u>	<u>\$ 107,507</u>	<u>\$ 43,432</u>

**COLLETON COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014**

	Special Revenue Funds			
	Victim Witness Services	14th Circuit Court Solicitor	Public Defender Corporation	Special Revenue
Assets				
Cash and cash equivalents	\$ 103,291	\$ 1,404,292	\$ 40,893	\$ 100
Receivables, net of allowances	5,056	255,669	-	633,276
Prepaid items	-	38,487	-	-
Total assets	<u>\$ 108,347</u>	<u>\$ 1,698,448</u>	<u>\$ 40,893</u>	<u>\$ 633,376</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 53	\$ 18,663	\$ -	\$ 209,402
Accrued payroll and benefits	1,455	-	-	133,102
Accrued liabilities	-	-	-	59,439
Unearned revenues	-	-	-	60,212
Total liabilities	<u>1,508</u>	<u>18,663</u>	<u>-</u>	<u>462,155</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	-	1,641,298	40,893	-
Nonspendable	-	38,487	-	-
Committed	-	-	-	-
Restricted	106,839	-	-	171,221
Total fund balances	<u>106,839</u>	<u>1,679,785</u>	<u>40,893</u>	<u>171,221</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 108,347</u>	<u>\$ 1,698,448</u>	<u>\$ 40,893</u>	<u>\$ 633,376</u>

**COLLETON COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014**

	Special Revenue Funds			
	Animal Care	Emergency Telephone	County	County
	Control		Hospitality	Accommodations
	Donations	Tax	Tax	Tax
Assets				
Cash and cash equivalents	\$ 129,515	\$ 341,620	\$ 517,690	\$ 597,091
Receivables, net of allowances	-	67,575	123,998	64,517
Prepaid items	-	-	-	-
Total assets	<u>\$ 129,515</u>	<u>\$ 409,195</u>	<u>\$ 641,688</u>	<u>\$ 661,608</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 245	\$ 6,910	\$ 46,417	\$ 9,060
Accrued payroll and benefits	-	3,615	-	9,735
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>245</u>	<u>10,525</u>	<u>46,417</u>	<u>18,795</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	129,270	-	-	-
Nonspendable	-	-	-	-
Committed	-	-	595,271	642,813
Restricted	-	398,670	-	-
Total fund balances	<u>129,270</u>	<u>398,670</u>	<u>595,271</u>	<u>642,813</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 129,515</u>	<u>\$ 409,195</u>	<u>\$ 641,688</u>	<u>\$ 661,608</u>

**COLLETON COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014**

	Special Revenue Funds			
	State			
	Accommodations Tax	Recreation Center	Roads and Bridges	Solid Waste
Assets				
Cash and cash equivalents	\$ 5,052	\$ -	\$ -	\$ -
Receivables, net of allowances	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 5,052</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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	-	-	-	-
Nonspendable	-	-	-	-
Committed	-	-	-	-
Restricted	<u>5,052</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>5,052</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,052</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COLLETON COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014**

	Capital Projects Funds				
	SSRB Economic	SSRB	Infrastructure	County GOB	Capital
	<u>Development</u>	<u>Industrial Park Bond</u>	<u>Industrial Development</u>	<u>Bond Proceeds</u>	<u>Improvements</u>
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables, net of allowances	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Unavailable revenues-property taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Assigned	-	-	-	-	-
Nonspendable	-	-	-	-	-
Committed	-	-	-	-	-
Restricted	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COLLETON COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014**

	Debt Service			Total Nonmajor Governmental Funds
	SSRB			
	Debt Service	Cannady's Debt Service	Debt Service Non-GOB	
Assets				
Cash and cash equivalents	\$ 896,283	\$ 49,037	\$ 124,481	\$ 4,443,908
Receivables, net of allowances	144,851	-	-	1,320,518
Prepaid items	-	-	-	38,487
Total assets	<u>\$ 1,041,134</u>	<u>\$ 49,037</u>	<u>\$ 124,481</u>	<u>\$ 5,802,913</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 294,136
Accrued payroll and benefits	-	-	-	151,783
Accrued liabilities	-	-	-	59,602
Unearned revenues	-	-	-	60,212
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>565,733</u>
Deferred Inflows of Resources				
Unavailable revenues-property taxes	<u>121,659</u>	<u>-</u>	<u>-</u>	<u>121,659</u>
Total deferred inflows of resources	<u>121,659</u>	<u>-</u>	<u>-</u>	<u>121,659</u>
Fund Balances				
Assigned	-	-	-	1,811,461
Nonspendable	-	-	-	38,487
Committed	-	-	-	1,238,084
Restricted	<u>919,475</u>	<u>49,037</u>	<u>124,481</u>	<u>2,027,489</u>
Total fund balances	<u>919,475</u>	<u>49,037</u>	<u>124,481</u>	<u>5,115,521</u>
Total liabilities, deferred inflows of resources, and fund balances				
	<u>\$ 1,041,134</u>	<u>\$ 49,037</u>	<u>\$ 124,481</u>	<u>\$ 5,802,913</u>

COLLETON COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	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	347,305	10,908	33,521	136,817
Fines and fees	26,573	-	-	-
Other income	532	-	219	58
Total revenues	374,410	10,908	33,740	136,875
Expenditures				
Current				
Judicial	-	-	2,951	116,141
Public safety	179,905	10,807	-	-
Recreation and culture	-	-	-	-
Health and human services	-	-	-	-
Intergovernmental	-	-	-	-
Capital outlay				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	215,672	-	-	-
Economic development	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	395,577	10,807	2,951	116,141
Excess (deficiency) of revenues over expenditures	(21,167)	101	30,789	20,734
Other financing sources (uses)				
Proceeds from sales of capital assets	42,882	-	-	-
Transfers in	-	-	-	18,885
Transfers out	-	-	(38,066)	(46,441)
Total other financing sources (uses)	42,882	-	(38,066)	(27,556)
Net change in fund balances	21,715	101	(7,277)	(6,822)
Fund balances, beginning of year	61,166	-	111,833	46,441
Prior period adjustment	25,557	-	-	-
Fund balances, end of year	\$ 108,438	\$ 101	\$ 104,556	\$ 39,619

COLLETON COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds			
	Victim Witness Services	14th Circuit Court Solicitor	Public Defender Corporation	Special Revenue
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	72,324	2,529,806	-	2,028,075
Fines and fees	-	456,780	-	-
Other income	143	8,854	65	704
Total revenues	<u>72,467</u>	<u>2,995,440</u>	<u>65</u>	<u>2,028,779</u>
Expenditures				
Current				
Judicial	-	3,182,486	-	38,417
Public safety	45,537	-	-	287,791
Recreation and culture	-	-	-	79,491
Health and human services	-	-	-	528,238
Intergovernmental	-	-	-	145,335
Capital outlay				
General government	-	-	-	190,039
Judicial	-	129,239	-	-
Public safety	-	-	-	80,303
Economic development	-	-	-	455,208
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>45,537</u>	<u>3,311,725</u>	<u>-</u>	<u>1,804,822</u>
Excess (deficiency) of revenues over expenditures	<u>26,930</u>	<u>(316,285)</u>	<u>65</u>	<u>223,957</u>
Other financing sources (uses)				
Proceeds from sales of capital assets	-	-	-	-
Transfers in	-	280,971	-	27,846
Transfers out	-	-	-	(304,035)
Total other financing sources (uses)	<u>-</u>	<u>280,971</u>	<u>-</u>	<u>(276,189)</u>
Net change in fund balances	26,930	(35,314)	65	(52,232)
Fund balances, beginning of year	79,909	-	40,828	223,453
Prior period adjustment	-	1,715,099	-	-
Fund balances, end of year	<u>\$ 106,839</u>	<u>\$ 1,679,785</u>	<u>\$ 40,893</u>	<u>\$ 171,221</u>

COLLETON COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds			
	Animal Care		County	County
	Control		Emergency	Hospitality
	Donations	Telephone	Tax	Tax
Revenues				
Taxes	\$ -	\$ -	\$ 479,934	\$ 421,091
Intergovernmental revenues	7,391	76,446	78,404	-
Fines and fees	22,945	284,832	-	-
Other income	252	767	900	1,166
Total revenues	<u>30,588</u>	<u>362,045</u>	<u>559,238</u>	<u>422,257</u>
Expenditures				
Current				
Judicial	-	-	-	-
Public safety	12,656	336,383	-	-
Recreation and culture	-	-	106,490	278,898
Health and human services	-	-	-	-
Intergovernmental	-	-	-	-
Capital outlay				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	-	18,741	-	-
Economic development	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>12,656</u>	<u>355,124</u>	<u>106,490</u>	<u>278,898</u>
Excess (deficiency) of revenues over expenditures	<u>17,932</u>	<u>6,921</u>	<u>452,748</u>	<u>143,359</u>
Other financing sources (uses)				
Proceeds from sales of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(400,448)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(400,448)</u>	<u>-</u>
Net change in fund balances	17,932	6,921	52,300	143,359
Fund balances, beginning of year	111,338	391,749	542,971	499,454
Prior period adjustment	-	-	-	-
Fund balances, end of year	<u>\$ 129,270</u>	<u>\$ 398,670</u>	<u>\$ 595,271</u>	<u>\$ 642,813</u>

