



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
JUNE 30, 2018**

COUNTY COUNCIL

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

COUNTY ADMINISTRATOR

J. Kevin Griffin

FINANCE DIRECTOR

Jon Carpenter

Prepared by:
Finance Department

**COLLETON COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

Page

Table of Contents i – iii

INTRODUCTORY SECTION

Letter of Transmittal 1 - 6
Certificate of Achievement for Excellence in Financial Reporting 7
Organizational Chart..... 8
List of Principal Officers 9

FINANCIAL SECTION

Independent Auditor's Report 10 - 13
Management's Discussion and Analysis 14 - 25
Basic Financial Statements:
 Government-wide Financial Statements:
 Statement of Net Position 26
 Statement of Activities 27
 Fund Financial Statements:
 Balance Sheet – Governmental Funds 28
 Reconciliation of the Governmental Funds Balance
 Sheet to the Statement of Net Position 29
 Statement of Revenues, Expenditures and Changes in Fund
 Balances – Governmental Funds 30
 Reconciliation of the Statement of Revenues, Expenditures and Changes in
 Fund Balances of Governmental Funds to the Statement of Activities 31
 Statement of Fiduciary Assets and Liabilities 32
 Notes to the Financial Statements..... 33 - 87
Required Supplementary Information:
 Statement of Revenues, Expenditures and Changes in Fund Balances –
 Budget (GAAP Basis) and Actual – General Fund..... 88
 Schedule of Proportionate Share of the Net Pension Liability
 South Carolina Retirement System – Governmental Activities..... 89
 Schedule of the Proportionate Share of the Net Pension Liability
 South Carolina Retirement System – Component Units 90 and 91
 Schedule of Pension Contributions
 South Carolina Retirement System – Governmental Activities..... 92
 Schedule of Pension Contributions
 South Carolina Retirement System – Component Units 93 and 94
 Schedule of Changes of the Total OPEB Liability
 and Related Ratios – Governmental Activities..... 95

**COLLETON COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

Page

Required Supplementary Information (Continued):
 **Schedule of Changes of the Total OPEB Liability
 and Related Ratios – Component Units.....96 and 97**

Other Supplementary Information:
 Combining Balance Sheet – Nonmajor Governmental Funds..... 98 - 100
 **Combining Statement of Revenues, Expenditures, and Changes
 in Fund Balance – Nonmajor Government Funds 101 - 103**
 **Schedule of Revenues, Expenditures, and Changes
 in Fund Balances – Budget and Actual – Nonmajor Governmental Funds 104 - 117**
 **Schedule of Revenues, Expenditures, and Changes
 in Fund Balances – Budget and Actual – Capital Projects Fund 118**
 Statement of Changes in Assets and Liabilities – All Agency Funds 119 - 121

Component Units:
 Fire and Rescue Commission:
 Balance Sheet 122
 **Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position 123**
 Statement of Revenues, Expenditures and Changes in Fund Balances 124
 **Reconciliation of the Statement of Revenues, Expenditures and Changes in
 Fund Balances of Governmental Funds to the Statement of Activities..... 125**
 **Statement of Revenues, Expenditures and Changes in Fund Balances –
 Budget and Actual – General Fund..... 126**

Memorial Library:
 Balance Sheet 127
 **Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position 128**
 Statement of Revenues, Expenditures and Changes in Fund Balances 129
 **Reconciliation of the Statement of Revenues, Expenditures and Changes in
 Fund Balances of Governmental Funds to the Statement of Activities..... 130**
 **Statement of Revenues, Expenditures and Changes in Fund Balances –
 Budget and Actual – General Fund..... 131**

Uniform Schedule of Court Fines, Assessments, and Surcharges (per ACT 96).....132 and 133

STATISTICAL SECTION

Net Position by Component..... 134
Changes in Net Position..... 135
Fund Balances, Governmental Funds 136
Changes in Fund Balances, Governmental Funds..... 137
Assessed Value and Actual Value of Taxable Property..... 138
Direct and Overlapping Property Tax Rates 139

**COLLETON COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

Page

STATISTICAL SECTION (CONTINUED)

Principal Property Taxpayers	140
Property Tax Levies and Collections	141
Ratios of Outstanding Debt by Type.....	142
Ratios of General Bonded Debt Outstanding	143
Direct and Overlapping Governmental Activities Debt.....	144
Legal Debt Margin	145
Pledged Revenue Coverage.....	146
Demographic Statistics	147
Principal Employers.....	148
Full-time Equivalent County Government Employers by Function	149
Operating Indicators by Function	150
Capital Asset Statistics by Function/Program.....	151

COMPLIANCE SECTION

Schedule of Expenditures of Federal Awards	152 and 153
Notes to the Schedule of Expenditures of Federal Awards	154
Independent Auditor's 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 Government Auditing Standards	155 and 156
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	157 and 158
Schedule of Findings and Questioned Costs	159
Schedule of Prior Year Findings	160

INTRODUCTORY SECTION



December 17, 2018

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, 2018.