COLLETON COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds			
	State			
	Accommodations Tax	Recreation Center	Roads and Bridges	Solid Waste
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	3,716	-	-	-
Fines and fees	-	-	-	-
Other income	144	-	-	-
Total revenues	<u>3,860</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current				
Judicial	-	-	-	-
Public safety	-	-	-	-
Recreation and culture	-	-	-	-
Health and human services	-	-	-	-
Intergovernmental	-	-	-	-
Capital outlay				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Economic development	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>3,860</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Proceeds from sales of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,860	-	-	-
Fund balances, beginning of year	1,192	947	592,371	1,042,499
Prior period adjustment	-	(947)	(592,371)	(1,042,499)
Fund balances, end of year	<u>\$ 5,052</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COLLETON COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Capital Projects Funds				
		SSRB	Infrastructure		
	SSRB Economic Development	Industrial Park Bond	Industrial Development	County GOB Bond Proceeds	Capital Improvements
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Fines and fees	-	-	-	-	-
Other income	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Current					
Judicial	-	-	-	-	-
Public safety	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Health and human services	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Capital outlay					
General government	-	-	-	-	-
Judicial	-	-	-	-	-
Public safety	-	-	-	-	-
Economic development	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)					
Proceeds from sales of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	-
Fund balances, beginning of year	3,218,214	1,820,621	821,396	8,687	9,189
Prior period adjustment	(3,218,214)	(1,820,621)	(821,396)	(8,687)	(9,189)
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COLLETON COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Debt Service Funds			Total Nonmajor Governmental Funds
	SSRB			
	Debt Service	Cannady's Debt Service	Debt Service Non-GOB	
Revenues				
Taxes	\$ 1,233,438	\$ -	\$ -	\$ 2,134,463
Intergovernmental revenues	-	-	-	5,324,713
Fines and fees	33,225	1,012,592	-	1,836,947
Other income	2,292	2,369	167	18,632
Total revenues	<u>1,268,955</u>	<u>1,014,961</u>	<u>167</u>	<u>9,314,755</u>
Expenditures				
Current				
Judicial	-	-	-	3,339,995
Public safety	-	-	-	873,079
Recreation and culture	-	-	-	464,879
Health and human services	-	-	-	528,238
Intergovernmental	-	-	-	145,335
Capital outlay				
General government	-	-	-	190,039
Judicial	-	-	-	129,239
Public safety	-	-	-	314,716
Economic development	-	-	-	455,208
Debt service				
Principal retirement	1,170,000	365,000	259,912	1,794,912
Interest and fiscal charges	210,660	194,684	46,786	452,130
Total expenditures	<u>1,380,660</u>	<u>559,684</u>	<u>306,698</u>	<u>8,687,770</u>
Excess (deficiency) of revenues over expenditures	<u>(111,705)</u>	<u>455,277</u>	<u>(306,531)</u>	<u>626,985</u>
Other financing sources (uses)				
Proceeds from sales of capital assets	-	-	-	42,882
Transfers in	-	-	306,698	634,400
Transfers out	-	(1,221,683)	-	(2,010,673)
Total other financing sources (uses)	<u>-</u>	<u>(1,221,683)</u>	<u>306,698</u>	<u>(1,333,391)</u>
Net change in fund balances	(111,705)	(766,406)	167	(706,406)
Fund balances, beginning of year	1,031,180	815,443	124,314	11,595,195
Prior period adjustment	-	-	-	(5,773,268)
Fund balances, end of year	<u>\$ 919,475</u>	<u>\$ 49,037</u>	<u>\$ 124,481</u>	<u>\$ 5,115,521</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, 2014

Sheriff's Title IV D				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 12,936	\$ 12,936	\$ 10,908	\$ (2,028)
Total revenues	<u>12,936</u>	<u>12,936</u>	<u>10,908</u>	<u>(2,028)</u>
Expenditures				
Current				
Public safety	12,936	12,936	10,807	2,129
Total expenditures	<u>12,936</u>	<u>12,936</u>	<u>10,807</u>	<u>2,129</u>
Net change in fund balances*	-	-	101	101
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101</u>	<u>\$ 101</u>

Clerk of Court IV Incentives				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 36,975	\$ 36,975	\$ 33,521	\$ (3,454)
Other income	-	-	219	219
Total revenues	<u>36,975</u>	<u>36,975</u>	<u>33,740</u>	<u>(3,235)</u>
Expenditures				
Current				
Judicial	5,000	5,000	2,951	2,049
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>2,951</u>	<u>2,049</u>
Excess (deficiency) of revenues over (under) expenditures	<u>31,975</u>	<u>31,975</u>	<u>30,789</u>	<u>(1,186)</u>
Other financing sources (uses)				
Transfers out	(38,066)	(38,066)	(38,066)	-
Total other financing sources (uses)	<u>(38,066)</u>	<u>(38,066)</u>	<u>(38,066)</u>	<u>-</u>
Net change in fund balances*	(6,091)	(6,091)	(7,277)	(1,186)
Fund balance, beginning of year	111,833	111,833	111,833	-
Fund balance, end of year	<u>\$ 105,742</u>	<u>\$ 105,742</u>	<u>\$ 104,556</u>	<u>\$ (1,186)</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, 2014

Clerk of Court IV Unit Costs				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 116,396	\$ 116,396	\$ 136,817	\$ 20,421
Other income	-	-	58	58
Total revenues	<u>116,396</u>	<u>116,396</u>	<u>136,875</u>	<u>20,479</u>
Expenditures				
Current				
Judicial	135,281	117,651	116,141	1,510
Capital Outlay				
Judicial	-	17,630	-	17,630
Total expenditures	<u>135,281</u>	<u>135,281</u>	<u>116,141</u>	<u>19,140</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,885)</u>	<u>(18,885)</u>	<u>20,734</u>	<u>39,619</u>
Other financing sources (uses)				
Transfers in	18,885	18,885	18,885	-
Transfers out	-	(46,441)	(46,441)	-
Total other financing sources (uses)	<u>18,885</u>	<u>(27,556)</u>	<u>(27,556)</u>	<u>-</u>
Net change in fund balances*	-	(46,441)	(6,822)	39,619
Fund balance, beginning of year	46,441	46,441	46,441	-
Fund balance, end of year	<u>\$ 46,441</u>	<u>\$ -</u>	<u>\$ 39,619</u>	<u>\$ 39,619</u>

Victim Witness				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 53,927	\$ 53,927	\$ 72,324	\$ 18,397
Other income	-	-	143	143
Total revenues	<u>53,927</u>	<u>53,927</u>	<u>72,467</u>	<u>18,540</u>
Expenditures				
Current				
Public safety	53,927	53,927	45,537	8,390
Total expenditures	<u>53,927</u>	<u>53,927</u>	<u>45,537</u>	<u>8,390</u>
Net change in fund balances*	-	-	26,930	26,930
Fund balance, beginning of year	79,909	79,909	79,909	-
Fund balance, end of year	<u>\$ 79,909</u>	<u>\$ 79,909</u>	<u>\$ 106,839</u>	<u>\$ 26,930</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, 2014

14th Circuit Court Solicitor				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ -	\$ 2,801,340	\$ 2,529,806	\$ (271,534)
Fines, fees, and service charges	-	-	456,780	456,780
Other income	-	-	8,854	8,854
Total revenues	<u>-</u>	<u>2,801,340</u>	<u>2,995,440</u>	<u>194,100</u>
Expenditures				
Current				
Judicial	-	2,801,340	3,182,486	(381,146)
Capital Outlay				
Judicial	-	-	129,239	(129,239)
Total expenditures	<u>-</u>	<u>2,801,340</u>	<u>3,311,725</u>	<u>(510,385)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(316,285)</u>	<u>(316,285)</u>
Other financing sources (uses)				
Transfers in	-	-	280,971	280,971
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>280,971</u>	<u>280,971</u>
Net change in fund balances*	-	-	(35,314)	(35,314)
Fund balance, beginning of year	-	-	-	-
Prior period adjustment	1,715,099	1,715,099	1,715,099	-
Fund balance, end of year	<u>\$ 1,715,099</u>	<u>\$ 1,715,099</u>	<u>\$ 1,679,785</u>	<u>\$ (35,314)</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, 2014

	Special Revenue			Variance with final budget - positive (negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 2,992,196	\$ 2,728,050	\$ 2,028,075	\$ (699,975)
Other income	-	-	704	704
Total revenues	<u>2,992,196</u>	<u>2,728,050</u>	<u>2,028,779</u>	<u>(699,271)</u>
Expenditures				
Current				
Judicial	2,801,340	55,627	38,417	17,210
Public safety	206,310	317,537	287,791	29,746
Recreation and culture	-	113,062	79,491	33,571
Health and human services	-	862,782	528,238	334,544
Intergovernmental	-	235,974	145,335	90,639
Capital Outlay				
General government	-	333,050	190,039	143,011
Public safety	-	97,913	80,303	17,610
Economic development	-	500,000	455,208	44,792
Total expenditures	<u>3,007,650</u>	<u>2,515,945</u>	<u>1,804,822</u>	<u>711,123</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,454)</u>	<u>212,105</u>	<u>223,957</u>	<u>11,852</u>
Other financing sources (uses)				
Transfers in	15,454	38,461	27,846	(10,615)
Transfers out	-	(304,035)	(304,035)	-
Total other financing sources (uses)	<u>15,454</u>	<u>(265,574)</u>	<u>(276,189)</u>	<u>(10,615)</u>
Net change in fund balances*	-	(53,469)	(52,232)	1,237
Fund balance, beginning of year	223,453	223,453	223,453	-
Fund balance, end of year	<u>\$ 223,453</u>	<u>\$ 169,984</u>	<u>\$ 171,221</u>	<u>\$ 1,237</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, 2014

Animal Care Control Donations				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ -	\$ 2,745	\$ 7,391	\$ 4,646
Fines, fees, and service charges	18,400	18,400	22,945	4,545
Other income	100	100	252	152
Total revenues	<u>18,500</u>	<u>21,245</u>	<u>30,588</u>	<u>9,343</u>
Expenditures				
Current				
Public safety	18,500	21,245	12,656	8,589
Total expenditures	<u>18,500</u>	<u>21,245</u>	<u>12,656</u>	<u>8,589</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	17,932	17,932
Net change in fund balances*	-	-	17,932	17,932
Fund balance, beginning of year	111,338	111,338	111,338	-
Fund balance, end of year	<u>\$ 111,338</u>	<u>\$ 111,338</u>	<u>\$ 129,270</u>	<u>\$ 17,932</u>

Emergency Telephone				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ 76,446	\$ 76,446
Fines, fees, and service charges	317,801	317,801	284,832	(32,969)
Other income	-	-	767	767
Total revenues	<u>317,801</u>	<u>317,801</u>	<u>362,045</u>	<u>44,244</u>
Expenditures				
Current				
Public safety	323,655	351,507	336,383	15,124
Capital Outlay				
Public safety	-	18,750	18,741	9
Total expenditures	<u>323,655</u>	<u>370,257</u>	<u>355,124</u>	<u>15,133</u>
Net change in fund balances*	(5,854)	(52,456)	6,921	59,377
Fund balance, beginning of year	391,749	391,749	391,749	-
Fund balance, end of year	<u>\$ 385,895</u>	<u>\$ 339,293</u>	<u>\$ 398,670</u>	<u>\$ 59,377</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, 2014

County Hospitality Tax				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Taxes	\$ 455,650	\$ 455,650	\$ 479,934	\$ 24,284
Intergovernmental revenues	-	993,200	78,404	(914,796)
Other income	-	-	900	900
Total revenues	<u>455,650</u>	<u>1,448,850</u>	<u>559,238</u>	<u>(889,612)</u>
Expenditures				
Current				
Recreation and culture	69,574	1,062,774	106,490	956,284
Total expenditures	<u>69,574</u>	<u>1,062,774</u>	<u>106,490</u>	<u>956,284</u>
Excess (deficiency) of revenues over (under) expenditures	<u>386,076</u>	<u>386,076</u>	<u>452,748</u>	<u>66,672</u>
Other financing sources (uses)				
Transfers out	(386,076)	(386,076)	(400,448)	(14,372)
Total other financing sources (uses)	<u>(386,076)</u>	<u>(386,076)</u>	<u>(400,448)</u>	<u>(14,372)</u>
Net change in fund balances*	-	-	52,300	52,300
Fund balance, beginning of year	542,971	542,971	542,971	-
Fund balance, end of year	<u>\$ 542,971</u>	<u>\$ 542,971</u>	<u>\$ 595,271</u>	<u>\$ 52,300</u>

County Accommodations Tax				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Taxes	\$ 374,743	\$ 374,743	\$ 421,091	\$ 46,348
Other income	-	-	1,166	1,166
Total revenues	<u>374,743</u>	<u>374,743</u>	<u>422,257</u>	<u>47,514</u>
Expenditures				
Current				
Recreation and culture	374,743	359,502	278,898	80,604
Capital Outlay				
Recreation and culture	-	15,241	-	15,241
Total expenditures	<u>374,743</u>	<u>374,743</u>	<u>278,898</u>	<u>95,845</u>
Net change in fund balances*	-	-	143,359	143,359
Fund balance, beginning of year	499,454	499,454	499,454	-
Fund balance, end of year	<u>\$ 499,454</u>	<u>\$ 499,454</u>	<u>\$ 642,813</u>	<u>\$ 143,359</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, 2014

Debt Service				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Taxes	\$ 1,307,137	\$ 1,307,137	\$ 1,233,438	\$ (73,699)
Fines, fees, and service charges	39,834	39,834	33,225	(6,609)
Other income	-	-	2,292	2,292
Total revenues	<u>1,346,971</u>	<u>1,346,971</u>	<u>1,268,955</u>	<u>(78,016)</u>
Expenditures				
Debt Service				
Principal retirement	1,170,000	1,170,000	1,170,000	-
Interest and fiscal charges	210,660	210,660	210,660	-
Total expenditures	<u>1,380,660</u>	<u>1,380,660</u>	<u>1,380,660</u>	<u>-</u>
Net change in fund balances*	(33,689)	(33,689)	(111,705)	(78,016)
Fund balance, beginning of year	1,031,180	1,031,180	1,031,180	-
Fund balance, end of year	<u>\$ 997,491</u>	<u>\$ 997,491</u>	<u>\$ 919,475</u>	<u>\$ (78,016)</u>

SSRB Cannady's Debt Service				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Fines, fees, and service charges	\$ 1,117,739	\$ 1,117,739	\$ 1,012,592	\$ (105,147)
Other income	1,627	1,627	2,369	742
Total revenues	<u>1,119,366</u>	<u>1,119,366</u>	<u>1,014,961</u>	<u>(104,405)</u>
Expenditures				
Debt Service				
Principal retirement	365,000	365,000	365,000	-
Interest and fiscal charges	194,683	194,683	194,684	(1)
Total expenditures	<u>559,683</u>	<u>559,683</u>	<u>559,684</u>	<u>(1)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>559,683</u>	<u>559,683</u>	<u>455,277</u>	<u>(104,406)</u>
Other financing sources (uses)				
Transfers in	-	662,000	-	(662,000)
Transfers out	(559,683)	(1,221,683)	(1,221,683)	-
Total other financing sources (uses)	<u>(559,683)</u>	<u>(559,683)</u>	<u>(1,221,683)</u>	<u>(662,000)</u>
Net change in fund balances*	-	-	(766,406)	(766,406)
Fund balance, beginning of year	815,443	815,443	815,443	-
Fund balance, end of year	<u>\$ 815,443</u>	<u>\$ 815,443</u>	<u>\$ 49,037</u>	<u>\$ (766,406)</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, 2014

Debt Service Non-GOB				
	Budgeted Amounts		Actual	Variance with final budget - positive (negative)
	Original	Final		
Revenues				
Other income	\$ -	\$ -	\$ 167	\$ 167
Total revenues	<u>-</u>	<u>-</u>	<u>167</u>	<u>167</u>
Expenditures				
Debt Service				
Principal retirement	259,912	259,912	259,912	-
Interest and fiscal charges	51,164	51,164	46,786	4,378
Total expenditures	<u>311,076</u>	<u>311,076</u>	<u>306,698</u>	<u>4,378</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(311,076)</u>	<u>(311,076)</u>	<u>(306,531)</u>	<u>4,545</u>
Other financing sources (uses)				
Transfers in	311,076	311,076	306,698	(4,378)
Total other financing sources (uses)	<u>311,076</u>	<u>311,076</u>	<u>306,698</u>	<u>(4,378)</u>
Net change in fund balances*	-	-	167	167
Fund balance, beginning of year	124,314	124,314	124,314	-
Fund balance, end of year	<u>\$ 124,314</u>	<u>\$ 124,314</u>	<u>\$ 124,481</u>	<u>\$ 167</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

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, 2014**

	Budgeted Amounts		Actual	Variance with final
	Original	Final		budget - positive (negative)
Revenues				
Intergovernmental revenues	\$ 167,450	\$ 167,450	\$ 2,144,088	\$ 1,976,638
Fines, fees, and service charges	400,000	850,000	528,768	(321,232)
Other income	-	1,847,667	244,471	(1,603,196)
Total revenues	<u>567,450</u>	<u>2,865,117</u>	<u>2,917,327</u>	<u>52,210</u>
Expenditures				
Current				
General government	-	17	647	(630)
Judicial	-	-	4,596	(4,596)
Public safety	177,439	46,602	5,276	41,326
Roads and bridges	69,950	69,950	1,569,489	(1,499,539)
Solid waste	-	17	18	(1)
Economic development	599,270	1,065,523	612,477	453,046
Capital Outlay				
General government	623,401	233,215	46,781	186,434
Public safety	213,561	232,311	222,440	9,871
Roads and bridges	294,250	294,250	181,574	112,676
Solid waste	322,407	308,032	254,546	53,486
Economic development	635,605	5,374,499	1,208,812	4,165,687
Total expenditures	<u>2,935,883</u>	<u>7,624,416</u>	<u>4,106,656</u>	<u>3,517,760</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,368,433)</u>	<u>(4,759,299)</u>	<u>(1,189,329)</u>	<u>3,569,970</u>
Other financing sources (uses)				
Proceeds from sales of capital assets	13,500	13,500	47,831	34,331
Insurance proceeds	122,682	122,682	79,145	(43,537)
Transfers in	1,707,908	4,766,571	3,566,571	(1,200,000)
Transfers out	-	(2,486,500)	(1,286,500)	1,200,000
Total other financing sources (uses)	<u>1,844,090</u>	<u>2,416,253</u>	<u>2,407,047</u>	<u>(9,206)</u>
Net change in fund balances*	(524,343)	(2,343,046)	1,217,718	3,560,764
Fund balance, beginning of year	<u>10,918,832</u>	<u>10,918,832</u>	<u>10,918,832</u>	<u>-</u>
Fund balance, end of year	<u>\$ 10,394,489</u>	<u>\$ 8,575,786</u>	<u>\$ 12,136,550</u>	<u>\$ 3,560,764</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

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 – 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.

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

Delinquent Tax Fund – to account for delinquent taxes collected.

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

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

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

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

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

COLLETON COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
TOTAL				
Assets				
Cash and equivalents	\$ 9,830,110	\$ 111,641,186	\$ 112,190,136	\$ 9,281,160
Investments	3,400,000	-	3,400,000	-
Accounts receivable, net	237,348	-	237,348	-
Due from primary government	195,347	819,197	1,014,544	-
Total assets	<u>\$ 13,662,805</u>	<u>\$ 112,460,383</u>	<u>\$ 116,842,028</u>	<u>\$ 9,281,160</u>
Liabilities				
Accounts payable	\$ 564,107	\$ 913	\$ 564,107	\$ 913
Due to primary government	6,823	970,214	977,037	-
Assets held for others	13,091,875	99,472,095	103,283,723	9,280,247
Total liabilities	<u>\$ 13,662,805</u>	<u>\$ 100,443,222</u>	<u>\$ 104,824,867</u>	<u>\$ 9,281,160</u>
SHERIFF'S SEIZURE FUND				
Assets				
Cash and equivalents	\$ 150,704	\$ 195,143	\$ 71,760	\$ 274,087
Total assets	<u>\$ 150,704</u>	<u>\$ 195,143</u>	<u>\$ 71,760</u>	<u>\$ 274,087</u>
Liabilities				
Assets held for others	\$ 150,704	\$ 195,143	\$ 71,760	\$ 274,087
Total liabilities	<u>\$ 150,704</u>	<u>\$ 195,143</u>	<u>\$ 71,760</u>	<u>\$ 274,087</u>
WILLOW SWAMP WATER SHED FUND				
Assets				
Cash and equivalents	\$ 10,785	\$ 8,509	\$ 4,226	\$ 15,068
Due from primary government	9	8	17	-
Total assets	<u>\$ 10,794</u>	<u>\$ 8,517</u>	<u>\$ 4,243</u>	<u>\$ 15,068</u>
Liabilities				
Assets held for others	\$ 10,794	\$ 8,517	\$ 4,243	\$ 15,068
Total liabilities	<u>\$ 10,794</u>	<u>\$ 8,517</u>	<u>\$ 4,243</u>	<u>\$ 15,068</u>
LAW OFFICER'S MEMORIAL FUND				
Assets				
Cash and equivalents	\$ 848	\$ -	\$ -	\$ 848
Total assets	<u>\$ 848</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 848</u>
Liabilities				
Assets held for others	\$ 848	\$ -	\$ -	\$ 848
Total liabilities	<u>\$ 848</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 848</u>
TREASURER FUND				
Assets				
Cash and equivalents	\$ -	\$ 311,756	\$ 682	\$ 311,074
Total assets	<u>\$ -</u>	<u>\$ 311,756</u>	<u>\$ 682</u>	<u>\$ 311,074</u>
Liabilities				
Accounts payable	\$ -	\$ 7	\$ -	\$ 7
Assets held for others	-	311,749	682	311,067
Total liabilities	<u>\$ -</u>	<u>\$ 311,756</u>	<u>\$ 682</u>	<u>\$ 311,074</u>
14TH CIRCUIT COURT SOLICITOR FUND				
Assets				
Cash and equivalents	\$ -	\$ 2,300	\$ 826	\$ 1,474
Total assets	<u>\$ -</u>	<u>\$ 2,300</u>	<u>\$ 826</u>	<u>\$ 1,474</u>
Liabilities				
Assets held for others	\$ -	\$ 2,300	\$ 826	\$ 1,474
Total liabilities	<u>\$ -</u>	<u>\$ 2,300</u>	<u>\$ 826</u>	<u>\$ 1,474</u>