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

The County's financial statements have been audited by Mauldin & Jenkins LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2018 are free of material misstatement. The independent audit involves examining on a test basis, evidence supporting the amounts and disclosures in the financial statement presentation; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2018 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 was officially formed in 1798 and is in the southeastern part of South Carolina bordering on the Atlantic Ocean. It's location in the Lowcountry region of South Carolina places it midway between Charleston, South

Carolina and Savannah, Georgia on the I-95 corridor. The County occupies a large land area that is 1,056.48 square miles and has an estimated population of slightly less than 38,000.

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

The County provides a full range of services including:

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

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

Factors Affecting Financial Condition

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

Economic Factors:

The County's fiscal year 2018 assessable property tax base is \$176,013,020 which represented growth of 2.9% from 2017's assessable property tax base of \$171,104,050. This growth was due in part to increases in both residential and commercial construction activity, which for calendar year 2016

increased by roughly 37% from calendar year 2015 as tracked through building permit values. The growth in assessed values is expected to continue based calendar year 2017 construction values that have increased by roughly 50% from calendar year 2016 values. As reported by the US Census Bureau, per capita income for the County in 2018 was forecasted at \$34,362 compared to \$40,421 for the State of South Carolina and for the county this did represent continued annual steady growth of roughly 5%. This continued steady growth in per capita income was supported by the County continuing to see low unemployment, with the unemployment rate at June 2018 at 4.2% which represents a decrease from 4.8% unemployment as of June 2017. The unemployment rate for the County is still slightly higher than the State, which saw 3.6% at June 2018 and 4.4% at June 2017. The U.S. Census Bureau estimated the 2018 population for the County to be relatively unchanged at 37,611 as compared to the last several fiscal years. For 2018 this does represent roughly a 3% decrease in population from the last full census in 2010. Housing in the County continues to be dominated with owner occupied units with over 75% as compared to the State of South Carolina average of roughly 70% based on the most recently available data. Even though population has not changed significantly over the last several fiscal years, the County has begun to experience significant business investment and job growth with the addition of several industries to the County (discussed below). County population continues to be primarily located within the Walterboro City Census Division (CCD) as well as near the other CCDs within the County, including the Hendersonville CCD and Cottageville CCD

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

Economic Development Goals & Strategies

In 2018, Colleton County has added three new manufacturing announcements. The first is Lowcountry Aviation Company, a fully-integrated aviation service provider is launching new operations in Colleton County. The company's \$3.7 million investment is projected to create 36 new jobs in the initial phase and 122 jobs over five years. The company will assemble and produce the Sky Arrow Aircraft and will perform FAA Part 21 production of FAR 23 composite light aircraft and provide technical support for the Sky Arrow family of airplanes. Located at the Lowcountry Regional Airport in Walterboro, S.C., the company's new aviation facility will also provide FAA Part 135 charter services, Part 145 repair station services, engineering services, aircraft management, aircraft storage and fuel services for the General Aviation and Business Aviation (GA/BA) market.

The second is Carolina Composites, the manufacturer of Pioneer Boats, has announced that the company will expand its operations at their facility in Walterboro, South Carolina, investing \$3 million and creating an additional 92 jobs over the next 5 years. Currently, the company employs 90 at their manufacturing facility, located at 208 Upchurch Lane in Walterboro, just off Exit 57 on I-95, where, in addition to the renowned Pioneer Boats, the company also manufactures Bulls Bay and Avenger boats.

The most recent manufacturing investment is Evanesce, Inc. who announced in September of 2018 that they will be investing 70 million dollars and creating 370 new jobs in Colleton County at the Colleton County Commerce Center located on I- 95. They will be purchasing and upfitting the shell building that was developed by the County in fiscal year 2014. Evanesce, Inc. has a cutting-edge manufacturing process that will produce environmentally friendly disposable food trays, cups and other items that will biodegrade in 45 days after use. Evanesce has already secured multiple contracts for this product with nationally known food producers and retail restaurant establishments.

As part of the County's ongoing economic development efforts, in 2017 the County provided financing for the acquisition of the assets of the Hampton and Branchville Railroad (the "H&B Railroad"), by Palmetto Railways, a division of the South Carolina Department of Commerce (the "Intermodal Project"). The H&B Railroad is a well-maintained, 40+ mile, industrial-grade, short-line railroad which