COLLETON COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
CTC FUND				
Assets				
Cash and equivalents	\$ 1,845,114	\$ 2,571,828	\$ 4,416,942	\$ -
Investments	3,400,000	-	3,400,000	-
Accounts receivable, net	237,348	-	237,348	-
Total assets	<u>\$ 5,482,462</u>	<u>\$ 2,571,828</u>	<u>\$ 8,054,290</u>	<u>\$ -</u>
Liabilities				
Accounts payable	\$ 563,613	\$ -	\$ 563,613	\$ -
Due to primary government	5,334	823,290	828,624	-
Assets held for others	4,913,515	-	4,913,515	-
Total liabilities	<u>\$ 5,482,462</u>	<u>\$ 823,290</u>	<u>\$ 6,305,752</u>	<u>\$ -</u>
DELINQUENT TAX FUND				
Assets				
Cash and equivalents	\$ 485,912	\$ 16,153,646	\$ 15,545,603	\$ 1,093,955
Total assets	<u>\$ 485,912</u>	<u>\$ 16,153,646</u>	<u>\$ 15,545,603</u>	<u>\$ 1,093,955</u>
Liabilities				
Assets held for others	\$ 485,912	\$ 5,885,023	\$ 5,276,980	\$ 1,093,955
Total liabilities	<u>\$ 485,912</u>	<u>\$ 5,885,023</u>	<u>\$ 5,276,980</u>	<u>\$ 1,093,955</u>
CLERK OF COURT FUND				
Assets				
Cash and equivalents	\$ 390,409	\$ 620	\$ 151,893	\$ 239,136
Total assets	<u>\$ 390,409</u>	<u>\$ 620</u>	<u>\$ 151,893</u>	<u>\$ 239,136</u>
Liabilities				
Assets held for others	\$ 390,409	\$ 620	\$ 151,893	\$ 239,136
Total liabilities	<u>\$ 390,409</u>	<u>\$ 620</u>	<u>\$ 151,893</u>	<u>\$ 239,136</u>
MAGISTRATE FUND				
Assets				
Cash and equivalents	\$ 105,390	\$ 3,176	\$ 36,240	\$ 72,326
Total assets	<u>\$ 105,390</u>	<u>\$ 3,176</u>	<u>\$ 36,240</u>	<u>\$ 72,326</u>
Liabilities				
Assets held for others	\$ 105,390	\$ 3,176	\$ 36,240	\$ 72,326
Total liabilities	<u>\$ 105,390</u>	<u>\$ 3,176</u>	<u>\$ 36,240</u>	<u>\$ 72,326</u>
PROBATE JUDGE FUND				
Assets				
Cash and equivalents	\$ 8,965	\$ 177	\$ 9	\$ 9,133
Total assets	<u>\$ 8,965</u>	<u>\$ 177</u>	<u>\$ 9</u>	<u>\$ 9,133</u>
Liabilities				
Assets held for others	\$ 8,965	\$ 177	\$ 9	\$ 9,133
Total liabilities	<u>\$ 8,965</u>	<u>\$ 177</u>	<u>\$ 9</u>	<u>\$ 9,133</u>

**COLLETON COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
FIREMENS FUND				
Assets				
Cash and equivalents	\$ 77,764	\$ 245,342	\$ 254,905	\$ 68,201
Total assets	<u>\$ 77,764</u>	<u>\$ 245,342</u>	<u>\$ 254,905</u>	<u>\$ 68,201</u>
Liabilities				
Accounts payable	\$ 494	\$ 906	\$ 494	\$ 906
Due to primary government	1,489	146,924	148,413	-
Assets held for others	75,781	97,512	105,998	67,295
Total liabilities	<u>\$ 77,764</u>	<u>\$ 245,342</u>	<u>\$ 254,905</u>	<u>\$ 68,201</u>
COLLETON COUNTY SCHOOL FUND				
Assets				
Cash and equivalents	\$ 6,754,219	\$ 92,148,689	\$ 91,707,050	\$ 7,195,858
Due from primary government	195,338	819,189	1,014,527	-
Total assets	<u>\$ 6,949,557</u>	<u>\$ 92,967,878</u>	<u>\$ 92,721,577</u>	<u>\$ 7,195,858</u>
Liabilities				
Assets held for others	\$ 6,949,557	\$ 92,967,878	\$ 92,721,577	\$ 7,195,858
Total liabilities	<u>\$ 6,949,557</u>	<u>\$ 92,967,878</u>	<u>\$ 92,721,577</u>	<u>\$ 7,195,858</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 Fund – 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, 2014**

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total</u>
Assets				
Cash and equivalents	\$ 175,024	\$ 1,077,002	\$ 642,861	\$ 1,894,887
Receivables, net of allowances	2,118,843	-	274,567	2,393,410
Total assets	<u>\$ 2,293,867</u>	<u>\$ 1,077,002</u>	<u>\$ 917,428</u>	<u>\$ 4,288,297</u>
Liabilities				
Accounts payable	\$ 84,005	\$ 154,842	\$ -	\$ 238,847
Accrued payroll liabilities	249,158	-	-	249,158
Unearned revenues	6,250	-	-	6,250
Total liabilities	<u>339,413</u>	<u>154,842</u>	<u>-</u>	<u>494,255</u>
Deferred Inflows of Resources				
Unavailable revenue-property taxes	363,671	-	231,019	594,690
Unavailable revenue-fees	1,136,970	-	-	1,136,970
Total deferred inflows of resources	<u>1,500,641</u>	<u>-</u>	<u>231,019</u>	<u>1,731,660</u>
Fund Balances				
Committed	-	922,160	-	922,160
Restricted	-	-	686,409	686,409
Unassigned	453,813	-	-	453,813
Total fund balances	<u>453,813</u>	<u>922,160</u>	<u>686,409</u>	<u>2,062,382</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,293,867</u>	<u>\$ 1,077,002</u>	<u>\$ 917,428</u>	<u>\$ 4,288,297</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, 2014**

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

Total fund balance - fire and rescue commission \$ 2,062,382

Capital assets used in governmental activities are not financial
resources and therefore are not reported as assets in governmental
funds.

Land	\$ 339,517	
Construction in progress	686,996	
Buildings & improvements, net of accumulated depreciation of \$1,387,871	4,061,261	
Other improvements, net of accumulated depreciation of \$95,416	38,423	
Equipment & vehicles, net of accumulated depreciation of \$10,030,325	<u>8,730,156</u>	
		13,856,353

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

Property taxes	594,690	
EMS fee receivables	<u>1,136,970</u>	
		1,731,660

Disbursements for insurance coverage reflected in the funds cover
periods extending beyond year-end. 117,419

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	(8,285,000)	
Capital Lease	(3,036,957)	
Compensated absences	(238,704)	
Accrued interest	(126,140)	
OPEB obligation	<u>(225,664)</u>	
		<u>(11,912,465)</u>

Total net position - governmental activities \$ 5,855,349

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, 2014

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total</u>
Revenues				
Taxes	\$ 3,199,130	\$ -	\$ 1,759,390	\$ 4,958,520
Intergovernmental revenues	3,681,264	-	-	3,681,264
Fees	1,470,586	-	-	1,470,586
Other income	<u>10,213</u>	<u>3,696</u>	<u>1,511</u>	<u>15,420</u>
Total revenues	<u>8,361,193</u>	<u>3,696</u>	<u>1,760,901</u>	<u>10,125,790</u>
Expenditures				
Current				
Public safety	8,241,808	18,023	-	8,259,831
Capital outlay				
Public Safety	3,434,128	872,687	-	4,306,815
Debt service				
Principal retirement	-	-	1,200,000	1,200,000
Interest payments	<u>-</u>	<u>-</u>	<u>231,936</u>	<u>231,936</u>
Total expenditures	<u>11,675,936</u>	<u>890,710</u>	<u>1,431,936</u>	<u>13,998,582</u>
Excess (deficiency) of revenues over expenditures	<u>(3,314,743)</u>	<u>(887,014)</u>	<u>328,965</u>	<u>(3,872,792)</u>
Other financing sources (uses)				
Issuance of debt	3,036,957	-	-	3,036,957
Proceeds from sales of capital assets	1,200	-	-	1,200
Proceeds from insurance settlements	11,497	-	-	11,497
Proceeds from legal settlements	420,000	-	-	420,000
Transfers in	159,000	-	-	159,000
Transfers out	<u>-</u>	<u>-</u>	<u>(159,000)</u>	<u>(159,000)</u>
Total other financing sources (uses)	<u>3,628,654</u>	<u>-</u>	<u>(159,000)</u>	<u>3,469,654</u>
Net change in fund balances	313,911	(887,014)	169,965	(403,138)
Fund balances, beginning of year	<u>139,902</u>	<u>1,809,174</u>	<u>516,444</u>	<u>2,465,520</u>
Fund balances, end of year	<u>\$ 453,813</u>	<u>\$ 922,160</u>	<u>\$ 686,409</u>	<u>\$ 2,062,382</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, 2014**

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

Total net change in fund balance - fire and rescue commission \$ (403,138)

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	\$ 4,306,815	
Depreciation expense	<u>(1,081,407)</u>	
		3,225,408

Because some property taxes will be not collected for several months after the County's fiscal year ends, they are not considered "available" revenues in the governmental funds. Similarly, other revenues that do not provide current financial resources are not reported as revenues in the funds.

Property taxes and other special assessments	(27,742)	
EMS fee receivables	<u>(124,903)</u>	
		(152,645)

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	(39,354)	
OPEB obligation	(33,046)	
Accrued interest	<u>(48,828)</u>	
		(121,228)

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 payment on general obligation bonds	1,200,000	
Capital lease issued	<u>(3,036,957)</u>	
		(1,836,957)

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.

2,709

Changes in net position of governmental activities \$ 714,149

**COLLETON COUNTY, SOUTH CAROLINA
COMPONENT UNIT - FIRE AND RESCUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual	Variance with final
	Original	Final		budget - positive (negative)
Revenues				
Taxes	\$ 4,923,639	\$ 4,923,639	\$ 4,958,520	\$ 34,881
Intergovernmental revenues	3,107,681	3,524,258	3,681,264	157,006
Fees	1,352,045	1,443,249	1,470,586	27,337
Other income	138,992	144,307	15,420	(128,887)
Total revenues	<u>9,522,357</u>	<u>10,035,453</u>	<u>10,125,790</u>	<u>90,337</u>
Expenditures				
Current				
Public safety	7,819,078	8,133,152	8,259,831	(126,679)
Capital outlay				
Public safety	11,344	5,264,368	4,306,815	957,553
Debt Service				
Principal retirement	1,200,000	1,200,000	1,200,000	-
Interest and fiscal charges	531,935	531,935	231,936	299,999
Total expenditures	<u>9,562,357</u>	<u>15,129,455</u>	<u>13,998,582</u>	<u>1,130,873</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,000)</u>	<u>(5,094,002)</u>	<u>(3,872,792)</u>	<u>1,221,210</u>
Other financing sources (uses)				
Issuance of debt	-	3,036,957	3,036,957	-
Proceeds from sales of capital assets	-	-	1,200	(1,200)
Proceeds from insurance settlements	40,000	52,287	11,497	40,790
Proceeds from legal settlements	-	-	420,000	(420,000)
Transfers in	-	159,000	159,000	-
Transfers out	-	(159,000)	(159,000)	-
Total other financing sources (uses)	<u>40,000</u>	<u>3,089,244</u>	<u>3,469,654</u>	<u>(380,410)</u>
Net change in fund balances*	-	(2,004,758)	(403,138)	1,601,620
Fund balances, beginning of year	<u>2,465,520</u>	<u>2,465,520</u>	<u>2,465,520</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,465,520</u>	<u>\$ 460,762</u>	<u>\$ 2,062,382</u>	<u>\$ 1,601,620</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

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, 2014**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Assets			
Cash and equivalents	\$ 41,690	\$ 638	\$ 42,328
Receivables, net of allowances	1,044	-	1,044
Total assets	<u>\$ 42,734</u>	<u>\$ 638</u>	<u>\$ 43,372</u>
Liabilities			
Accounts payable	\$ 13,085	\$ 171	\$ 13,256
Accrued payroll and benefits	18,271	-	18,271
Unearned revenues	11,044	-	11,044
Total liabilities	<u>42,400</u>	<u>171</u>	<u>42,571</u>
Fund Balances			
Assigned	-	467	467
Unassigned	334	-	334
Total fund balances	<u>334</u>	<u>467</u>	<u>801</u>
 Total liabilities and fund balances	 <u>\$ 42,734</u>	 <u>\$ 638</u>	 <u>\$ 43,372</u>

**COLLETON COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
MEMORIAL LIBRARY
JUNE 30, 2014**

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

Total fund balance - Memorial Library	\$	801
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 \$1,609,600	265,923	
Equipment & vehicles, net of accumulated depreciation of \$208,043	3,615	269,538
Disbursements for insurance coverage reflected in the funds cover periods extending beyond year-end		
		9,061
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Compensated absences	(22,372)	
OPEB obligation	(110,807)	(133,179)
Total net position - governmental activities	\$	146,221

**COLLETON COUNTY, SOUTH CAROLINA
 COMPONENT UNIT - MEMORIAL LIBRARY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2014**

	General Fund	Special Revenue Fund	Total
Revenues			
Intergovernmental revenues	\$ 525,777	\$ 75,000	\$ 600,777
Fines, fees, and service charges	29,764	-	29,764
Other income	60,034	31	60,065
Total revenues	<u>615,575</u>	<u>75,031</u>	<u>690,606</u>
Expenditures			
Current			
Recreation and culture	609,144	16,839	625,983
Capital outlay			
Recreation and culture	31,545	58,160	89,705
Total expenditures	<u>640,689</u>	<u>74,999</u>	<u>715,688</u>
Net change in fund balances	(25,114)	32	(25,082)
Fund balances, beginning of year	25,448	435	25,883
Fund balances, end of year	<u>\$ 334</u>	<u>\$ 467</u>	<u>\$ 801</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, 2014**

Total net change in fund balance - Memorial Library \$ (25,082)

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	89,705	
Depreciation expense	<u>(79,445)</u>	
		10,260

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	9	
OPEB obligation	<u>(32,205)</u>	
		(32,196)

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.

(108)

Changes in net position of governmental activities \$ (47,126)

**COLLETON COUNTY, SOUTH CAROLINA
 COMPONENT UNIT - MEMORIAL LIBRARY
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual	Variance with final
	Original	Final		budget - positive (negative)
Revenues				
Intergovernmental revenues	\$ 582,165	\$ 601,415	\$ 600,777	\$ (638)
Fines, fees, and service charges	-	-	29,764	29,764
Other income	-	38,735	60,065	21,330
Total revenues	<u>582,165</u>	<u>640,150</u>	<u>690,606</u>	<u>50,456</u>
Expenditures				
Current				
Recreation and culture	529,364	587,349	625,983	(38,634)
Capital outlay				
Recreation and culture	82,801	82,801	89,705	(6,904)
Total expenditures	<u>612,165</u>	<u>670,150</u>	<u>715,688</u>	<u>(45,538)</u>
Net change in fund balance	(30,000)	(30,000)	(25,082)	4,918
Fund balances, beginning of year	<u>25,883</u>	<u>25,883</u>	<u>25,883</u>	<u>-</u>
Fund balances, end of year	<u>\$ (4,117)</u>	<u>\$ (4,117)</u>	<u>\$ 801</u>	<u>\$ 4,918</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 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, 2014**

Court fines, surcharges, and assessments		
Collected	\$	1,640,073
Remitted to State Treasurer		(832,996)
Retained by County	\$	<u>807,077</u>
Fines, surcharges and assessments retained by County		
General fund	\$	698,568
Other agencies		42,398
Victims' advocate services		66,111
Total surcharges and assessments	\$	<u>807,077</u>
Funds allocated to victims' advocate service		
Carryover funds from prior year	\$	79,909
Interest earned		143
Surcharges and assessments retained		72,324
Expenditures for victims advocate retained		(45,537)
Balance of victims funds at end of year	\$	<u>106,839</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.	97-100
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.	101-103
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.	104-109
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.	110-111
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.	112-114

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 15,571,192	\$ 19,878,746	\$ 21,873,770	\$ 26,304,536	\$ 24,511,294	\$ 26,613,252	\$ 30,234,540	\$ 28,162,225	\$ 31,267,962	\$ 31,257,962
Restricted	825,612	6,809,212	3,782,860	4,323,292	7,104,250	8,210,458	8,509,085	10,192,511	13,500,929	10,305,751
Unrestricted	10,986,567	3,752,875	8,195,230	5,039,767	7,260,956	8,282,389	9,942,615	12,627,357	10,997,674	14,202,852
Total Governmental Activities Net Position	<u>\$ 27,383,371</u>	<u>\$ 30,440,833</u>	<u>\$ 33,851,860</u>	<u>\$ 35,667,595</u>	<u>\$ 38,876,500</u>	<u>\$ 43,106,099</u>	<u>\$ 48,686,240</u>	<u>\$ 50,982,093</u>	<u>\$ 55,766,565</u>	<u>\$ 55,766,565</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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities:										
General government	\$ 5,340,259	\$ 5,832,259	\$ 6,172,453	\$ 6,581,507	\$ 6,646,119	\$ 6,593,093	\$ 7,228,887	\$ 8,000,488	\$ 8,178,472	\$ 10,740,147
Judicial	1,609,223	1,694,343	1,574,140	2,130,954	2,137,323	1,973,222	5,010,233	4,996,680	4,594,583	4,957,014
Public safety	8,355,260	8,897,438	9,377,244	10,114,552	10,634,142	10,232,152	8,244,482	8,202,681	8,410,210	8,589,140
Streets and highways	1,923,415	2,157,486	2,266,132	2,250,684	2,302,900	1,774,066	2,313,953	2,320,046	2,496,358	4,182,236
Sanitation	1,794,280	1,864,575	1,945,094	2,056,866	2,124,328	1,730,522	2,244,813	2,280,816	2,449,740	2,568,610
Recreation and culture	976,080	1,029,961	996,532	1,139,480	1,182,007	1,285,985	819,698	1,036,373	1,313,153	1,743,106
Health and human services	964,771	1,083,368	1,057,044	1,113,018	1,172,954	1,084,829	1,818,338	1,672,744	1,789,799	1,925,374
Economic development	704,122	420,369	353,263	402,344	637,276	259,688	380,812	2,027,728	3,373,628	1,569,363
Intergovernmental	862,515	2,909,748	320,196	638,346	262,917	250,113	3,485,734	3,130,391	3,360,676	3,661,372
Interest and fiscal charges	844,149	890,054	875,038	714,427	740,453	3,422,305	655,432	560,225	500,152	437,611
Total Expenses	<u>23,374,074</u>	<u>26,779,601</u>	<u>24,937,136</u>	<u>27,142,178</u>	<u>27,840,419</u>	<u>28,605,975</u>	<u>32,202,382</u>	<u>34,228,172</u>	<u>36,466,771</u>	<u>40,373,973</u>
Revenues										
Governmental Activities:										
Program Revenues										
Charges for Services:										
General government	428,794	420,290	475,461	560,509	594,443	461,919	434,053	407,482	483,659	568,195
Judicial	485,554	585,178	526,510	531,060	354,456	845,808	3,052,629	2,852,878	2,769,668	1,159,451
Public safety	1,153,053	1,289,323	1,331,084	1,390,379	1,342,620	149,508	512,453	352,108	364,705	357,982
Streets and highways	10,647	-	-	-	762,092	979,340	913,889	964,525	1,015,102	911,965
Sanitation	404,248	452,989	467,428	508,640	399,346	1,106,419	1,443,781	1,150,138	1,636,460	1,737,436
Recreation and culture	5,566	44,060	85,368	130,601	3,570	-	160,145	175,987	210,835	330,566
Health and human services	-	-	-	497,112	-	139,036	708,738	725,761	627,354	633,729
Economic development	-	-	-	-	-	295,251	-	-	-	1,541,360
Operating Grants and Contributions	1,574,556	1,780,045	1,476,277	974,119	1,561,311	3,225,446	2,049,525	2,102,187	3,073,637	9,860,851
Capital Grants and Contributions	496,416	1,665,398	129,862	174,643	440,452	621,186	3,181,056	1,438,292	-	-
General Revenues										
Taxes	19,021,696	19,574,622	20,876,317	21,185,136	23,190,793	22,999,176	23,662,008	24,538,580	22,956,394	21,029,359
Grants and contributions not restricted to specific program	1,795,135	1,874,599	2,054,893	2,277,220	2,174,986	1,755,788	1,419,929	1,197,122	1,430,665	1,436,657
Interest and investment earnings	212,826	491,442	745,946	525,192	132,325	52,452	89,429	79,474	-	-
Miscellaneous	46,952	57,399	8,807	157,455	47,202	108,356	24,912	311,507	271,784	438,004
Gain (loss) on sale of assets	26,394	89,815	-	45,847	45,728	95,889	129,976	227,984	66,667	-
Transfers in (out)	(424,146)	1,511,903	170,210	-	-	-	-	-	(52,796)	90,713
Total Revenues	<u>25,237,691</u>	<u>29,837,063</u>	<u>28,348,163</u>	<u>28,957,913</u>	<u>31,049,324</u>	<u>32,835,574</u>	<u>37,782,523</u>	<u>36,524,025</u>	<u>34,854,134</u>	<u>40,096,268</u>
Change in net position	1,863,617	3,057,462	3,411,027	1,815,735	3,208,905	4,229,599	5,580,141	2,295,853	(1,612,637)	(277,705)
Net Position-Beginning	25,519,754	(1) 27,383,371	30,440,833	33,851,860	35,667,595	38,876,500	43,106,099	48,686,240	50,982,093	49,182,945
Prior Period Adjustment	-	-	-	-	-	-	-	-	(186,511)	6,861,325
Net Position-Ending	<u>\$ 27,383,371</u>	<u>\$ 30,440,833</u>	<u>\$ 33,851,860</u>	<u>\$ 35,667,595</u>	<u>\$ 38,876,500</u>	<u>\$ 43,106,099</u>	<u>\$ 48,686,240</u>	<u>\$ 50,982,093</u>	<u>\$ 49,182,945</u>	<u>\$ 55,766,565</u>

Source: County Audit Reports

(1) - Net position was restated at June 30, 2004.