transverses Colleton County and connects to the lines of CSX Transportation in neighboring Hampton, South Carolina. It also connects to several prospective industrial sites within the County, including a 167-acre site at the location of the former SCE&G coal fired power plant located at the terminus of the H&B Railroad along the Edisto River in the County's unincorporated community of Canadys. The site already possesses significant assets important to the "transload" rail market (loading goods from rail car into ocean-going containers). In addition to the branch tracks that make the Canadys Plant site capable of handling unit-trains without any modification to the site, there are also material handling assets that have been left in place during the plant demolition at the request of the County and its railroad partner, Palmetto Railways. The County has identified the preservation of this functioning industrial railway as important elements in the County's economic recruitment and development efforts. The County also believes its working partnership with Palmetto Railways, which serves as owner and operator of the railroad, brings both the experience of a seasoned railroad operator and the focused industrial recruitment efforts of the South Carolina Department of Commerce, Palmetto Railways' corporate parent, due to its participation in the Intermodal Project. The South Carolina Department of Commerce is the State entity from which many of the most qualified industrial location projects in the State matriculate. Currently a 1500-acre "Mega Site" which is located on the railroad and just off I-95 Exit 57 has been acquired and is in the process of being enhanced. Joining the County in this endeavor was the South Carolina Department of Commerce and Coastal Electric Cooperative that jointly pledged \$3 million for acquisition and development of this site.

In addition to these sites, the County is continuing to develop industrial sites is located within the Colleton County Commerce Center and is pursuing grant funds to fund the due diligence phase for a new industrial park to be known as Colleton Venture Park.

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

Recreation and culture

Colleton County offers some of the best opportunities for residents and visitors to enjoy both indoor and outdoor activities. The Ace Basin Sports Complex continues to be a prime venue in the area in hosting numerous baseball and softball tournaments as it continued to host over thirty in 2018. As one of the projects under the voter approved 2015 Capital Sales Tax Project referendum, the County recreation center is currently undergoing renovation that will provide residents a larger and improved facility including a splash pad, with all work expected to be completed during the current fiscal year. Dogwood Hills Golf Course and Restaurant with its nine-hole golf course open six days a week and its restaurant that offers lunch and dinner menu service two days a week as well as facility rental, catering and a monthly Sunday lunch buffet continued to see their popularity with residents grow based on fiscal year revenue growth of 3% and 2% respectively in only their second full year of operation. In addition to these venues, the Colleton County Museum, Farmers Market, and Commercial Kitchen continue to grow in popularity with visitors as well as businesses who utilize the Commercial Kitchen services to help increase their product offerings. The businesses utilizing the Commercial Kitchen have continue to exceed ten during the most recent fiscal year with one of the biggest success stories continuing to be the business that provides lunch offerings to the public at museum. This business has continued to see their sales volume grow over 200% during the previous fiscal year. The County continues to expand the classes offered to young and old through the Memorial Library and mostly recently has started tutoring/homework help program that is open to county students. In addition, a library branch was opened in the Town of Cottageville that has hours on Saturday from 10 to 5. In addition to all the opportunities sponsored by the County, the area boasts easy access to many of South Carolina's best

eco-tourism spots, including the ACE Basin, the Walterboro Wildlife Sanctuary, Edisto State Park, Colleton State Park, and several other South Carolina Department of Natural Resources wildlife management areas.

Long-Term Financial Planning

The County closed FY18 with a strong financial position and continues to hold the rating of Aa3 with Moody's Investor Services and AA- with Standard and Poor's Rating Services that were both reaffirmed as of October 2018. Total fund balance as of June 30, 2018, in the General Fund was \$9,213,371 of which \$8,158,084 was unassigned as compared to total fund balance of \$8,525,672 of which \$7,739,608 was unassigned in 2017. These total fund balance figures represent 33% and 30% of total expenditures, respectively. County budget ordinance requires the total general fund balance to be 20% of total expenditures. As an additional reference point, GFOA recommends at a minimum that a general-purpose government maintain an unrestricted fund balance of no less than two months operating expenditures as outlined in its September 2015 Appropriate Level of Unrestricted Fund Balance in the General Fund "Best Practice" bulletin and currently the County has roughly 3.5 months in its General Fund unassigned fund balance.

Pension Plans

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

Risk Management

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

Awards and Acknowledgments

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

The preparation of the comprehensive annual financial report would not have been possible without the assistance of the Finance Department staff, the Treasurer's office and several other county departments and staff. The hard work and dedication of these individuals significantly contributed to

the completion of this document. Moreover, the support and leadership of the County Council have been instrumental in the development of this project.

Sincerely,

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

J. Kevin Griffin
County Administrator

A handwritten signature in blue ink, appearing to read "Jon Carpenter".

Jon Carpenter
Finance Director



Government Finance Officers Association

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

Presented to

**Colleton County
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

COLLETON COUNTY VOTERS

COLLETON COUNTY GOVERNMENT

BOARD OF EDUCATION

SUPERINTENDENT OF EDUCATION

SCHOOL OPERATIONS

CONSTITUTIONAL & GENERAL ASSEMBLY CREATED OFFICES

AUDITOR

CLERK OF COURT

CORONER

SHERIFF

E-911

JAIL

TREASURER

COLLETON COUNTY COUNCIL

COUNTY ATTORNEY

CLERK TO COUNCIL

ALCOHOL & DRUG COMMISSION

LIBRARY BOARD

COUNTY ADMINISTRATOR

Chief Financial Officer

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

Administrative Services Director

Public Relations
Governmental Affairs
Insurance Services
Legal Liaison

County Engineer

Project Management
CTC

Procurement

GENERAL COUNTY OPERATIONS

JUDICIAL

PROBATE JUDGE

PUBLIC DEFENDER

SOLICITOR

CIRCUIT COURT

FAMILY COURT

MAGISTRATES

LEGISLATIVE DELEGATION

BOARD of ELECTIONS & VOTER REGISTRATION

VETERAN'S AFFAIRS OFFICE

COUNTY TRANSPORTATION COMMITTEE (CTC)

DELEGATION SECRETARY

ANIMAL & ENVIRONMENTAL CONTROL

- Adoptions
- Pickup and Protection
- Ordinance Enforcement
- Emergency

FACILITIES MGMT

- Building Maintenance
- Custodial Services
- Landings
- Grounds Maintenance

ECONOMIC DEVELOPMENT

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

FIRE/ RESCUE

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

TECHNOLOGY

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

MUSEUM

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

PLANNING & DEVELOPMENT

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

Human Resources

- Risk Management
- Personnel
- Benefits

ROADS & BRIDGES

- Road Repair Maintenance
- Paved Road Repairs

SOLID WASTE

- Transfer Station
- Convenience Centers
- C&D Landfill

TAX ASSESSOR

- Land Use/Tax Determinations
- Re-Appraisal

FLEET MGMT

- Vehicle Repair Maintenance
- Vehicle Purchasing
- Project Management

DELINQUENT TAX

- Delinquent Property Tax Collection
- Mobile Home Decal

Register of Deeds

- Plats
- Deeds
- Recording

Recreation

- Parks
- Active Recreation
- Fitness
- Golf Course



COLLETON COUNTY
SOUTH CAROLINA

COLLETON COUNTY, SOUTH CAROLINA

**LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2018**

County Administrator **J. Kevin Griffin**

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

Council Member **Evon Robinson, Sr.**

Council Member **Phillip M. Taylor Sr.**

Council Member **Gene Whetsell**

Council Member **Steven D. Murdaugh**

Finance Director.....**Jon Carpenter**

Auditor **Jeff Slocum**

Clerk of Court **Patricia Grant**

Treasurer.....**Becky S. Hill**

Sheriff..... **R.A. Strickland**

Coroner **Richard M. Harvey**

Probate Judge **Ashley H. Amundson**

Chief Magistrate **Elbert O. Duffie, III**

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Colleton County, South Carolina** (the "County"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Colleton County, South Carolina's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 6 and 11, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of July 1, 2017. This standard significantly changed the accounting for the County's net other postemployment benefits (OPEB) liability and the related disclosures. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 14 through 25), the Budgetary Comparison Schedule of the General Fund (on page 88), the Schedules of the Proportionate Share of the Net Pension Liability (on pages 89 through 91), the Schedules of Pension Contributions (on pages 92 through 94), and the Schedules of Changes in Total OPEB Liability and Related Ratios (on pages 95 through 97) 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 Uniform Schedule or Court Fines, Assessments, and Surcharges (per ACT 96) is presented for purposes of additional analysis as required by the State of South Carolina, and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2018, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Columbia, South Carolina
December 17, 2018

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, 2018. Please read this information in conjunction with the detail statements and notes to the financial statements to achieve a better understanding of the County's financial performance for the fiscal year.

Financial Highlights

- The assets of the County exceed its liabilities at the close of the most recent fiscal year by \$36,457,035 (net position). The County's net position decreased by \$2,777,291 after taking into account the restatement of net position of (\$1,080,023) due to the implementation of GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.
- At the close of the current fiscal year the County's governmental funds reported combined ending fund balances of \$41,556,344, a decrease of \$8,408,958 resulting from the expenditures on the projects approved under the 2015 Capital Project Sales Tax Fund.
- FY 2018 general fund revenues were \$31,173,889 and general fund expenditures were \$28,219,563 with other financing uses of \$2,266,627. The County's general fund increased \$687,699 from \$8,525,672 at the beginning of FY 2018 to \$9,213,371 at the end of FY 2018.

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 25 and 26 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, 2018. 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.

COLLETON COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Statements (Continued)

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 27 and 29, 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 31 of this report.

COLLETON COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 32 to 86 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 87. Also included is the schedule of total OPEB liability and related ratios on pages 94 through 96. Historical pension information is located on pages 88 through 93 for the County and its components units.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information and other budgetary schedules. Combining and individual fund statements and schedules can be found on pages 97 to 120 of this report.

Component unit financial statements are presented for the memorial library and the fire and rescue commission on pages 121 to 132 of this report.