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

Schedule 3

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GENERAL FUND										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,442	\$ 6,718	\$ 6,076	\$ 14,004
Restricted	258,922	591,131	12,190	4,512	7,092	2,592	-	204,307	2,101	362,911
Committed	100,944	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	695,942
Unassigned	6,848,633	5,680,983	6,836,588	7,031,667	8,947,550	7,433,900	8,735,361	8,975,864	7,921,046	5,981,162
Total General Fund	<u>\$ 7,208,499</u>	<u>\$ 6,272,114</u>	<u>\$ 6,848,778</u>	<u>\$ 7,036,179</u>	<u>\$ 8,954,642</u>	<u>\$ 7,436,492</u>	<u>\$ 8,737,803</u>	<u>\$ 9,186,889</u>	<u>\$ 7,929,223</u>	<u>\$ 7,054,019</u>
ECONOMIC DEVELOPMENT AND CAPITAL IMPROVEMENTS FUND										
Nonspendable	\$ 3,917,909	\$ 2,898,254	\$ 2,237,674	\$ 4,123,586	\$ 2,737,489	\$ -	\$ -	\$ -	\$ -	\$ -
Total Economic Development Fund	<u>\$ 3,917,909</u>	<u>\$ 2,898,254</u>	<u>\$ 2,237,674</u>	<u>\$ 4,123,586</u>	<u>\$ 2,737,489</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
CAPITAL PROJECTS FUND										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,700,933
Restricted	-	-	-	-	-	-	-	-	-	5,214,418
Committed	-	-	-	-	-	-	-	-	-	4,221,199
Total Economic Development Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,136,550</u>						
2005 BOND FUND										
Nonspendable	\$ -	\$ 3,910,517	\$ 1,066,216	\$ 135,200	\$ 1,061	\$ -	\$ -	\$ -	\$ -	\$ -
Total Economic Development Fund	<u>\$ -</u>	<u>\$ 3,910,517</u>	<u>\$ 1,066,216</u>	<u>\$ 135,200</u>	<u>\$ 1,061</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ALL OTHER GOVERNMENTAL FUNDS										
Restricted	\$ 761,756	\$ 798,630	\$ 355,864	\$ 366,834	\$ 369,375	\$ 1,825,429	\$ 4,752,641	\$ 4,338,743	\$ 7,728,952	\$ 2,027,489
Committed	20,232	420,844	270,844	320,844	348,042	356,323	722,624	1,873,050	3,136,266	1,238,084
Nonspendable	-	-	-	-	-	-	-	-	567,675	38,487
Assigned	3,167,854	4,810,358	5,485,465	4,914,462	4,925,295	6,346,099	4,896,457	6,193,164	162,302	1,811,461
Total All Other Governmental Funds	<u>\$ 3,949,842</u>	<u>\$ 6,029,832</u>	<u>\$ 6,112,173</u>	<u>\$ 5,602,140</u>	<u>\$ 5,642,712</u>	<u>\$ 8,527,851</u>	<u>\$ 10,371,722</u>	<u>\$ 12,404,957</u>	<u>\$ 11,595,195</u>	<u>\$ 5,115,521</u>

Source: County Audit Reports

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 19,153,763	\$ 19,907,589	\$ 21,041,799	\$ 21,404,626	\$ 23,256,592	\$ 23,859,750	\$ 24,966,426	\$ 25,323,266	\$ 23,885,157	\$ 21,090,421
Licenses and permits	128,422	142,560	151,555	223,315	156,842	-	-	-	-	-
Fines and fees	2,064,121	2,358,776	2,384,057	2,506,477	2,839,939	2,223,421	2,474,493	2,021,074	7,107,783	7,212,428
Intergovernmental	4,015,176	3,606,935	3,607,297	3,832,211	3,985,122	4,684,025	6,748,815	6,266,017	4,504,302	11,297,508
Charges for services	-	-	-	-	-	-	-	-	-	-
Interest	211,096	492,626	741,997	525,308	132,442	97,238	89,338	79,470	-	-
Other	65,903	156,680	128,524	297,356	298,610	139,684	124,420	515,179	173,666	300,227
Total Revenues	25,638,481	26,665,166	28,055,229	28,789,293	30,669,547	31,004,118	34,403,492	34,205,006	35,670,908	39,900,584
Expenditures										
Current:										
General government	5,232,852	5,657,276	5,862,450	6,455,603	6,292,313	7,865,398	6,756,544	7,344,982	7,688,345	10,293,376
Judicial	1,531,523	1,674,099	1,569,271	1,719,488	1,695,299	1,962,697	2,344,951	2,122,867	4,157,881	4,456,189
Public safety	8,252,478	8,604,754	9,165,986	9,644,962	9,763,712	9,335,109	7,345,678	7,440,052	7,468,560	7,723,408
Streets and highways	2,075,280	1,656,805	1,628,779	1,612,068	1,649,944	2,711,965	1,608,064	1,655,724	1,833,460	3,466,507
Sanitation	1,854,391	1,789,779	1,764,920	2,110,483	1,850,461	1,750,312	1,917,542	1,972,315	2,156,449	2,240,650
Recreation and culture	959,286	1,014,539	983,338	1,127,037	1,179,546	758,729	761,261	872,178	1,055,271	1,300,883
Health and human services	869,430	989,351	960,730	1,019,031	1,320,906	1,109,046	1,002,283	833,863	1,674,861	1,794,798
Economic development	727,934	411,278	300,050	389,283	622,021	2,844,242	235,493	1,864,496	3,101,594	1,097,322
Intergovernmental	862,515	2,909,748	320,194	594,082	218,773	3,227,967	3,441,590	6,006,861	3,360,676	3,661,372
Capital Outlay	237,559	1,801,556	5,153,267	2,970,732	2,996,675	63,109	5,424,846	5,315,933	3,082,720	3,332,868
Debt Service										
Bond issuance costs	-	37,182	-	-	-	-	-	-	-	-
Principal	2,054,465	2,399,184	2,582,576	2,525,062	1,927,818	1,632,045	2,347,982	5,325,472	2,246,834	2,294,878
Interest	847,037	939,936	873,360	727,785	763,115	675,223	676,249	388,136	536,892	466,532
Total Expenditures	25,504,750	29,885,487	31,164,921	30,895,616	30,280,583	33,935,842	33,862,483	41,142,879	38,363,543	42,128,783
Excess (deficiency) of revenues over (under) expenditures	133,731	(3,220,321)	(3,109,692)	(2,106,323)	388,964	(2,931,724)	541,009	(6,937,873)	(2,692,635)	(2,228,199)
Other Financing Sources (Uses)										
Proceeds from sale of property	68,283	94,788	58,606	48,028	18,492	9,441	39,330	53,082	66,667	90,713
Debt proceeds	898,000	8,671,903	-	4,000,000	-	1,462,500	2,452,446	6,519,794	-	-
Debt payments	-	(3,023,806)	-	(1,314,241)	-	-	-	-	-	-
Insurance proceeds	-	-	-	4,800	31,343	87,372	112,399	177,318	98,118	137,777
Transfers in	3,882,708	5,691,806	3,393,634	3,267,296	4,263,137	7,601,471	6,420,790	9,559,323	4,251,121	6,220,775
Transfers out	(3,882,708)	(5,691,806)	(3,393,634)	(3,267,296)	(4,263,137)	(7,600,621)	(6,420,789)	(9,559,323)	(4,303,917)	(6,220,775)
Total other financing sources (uses)	966,283	5,742,885	58,606	2,738,587	49,835	1,560,163	2,604,176	6,750,194	111,989	228,490
Net Change in Fund Balances	1,100,014	2,522,564	(3,051,086)	632,264	438,799	(1,371,561)	3,145,185	(187,679)	(2,580,646)	(1,999,709)
Other changes in fund balance	(123,751)	1,511,903	205,210	-	-	-	-	2,669,997	513,218	6,781,381
Fund Balances, Beginning	14,099,987	15,076,250	19,110,717	16,264,841	16,897,105	17,335,904	15,964,343	19,109,528	21,591,846	19,524,418
Fund Balances, Ending	\$ 15,076,250	\$ 19,110,717	\$ 16,264,841	\$ 16,897,105	\$ 17,335,904	\$ 15,964,343	\$ 19,109,528	\$ 21,591,846	\$ 19,524,418	\$ 24,306,090
Debt service as a percentage of noncapital expenditures	11.5%	12.0%	13.3%	11.6%	9.9%	6.8%	10.6%	15.9%	7.9%	7.1%

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, 2005	\$ 75,419,340	\$ 42,867,148	\$ 118,286,488	\$ 812,552,504	\$ 692,522,585	\$ 1,505,075,089	125.50
2006	116,280,800 *	42,659,472 *	158,940,272 *	1,594,898,565 *	626,514,985 *	2,221,413,550 *	96.10
2007	121,292,503	42,168,888	163,461,391	1,708,084,265	599,017,219	2,307,101,484	102.40
2008	126,823,441	41,473,101	168,296,542	1,729,360,519	591,825,021	2,321,185,540	104.20
2009	129,036,420	40,735,379	169,771,799	1,965,699,616	607,984,487	2,573,684,103	104.20
2010	123,603,434	41,435,519	165,038,953	2,977,709,647 **	608,617,821	3,586,327,468	107.50
2011	135,718,521 *	43,267,945 *	178,986,466 *	4,946,871,251 *	640,058,358 *	5,586,929,609 *	105.86
2012	127,313,207	44,104,392	171,417,599	3,677,625,787	561,477,710	4,239,103,497	108.45
2013	124,529,285	45,681,967	170,211,252	3,677,288,314	577,742,213	4,255,030,527	108.45
2014	124,290,470	46,322,848	170,613,318	3,675,411,178	542,309,703	4,217,720,881	108.45

* Reassessment Year.