Government-wide Financial Analysis

As noted earlier, over time net position may serve as a useful indicator of a government's financial position. The government-wide statements encompass all the funds of the county, not just the general operational fund. The County's total assets exceeded liabilities by \$36,457,035 at June 30, 2018, as compared to \$40,314,349 at June 30, 2017.

COLLETON COUNTY, SOUTH CAROLINA NET POSITION

	Governmental Activities	
	2018	2017
Assets		
Current and other assets	\$ 48,525,063	\$ 55,841,393
Capital assets	56,666,148	53,799,252
Total assets	<u>105,191,211</u>	<u>109,640,645</u>
Deferred Outflows of Resources	<u>6,550,868</u>	<u>4,588,988</u>
Liabilities		
Long-term liabilities	69,274,631	69,144,658
Other liabilities	5,226,634	4,030,513
Total liabilities	<u>74,501,265</u>	<u>73,175,171</u>
Deferred Inflows of Resources	<u>783,779</u>	<u>740,113</u>
Net Position		
Net investment in capital assets	35,243,087	37,187,490
Fund balance		
Restricted	14,691,101	12,733,361
Unrestricted	<u>(13,477,153)</u>	<u>(9,606,502)</u>
Total net position	<u>\$ 36,457,035</u>	<u>\$ 40,314,349</u>

COLLETON COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (Continued)

By far the largest portion of the County net position \$35,243,087 (97%) 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, 2018, as compared to \$37,187,490 (92%) at June 30, 2017. 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, 2018, the County had a net position restricted for debt service in the amount of \$7,140,900, which was an increase of \$685,541 from June 30, 2018.

The restricted portion of net position of \$14,691,101 (40%) represents the balances of net position that have restricted resources and are not available to fund other commitments. The restricted net position relates to solid waste landfill post-closure, debt service accounts, economic development, emergency and law enforcement services, and other revenue sources that are earmarked for specific County functions.

The remaining net position represents a deficit balance of \$(13,477,153) (-37%) in unrestricted net position which is an increase of \$3,870,651 from the prior year. The overall decrease in net position was due in part to a \$(1,080,023) restatement of the July 1, 2017 beginning net position as a result of the implementation of GASB 75. In addition to the restatement of beginning net position, overall total assets have reduced based on the funding of other entities projects that are part of the approved Capital Sales Tax Project referendum approved in November 2014

Governmental Activities. The County's total net position decreased \$2,777,291 in 2018 compared to an increase of \$3,402,891 in 2017. Key elements of this change in net position are as shown in the following table.

COLLETON COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

The County's total net position decreased \$2,777,292 in 2018 compared to an increase of \$3,402,891 in 2017. Key elements of this change in net position are as shown in the following table.

COLLETON COUNTY, SOUTH CAROLINA CHANGES IN NET POSITION

	<u>2018</u>	<u>2017</u>
Revenues		
Program Revenues		
Charges for services	\$ 7,879,558	\$ 6,556,873
Operating and capital grants and contributions	10,111,884	12,448,200
General Revenues		
Property taxes	25,615,202	24,289,100
Other taxes	3,704,278	4,401,917
Grants and contributions not restricted to specific programs	2,577,176	1,508,783
Miscellaneous income	638,280	1,287,099
Total Revenues	<u>50,526,378</u>	<u>50,491,972</u>
Expenses		
Governmental Activities:		
General government	8,428,469	9,810,028
Judicial	6,498,833	6,309,402
Public safety	13,309,631	8,702,190
Roads and bridges	3,398,083	2,975,077
Solid waste	3,215,275	2,575,815
Recreation and culture	3,825,057	2,927,170
Health and human services	2,392,807	1,888,520
Economic development	11,530,791	1,377,821
Intergovernmental	-	9,763,973
Interest and fiscal charges	704,723	759,085
Total Expenses	<u>53,303,669</u>	<u>47,089,081</u>
Change in Net Position	(2,777,291)	3,402,891
Net Position, beginning of year	40,314,349	36,911,458
Prior period adjustment	(1,080,023)	-
Net Position, end of year	<u>\$ 36,457,035</u>	<u>\$ 40,314,349</u>