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

Data Source: County Auditor

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

Schedule 6

FISCAL YEAR ENDED JUNE 30,	COUNTY DIRECT RATES			OVERLAPPING RATES					
	BASIC RATE	COUNTY DEBT	TOTAL DIRECT RATE	SCHOOL OPERATIONS	SCHOOL DEBT SERVICE	COUNTY FIRE PROTECTION	COUNTY FIRE DEBT SERVICE	TOWN OF EDISTO BEACH	CITY OF WALTERBORO
2005	125.50	11.10	136.60	113.40	10.50	23.90	12.50	24.00	95.00
2006	96.10	12.50	108.60	87.80	7.80	22.70	13.30	12.00	78.00
2007	102.40	11.20	113.60	98.20	24.50	28.10	14.40	15.00	78.00
2008	104.20	11.40	115.60	101.44	44.50	29.00	18.40	17.00	81.00
2009	104.20	12.00	116.20	104.38	46.50	29.84	20.50	18.00	83.00
2010	107.50	8.70	116.20	104.38	46.50	29.84	20.50	18.81	83.00
2011	105.86	7.41	113.27	101.83	46.50	29.61	20.69	18.65	77.00
2012	108.45	7.41	115.86	104.31	46.50	30.54	20.69	19.53	79.46
2013	108.45	7.41	115.86	104.31	46.50	33.56	17.67	19.53	88.00
2014	108.45	7.41	115.86	104.31	46.50	33.56	17.67	20.23	88.00

Source: County Auditor's Office

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

Schedule 7

TAXPAYER	2014			2005			
	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	\$ 7,507,320	1	4.41%	N/A	-	N/A	%
Coastal Electric Coop	2,526,060	2	1.48%	N/A	-	N/A	
CSX Transportation, Inc	1,001,990	3	0.59%	N/A	-	N/A	
Central Electric Power Coop	818,220	4	0.48%	N/A	-	N/A	
Wal-Mart Real Estate	765,000	5	0.45%	N/A	-	N/A	
Cherokee Plantation Owners LLC	569,376	6	0.33%	N/A	-	N/A	
Walterboro Community Hospital	486,000	7	0.29%	N/A	-	N/A	
Dayco Products LLC	434,570	8	0.26%	N/A	-	N/A	
Smithers Oasis Company	415,980	9	0.24%	N/A	-	N/A	
Walterboro / SAV LLC	387,300	10	0.23%	N/A	-	N/A	
Total	<u>\$ 14,911,816</u>		<u>8.75%</u>	<u>\$ -</u>		<u>-</u>	<u>%</u>

Source: County Auditor

N/A - Information is not available.

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

Schedule 8

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
		AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2005	\$ 29,856,301	\$ 29,804,687	99.83	\$ 2,699,668	\$ 32,504,355	108.87 %
2006	32,455,604 *	29,031,541	89.45	2,640,704	31,672,245	97.59
2007	38,625,927	31,614,329	81.85	2,179,005	33,793,334	87.49
2008	44,016,278	36,218,618	82.28	2,698,000	38,916,618	88.41
2009	45,342,652	39,783,212	87.74	2,672,971	42,456,183	93.63
2010	44,078,603	42,885,742	97.29	3,287,425	46,173,167	104.75
2011	46,726,207 *	40,532,303	86.74	4,708,431	45,240,734	96.82
2012	47,115,937	44,705,792	94.88	3,615,818	48,321,610	102.56
2013	52,100,048	44,052,013	84.55	3,351,415	47,403,428	90.99
2014	48,000,778	46,192,180	96.23	-	46,192,180	96.23

104

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

All figures include county, fire & rescue, and school district.

* 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				
2005	\$ 5,685,526	\$ 3,239,134	\$ 2,975,432	\$ 4,139,511	\$ 16,039,603	1.74 %	\$ 414.16	
2006	11,385,442	1,511,903	2,686,517	3,704,654	19,288,516	1.94	499.60	
2007	10,351,955	1,382,306	1,722,722	3,248,956	16,705,939	1.60	430.95	
2008	9,224,660	1,252,488	928,720	5,460,768	16,866,636	1.54	432.32	
2009	7,958,135	1,117,283	854,433	5,008,967	14,938,818	1.40	384.39	
2010	7,006,936	976,468	1,751,957	4,546,844	14,282,205	1.30	367.23	
2011	5,985,601	829,807	3,555,466	4,063,349	14,434,223	1.28	375.61	
2012	8,206,240	677,062	2,109,152	5,033,701	16,026,155	1.38	420.05	
2013	7,280,000	517,977	1,526,344	4,455,000	13,779,321	N/A	361.16	
2014	6,110,000	352,290	932,153	4,090,000	11,484,443	0.94	295.29	

105

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
2005	\$ 5,685,526	\$ 418,641	\$ 5,266,885	4.5 %	\$ 136
2006	11,385,442	975,668	10,409,774	6.5	270
2007	10,351,955	1,051,202	9,300,753	5.7	240
2008	9,224,660	1,078,471	8,146,189	4.8	209
2009	7,958,135	1,228,570	6,729,565	4.0	173
2010	7,006,936	1,449,169	5,557,767	3.4	143
2011	5,985,601	1,424,537	4,561,064	2.5	119
2012	8,206,240	800,657	7,405,583	4.3	194
2013	7,280,000	1,031,180	6,248,820	3.7	164
2014	6,110,000	919,745	5,190,255	3.0	136

**COLLETON COUNTY, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2014**

<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	\$ 89,814,272	100.00%	\$ 89,814,272
Fire and Rescue Commission	11,321,957	100.00%	11,321,957
City of Walterboro	3,695,630	20.00%	739,126
Subtotal overlapping debt	<u>104,831,859</u>		<u>101,875,355</u>
County direct debt	<u>11,484,443</u>	100.00%	<u>11,484,443</u>
Total direct and overlapping debt	<u><u>\$ 116,316,302</u></u>		<u><u>\$ 113,359,798</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 2014

Assessed Value	\$ 170,613,318
Debt limit (8% of assessed value)	13,649,065
Debt applicable to limit:	
General Obligation	<u>6,110,000</u>
Total net debt applicable to limit	<u>6,110,000</u>
Legal Debt Margin	<u><u>\$ 7,539,065</u></u>

	<u>2005</u>		<u>2006</u>		<u>2007</u>		<u>2008</u>		<u>2009</u>		<u>2010</u>		<u>2011</u>		<u>2012</u>		<u>2013</u>		<u>2014</u>	
Debt Limit	\$ 9,462,919	\$	12,715,222	\$	13,076,911	\$	13,463,723	\$	13,581,744	\$	13,203,116	\$	9,855,492	\$	10,068,526	\$	10,536,276	\$	13,649,065	
Total net debt applicable to limit	<u>5,685,526</u>		<u>11,385,442</u>		<u>10,351,955</u>		<u>9,224,660</u>		<u>7,958,135</u>		<u>7,006,936</u>		<u>5,985,601</u>		<u>8,206,240</u>		<u>7,280,000</u>		<u>6,110,000</u>	
Legal debt margin	<u><u>\$ 3,777,393</u></u>	<u><u>\$</u></u>	<u><u>1,329,780</u></u>	<u><u>\$</u></u>	<u><u>2,724,956</u></u>	<u><u>\$</u></u>	<u><u>4,239,063</u></u>	<u><u>\$</u></u>	<u><u>5,623,609</u></u>	<u><u>\$</u></u>	<u><u>6,196,180</u></u>	<u><u>\$</u></u>	<u><u>3,869,891</u></u>	<u><u>\$</u></u>	<u><u>1,862,286</u></u>	<u><u>\$</u></u>	<u><u>3,256,276</u></u>	<u><u>\$</u></u>	<u><u>7,539,065</u></u>	
Total net debt applicable to the limit as a percentage of debt limit %	<u>60.08</u>	%	<u>89.54</u>	%	<u>79.16</u>	%	<u>68.51</u>	%	<u>58.59</u>	%	<u>53.07</u>	%	<u>60.73</u>	%	<u>81.50</u>	%	<u>69.09</u>	%	<u>44.76</u>	%

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

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	
2005	\$ 811,238	\$ 415,128	\$ 220,637	1.28
2006	631,283	434,857	200,910	0.99
2007	846,966	455,698	180,068	1.33
2008	1,120,422	473,947	161,793	1.76
2009	743,473	451,800	286,474	1.01
2010	1,201,376	462,124	276,150	1.63
2011	1,225,389	483,495	254,779	1.66
2012	1,287,061	302,537	22,783	3.96
2013	1,361,755	578,701	218,444	1.71
2014	1,266,976	365,000	186,708	2.30

**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 %
2005	38,728	\$ 922,384	\$ 23,817	N/A	6,229	7.1
2006	38,608	992,166	25,698	N/A	6,193	6.8
2007	38,765	1,042,431	26,891	N/A	6,125	6.4
2008	39,014	1,094,915	28,065	N/A	6,036	8.4
2009	38,864	1,067,388	27,465	N/A	5,968	14.4
2010	38,892	1,099,299	28,251	40.7	5,991	13.4
2011	38,429	1,131,725	29,311	41.3	5,872	13.9
2012	38,153	1,161,213	30,436	41.7	5,885	12.2
2013	38,153	1,190,505	31,505	N/A	5,830	10.8
2014	38,892	1,216,892	31,289	40.7	5,763	6.6

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	2014			2005		
	FTE EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
Colleton County School District	965	1	N/A %	N/A		N/A %
Walmart	476	2	N/A	N/A		N/A
Colleton County Government	392	3	N/A	N/A		N/A
Colleton Medical Center	335	4	N/A	N/A		N/A
Dayco Products LLC	170	5	N/A	N/A		N/A
City of Walterboro	109	6	N/A	N/A		N/A
Sarlaflex	104	7	N/A	N/A		N/A
N/A	N/A		N/A	N/A		N/A
N/A	N/A		N/A	N/A		N/A
N/A	N/A		N/A	N/A		N/A
Total	<u>2,551</u>		<u>- %</u>	<u>-</u>		<u>- %</u>

111

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	88.5	84.5	85.5	89.0	88.5	81.5	87.5	85.5	93.0	77.0
Judicial	22.0	18.0	21.5	20.5	20.0	19.5	20.0	20.0	18.5	58.0
Public Safety	132.5	129.5	130.0	135.0	135.0	134.5	132.5	133.0	132.0	116.0
Roads and Bridges	29.0	29.5	28.5	28.5	28.5	28.5	28.5	27.5	27.5	17.0
Solid Waste	14.5	15.0	15.0	15.0	14.5	14.5	15.5	15.5	15.5	12.0
Recreation and Culture	8.5	8.0	8.0	9.5	9.0	9.0	9.0	10.0	9.0	13.0
Health and Human Services	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2.0
Economic Development	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Alcohol and Drug	10.0	10.0	10.0	10.0	10.5	10.5	10.5	10.5	10.5	9.0
Library	1.5	1.5	1.5	1.5	1.5	1.5	2.5	4.0	5.0	10.0
Fire and Rescue	64.0	66.5	68.5	69.0	69.0	69.0	77.0	75.5	77.5	76.0
Total	374.0	366.0	372.0	381.5	380.0	372.0	386.5	385.0	392.0	392.0

Source: County Human Resources Dept.