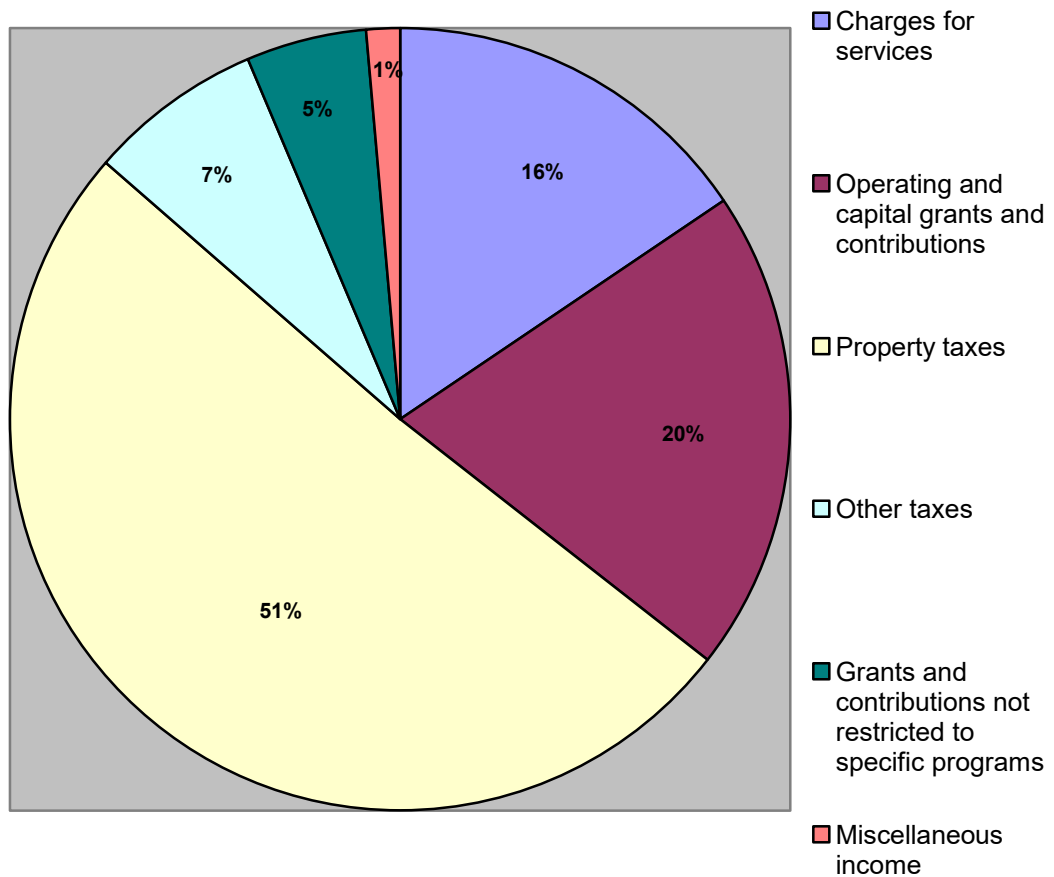
During the current fiscal year, net position for governmental activities decreased \$2,777,291 from the prior fiscal year for an ending balance of \$35,457,034 after considering the prior period adjustment that was related to the implementation of GASB 75. Overall revenues were primarily unchanged, due to a reduction in operating grants and contributions. Property taxes and other taxes did increase by \$628,463 or 2.2% due to growth in the industrial taxpayer assessed values. Total expenditures did increase by \$6,214,588 and was primarily in functions of economic development and in public safety. The increases in economic development were related to the funding of several infrastructure projects throughout the county and the increases in public safety were related to both personnel and capital items.

COLLETON COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities (Continued)

The County's governmental revenues by source during FY 2018 were as follows:

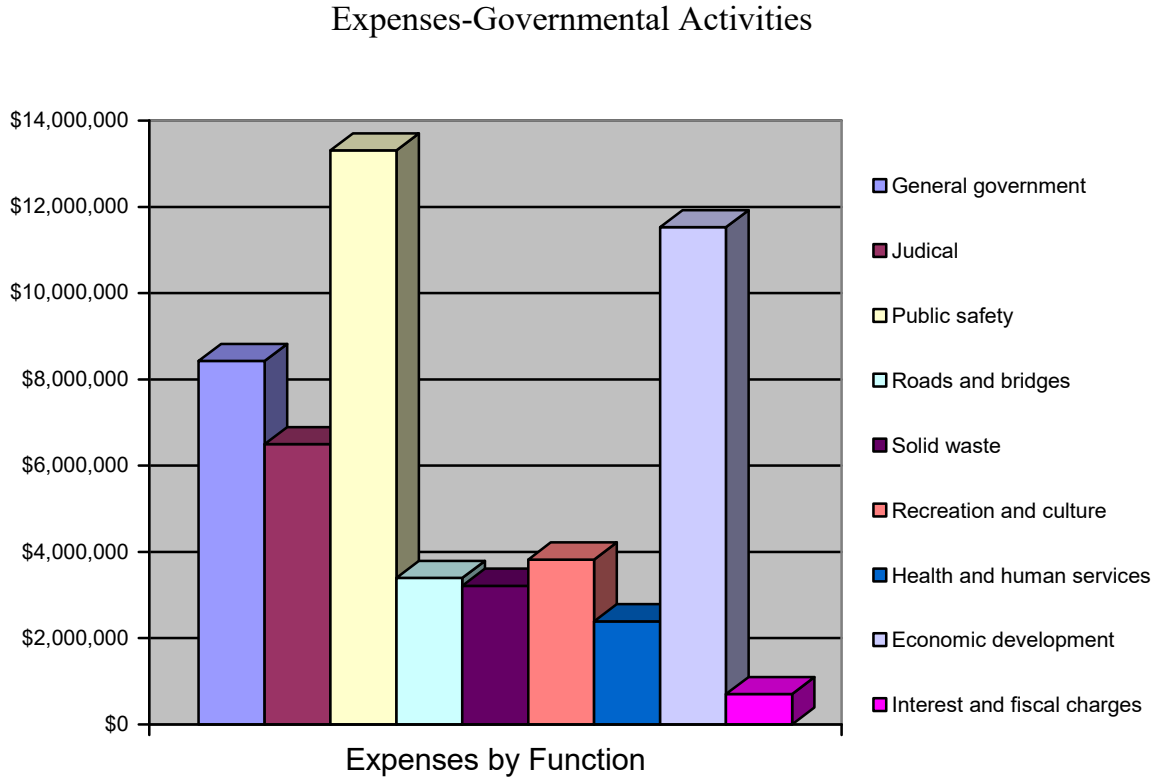
Revenue by Source-Governmental Activities