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

Schedule 17

	FISCAL YEAR									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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
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

FUNCTION/PROGRAM	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
RECREATION AND CULTURE										
Community Centers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	13	13
Recreation Complex	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1
EMERGENCY SERVICES:										
Number of fire stations	29	30	30	30	30	30	30	30	33	33
Number of fire trucks	86	87	92	97	106	105	108	109	119	106
Number of Ambulances	9	9	9	9	10	10	10	11	12	12
STREETS AND HIGHWAYS										
Miles of roads	N/A	N/A	N/A	N/A	N/A	347.8	347.8	347.8	347.8	362.7
Collection sites	10	11	11	13	13	13	13	13	13	13
SHERIFF:										
Patrol units	86	86	86	86	86	86	86	86	86	86
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, 2014

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture:			
Passed through S.C. Department of Social Services			
Summer Food Service Program for Children	10.559	SF-134	\$ 342,510
Summer Food Service Program for Children	10.559	SF-134	184,843
	Total 10.559		<u>527,353</u>
Total U.S. Department of Agriculture			<u>\$ 527,353</u>
U.S. Department of Justice:			
Direct			
Federal Equitable Sharing Program	16.922	N/A	<u>\$ 342,687</u>
Passed through S.C. Department of Public Safety			
Edward Byrne Memorial JAG Grant-Violence Against Women Prosecution Team	16.588	1K12003	<u>28,812</u>
Direct			
State Criminal Alien Assistance Program	16.606	2013-AP-BX-0494	<u>1,811</u>
Direct			
Bulletproof Vest Partnership Program	16.607	N/A	<u>2,470</u>
Direct			
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	2012-DJ-BX-1149	14,749
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	2012-DJ-BX-1149	1,289
Passed through S.C. Department of Public Safety			
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	1GI11002	<u>58,999</u>
	Total 16.738		<u>75,037</u>
Total U.S. Department of Justice			<u>\$ 450,817</u>
National Department of Transportation:			
Passed through S.C. Department of Public Safety			
14th Judicial Circuit Law Enforcement Network Grant	20.600	2JC13014	\$ 14,521
14th Judicial Circuit Law Enforcement Network Grant	20.600	2JC14014	17,009
	Total 20.600		<u>31,530</u>
Total National Department of Transportation			<u>\$ 31,530</u>

COLLETON COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2014

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
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	\$ 2,089,640
	Total 97.036		<u>2,089,640</u>
2013 Emergency Management Performance Grant	97.042	13EMPG01	26,073
2012 Emergency Management Performance Grant	97.042	12EMPG01	15,106
	Total 97.042		<u>41,179</u>
Direct			
FEMA Staffing for Adequate Fire & Emergency Response Grant	97.044	EMW-2012-FH-00185	534,688
	Total 97.044		<u>534,688</u>
Passed through S.C. State Law Enforcement Division Citizens Corps Grant	97.067	09SHSP51	9,000
	Total 97.067		<u>9,000</u>
			<u>\$ 2,674,507</u>
U.S. Department of Health and Human Services:			
Passed through S.C. Department of Social Services Child Support Enforcement IV-D Incentive Payments	93.563	C70015C-4	\$ 33,521
Child Support Enforcement IV-D Sheriff's Department	93.563	C70061C-3	10,907
Child Support Enforcement IV-D Family Court	93.563	C70015C-3	136,817
	Total 93.563		<u>181,245</u>
			<u>\$ 181,245</u>
U.S. Department of Housing & Urban Development			
Passed through S. C. Department of Commerce CDBG Demolition Grant	14.228	4-W-12-004	\$ 181,679
	Total 14.228		<u>181,679</u>
			<u>\$ 181,679</u>
National Endowment of Humanities:			
Passed through S. C. Humanities Council SC Humanities Festival	45.129		\$ 2,502
	Total 45.129		<u>2,502</u>
			<u>\$ 2,502</u>
U.S. Institute of Museum Library Services			
Passed through S. C. State Library			
LSTA Project IID: Sub Grant - Summer Reading Resource Grant	45.310	IID-12-111	\$ 562
LSTA Project IID: Mini Grants - Bookmobile Grant	45.310	IID-12-303	250
LSTA Sub Grant: Conference Attendance Grant	45.310	IIIA-12-12	2,000
LSTA Project IID: Summer Reading Resource Grant	45.310	IIID-13-116	800
	Total 45.310		<u>3,612</u>
			<u>\$ 3,612</u>
			<u>\$ 4,053,245</u>

COLLETON COUNTY, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1 BASIS OF PRESENTATION

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

NOTE 2 MEASUREMENT FOCUS

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

NOTE 3 PROGRAM TYPE DETERMINATION

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

NOTE 4 METHOD OF MAJOR PROGRAM SELECTION

The risk based approach was used in the selection of federal programs to be tested as major programs. The County did not qualify as a low-risk auditee for the fiscal year ended June 30, 2014.

NOTE 5 SUBRECIPIENTS

During the fiscal year ended June 30, 2014, the County did not pass any funds through to subrecipients.



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

**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, as of and for the year ended June 30, 2014, 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 23, 2014. 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 Colleton County, South Carolina'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 Colleton County, South Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of Colleton County, South Carolina's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2014-001 through 2014-003 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Colleton County, South Carolina'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 Responses to Findings

Colleton County, South Carolina's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Colleton County, South Carolina's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 23, 2014



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

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

Report on Compliance for Each Major Federal Program

We have audited Colleton County South Carolina's (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2014. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item FA 2014-001 to be a significant deficiency.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
December 23, 2014

COLLETON COUNTY, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:
Material weaknesses identified? yes no

Significant deficiencies identified not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal Control over major programs:
Material weaknesses identified? yes no

Significant deficiencies identified not considered to be material weaknesses? yes no

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

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)? yes no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
16.922	U.S. Department of Justice – Federal Equitable Sharing Program
97.036	U.S. Department of Homeland Security – Disaster Grants - Public Assistance
97.083	U.S. Department of Homeland Security – Staffing for Adequate Fire and Emergency Response

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

Auditee qualified as low-risk auditee? yes no

COLLETON COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2014-001. Classification of Special Revenue Funds

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

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

Context: We addressed this matter with County officials and they were able to determine that the Roads and Bridges Fund, the Recreation Fund, and the Solid Waste Fund should be reclassified as departments of the General Fund. County officials also determined that the 14th Circuit Court Solicitor should be included as a special revenue fund.

Effect: A prior period adjustment to decrease fund balance of the Nonmajor Governmental Funds and increase fund balance in the General Fund in the amount of \$1,635,817 was required to be reported as of June 30, 2014. Additionally, a prior period adjustment to increase governmental activities net position and increase fund balance of the Nonmajor Governmental Funds in the amount of \$1,715,099 was required to be reported as of June 30, 2014.

Cause: Funds that did not meet the definition of Special Revenue Funds as defined under GASB 54 were being included as such. Additionally, a fund that met the definition of a Special Revenue Fund as defined under GASB 54 was not being included as such.

Recommendation: We recommend the County implement procedures to ensure that funds are properly classified.

Views of Responsible Officials and Planned Corrective Action: We concur. We will establish procedures to ensure that all special revenue funds meet the established criteria.

2014-002. Classification of Agency Funds

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

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

COLLETON COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30 2014

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2014-002. Classification of Agency Funds (Continued)

Context: We addressed this matter with County officials and they were able to determine that the Transportation Committee Fund should be reclassified as a capital projects fund.

Effect: A prior period adjustment to increase fund balance of the Capital Projects Fund and increase governmental activities net position in the amount of \$5,040,725 was required to be reported as of June 30, 2014.

Cause: A fund that did not meet the definition of an Agency Fund as defined under GASB 34 was being included as such.

Recommendation: We recommend the County implement procedures to ensure that funds are properly classified.

Views of Responsible Officials and Planned Corrective Action: We concur. We will establish procedures to ensure that all agency funds meet the established criteria.

2014-003. Management of Revenues and Expenditures

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

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

Context: We addressed this matter with County officials and they were able to determine the amount of revenues and expenditures that should be recorded in the Sheriff's Discretionary Fund during the year ended June 30, 2013.

Effect: A prior period adjustment to increase fund balance of the Nonmajor Governmental Funds and increase governmental activities net position in the amount of \$25,557, was required to be reported as of June 30, 2014.

Cause: Reconciliations of certain revenues and expenditures are not being performed on an annual basis.

Recommendation: We recommend the County implement procedures to ensure that all revenues and expenditures are recorded in the funds as required by generally accepted accounting principles.

Views of Responsible Officials and Planned Corrective Action: We concur. We will establish procedures to ensure that all revenues and expenditures are recorded in the funds as required by generally accepted accounting principles.

COLLETON COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

FA2014-001. Management of Procurement as it relates to Federal Awards

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

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

Context: We addressed this matter with County officials and they were able to determine that no parties or entities engaged by the County in connection with its Federal awards were suspended or debarred by the Federal Government for the year ended June 30, 2014.

Effect: Failure to properly implement internal controls related to the verification of entities engaged by the County in connection with its federal awards can lead to the procurement of goods or services from suspended or debarred parties with Federal funds.

Cause: The lack of internal controls as it relates to verifying engaged parties are not suspended or debarred by the Federal Government is the result of the County not having a written policy to ensure compliance with the Federal requirements as well as the approval of certain procurement activities taking place by non-procurement County personnel.

Recommendation: We recommend the County implement procedures to ensure that all procurements related to Federal awards require verification of each contracted entity's exclusion from the Federal suspended or debarred parties list. We also recommend the County implement procedures to ensure that all procurement activities are performed by or occur under the supervision of County procurement personnel so as to ensure procurement policies and requirements are met.

Views of Responsible Officials and Planned Corrective Action: We concur. We have implemented written procedures to ensure that entities engaged by the County related to Federal awards are not suspended or debarred. We will also establish procedures to ensure that all procurement activities are performed by or under the supervision of procurement personnel so as to ensure that procurement policies and requirements are met.

COLLETON COUNTY, SOUTH CAROLINA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SECTION IV
SCHEDULE OF PRIOR YEAR FINDINGS

2013-1

Criteria: The beginning net position and the beginning fund balances should be accurately reported.

Condition: Certain beginning net position and fund balances amounts required adjustment regarding library renovation depreciation and the listing of Colleton Commerce Center capital assets for resale.

Status: Resolved

2013-2

Criteria: All purchases made with Equitable Sharing Funds will be subject to the procurements and accounts payable policies of the County. Purchases between \$2,500 and \$15,000 should be made by obtaining three (3) written quotes. Purchases exceeding \$15,000 should be formally advertised and bid with award being made by the Sheriff.

Condition: One purchase made by the Sheriff's Office staff in excess of \$15,000 was made without following bid advertisement procedures.

Status: Resolved