COLLETON COUNTY, SOUTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS

Governmental Activities (Continued)

The County’s governmental expenses by source during FY 2018 were as follows:



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.

COLLETON COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Funds (Continued)

At June 30, 2018, the County's governmental funds reported combined fund balances of \$41,556,344, a decrease of \$8,408,958 in comparison with the prior year. Approximately 20% of this amount or \$8,158,084 constitutes *unassigned fund balance*, which is available for spending at the County's discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is 1) not in spendable form (\$280,676), 2) restricted for particular purposes (\$14,691,101), 3) committed for particular purposes (\$17,289,535), 4) assigned for particular purposes (\$1,136,948).

The general fund is the chief operating fund of the County. At June 30, 2018, unassigned fund balance of the general fund was \$8,158,084. 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 29% of total general expenditures, while total fund balance represents approximately 33%. County ordinance requires that total fund balance be maintained at 20% of total general fund expenditures.

During the current fiscal year, the fund balance of the County's general fund increased by \$687,699. This increase represents an increase of 8.1% in fund balance that was based on revenues increasing by 3.5% while operating expenses remained flat. Operating transfers out did increase by \$1.2 million and were primarily used in Capital Projects Fund to fund Council approved capital projects.

During the current fiscal year, the fund balance of the County's capital projects fund decreased by \$9,125,487. This decrease was primarily related to the funds provided for the projects that were approved as part of the Capital Projects Sales Tax referendum approved by the voters in November 2014 as well as vehicles and equipment that were approved under the 2017 lease purchase financing.

Budgetary Highlights

General Fund - The County's actual amounts reported for revenues of \$31,173,889 were \$100,235 less than the final budgeted amount of \$31,274,124. These decreases of \$(559,229) related to other income and \$(109,439) related to taxes. Other income was under budget due to lower usage of the commercial kitchen operation as well as registrations for some of the youth and adult recreation leagues. These decreases were offset by increases of \$374,550 in intergovernmental and \$193,882 in fees and fines primarily based on continued growth in both residential and commercial building permit activity. Overall expenditures of \$28,219,563 were under the final budgeted amount of \$30,426,618 by \$2,207,055. Most of this expenditure savings \$1,363,843 in current general government, \$223,905 in current public safety, \$429,958 in current roads and bridges, \$214,054 in current recreation and culture and \$156,830 in capital recreation and culture. Most of the current functional expenditure savings were due to unfilled positions (public safety), lower road maintenance needs (roads and bridges) and employee and commercial insurance savings. These savings were offset by overbudget expenditures of \$151,371 in current solid waste and \$200,000 in intergovernmental, with solid waste due to increases in maintaining the landfill. Other financing sources (uses) reported an actual amount of \$(2,266,627) were \$(1,419,121) higher than the budgeted amount of \$(847,506) due to end of year transfers to capital projects.

COLLETON COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental activities as of June 30, 2018, amounts to \$56,666,148 (net of accumulated depreciation) as compared to \$53,799,252 at June 30, 2017. This investment in capital assets of \$2,866,896 (net of accumulated depreciation and disposals) of both purchased and donated, includes land, buildings and improvements, machinery and equipment, roads, bridges, and easements.

Major capital asset events during the fiscal 2018 include some of the following:

- \$1.1 million for new/replacement public safety vehicles.
- \$238 thousand for new/replacement public safety equipment
- \$262 thousand for new heavy equipment for use in facility maintenance, solid waste and roads and bridges departments.
- \$77 thousand for various facility safety and convenience improvements
- \$27 thousand for solid waste landfill and convenience site equipment
- \$11.2 million for construction in progress related to capital sales tax projects approved in the November 2014 referendum, including:
 - \$6.5 million for the law enforcement center
 - \$782 thousand for the new solid waste transfer station
 - \$2.1 million for the Hampton Street auditorium renovations
 - \$1.8 million for renovations at the recreation center
 - \$31 thousand for the new customer service center
- \$324 thousand for construction in progress related to various ongoing county road and other infrastructure improvement projects.

Additional information on the County's capital assets can be found in note 5 on page 45 in the notes to the financial statements.

COLLETON COUNTY, SOUTH CAROLINA CAPITAL ASSETS, NET OF DEPRECIATION

	Governmental Activities	
	2018	2017
Land and land infrastructure	\$ 7,489,018	\$ 7,204,545
Construction in progress	11,902,420	9,389,415
Buildings and improvements	18,365,108	17,602,241
Improvements other than buildings	7,021,457	7,266,515
Equipment and vehicles	6,304,980	6,121,866
Infrastructure	5,583,165	6,214,670
Total	<u>\$ 56,666,148</u>	<u>\$ 53,799,252</u>

COLLETON COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Debt Administration

On June 30, 2018, Colleton County had long term obligations of \$69,274,631 compared to outstanding debt at June 30, 2017 totaling \$70,253,835 that has been restated by \$1,109,177 based on the implementation of GASB 75 on the Total OPEB Obligation. During the fiscal year, one new capital lease agreement in the amount of \$582 thousand was issued to finance the debt service on the \$7.5 million Colleton County Intermodal Corporation Taxable Economic Development Bonds Series 2017. Because of the County's implementation of the GASB 68, Accounting and Financial Reporting for Pensions, the County is reporting a \$30,738,579 net pension liability. Payments on debt were made in accordance with the scheduled debt payments.

COLLETON COUNTY, SOUTH CAROLINA LONG-TERM OBLIGATIONS

	Governmental Activities	
	2018	2017
General Obligation Bonds	\$ 31,897,356	\$ 35,440,618
Capital Leases	1,603,291	2,473,923
Total OPEB Obligation	2,930,305	2,948,154
Note Payable	880,032	880,032
Landfill Closure and Post Closure Cost	509,640	491,709
Compensated Absences	715,428	697,027
Net Pension Liability	30,738,579	27,322,372
Total	<u>\$ 69,274,631</u>	<u>\$ 70,253,835</u>

Additional information on the County's long-term obligations can be found in note 6 on page 48 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 2018 tax assessment value of \$176,013,020 is \$14,081,042 for fiscal year ended June 30, 2018. As of June 30, 2018, the County has net debt applicable to the limit of \$8,416,034 which equals a 59.77% total net debt applicable to the limit percentage.

COLLETON COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Debt Rating

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

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

Economic Factors and Next Year's Budget

The County passed budget ordinance no. 18-O-03 to provide for the levy of taxes in Colleton County, South Carolina with third and final reading on August 14, 2018 to be effective July 1, 2018 through June 30, 2019. The budget included a 1.5 operating mill increase which was needed to fund the state mandated increases of 1% in employer retirement match and an 8.2% increase in employer health insurance premiums. In addition to the operating millage increase, the budget increased the annual solid waste fee that is included on homeowner tax bills by \$10 to offset increased operating cost at the County landfill. Revenues other than property taxes and solid waste were budget to remain consistent with current fiscal year actuals. Non-personnel expenses were maintained at the amounts needed in the current fiscal year adjusted for contractual inflationary increases. Personnel expenses were adjusted to provide a 2% cost of living adjustment to all full time and permanent part time positions in addition to other salary adjustments to keep pace with the area market for those positions in high demand. Retirees insurance cost has been budgeted to continue at a fifty percent funding split between the County and the Retiree.

COLLETON COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budget (Continued)

The following budgets and millages were approved by this ordinance:

COLLETON COUNTY, SOUTH CAROLINA 2018-2019 ORIGINAL FUND BUDGET

	<u>Amount</u>	<u>Millage</u>
General Fund	\$ 27,291,752	116.31
Debt Service Fund	1,969,722	10.24
Fire Rescue Commission	8,971,681	33.56
Fire Rescue Commission Debt Service	2,241,554	22.66
Capital Projects Sales Tax Debt Service	4,200,000	-
Capital Fund	3,685,710	-
Special Revenue Fund (various grants)	1,104,810	-
State Aid to Library	-	-
Memorial Library Fund	638,023	-
IV-D Sheriff Unit Costs	11,196	-
IV-D Clerk of Court Unit Costs	153,119	-
IV-D Clerk of Court Fund Incentives	40,000	-
Victim Witness Services	58,776	-
Animal Care and Control	145,915	-
Solicitor Special Revenue	-	-
Non-GOB Related Debt Service	1,819,252	-
Emergency Telephone Fund	348,893	-
Infrastructure/Industrial Development Fund	235,315	-
CC 2015 \$5.4M GOB Proceeds	1,500,000	-
Fire Bond Series 2018	5,500,000	-
County Hospitality Tax Fund	575,000	-
County Accommodations Tax Fund	549,294	-
Recreation Fund	1,497,684	-
Road and Bridges Fund	2,198,882	-
School District	-	113.42
Solid Waste Fund	2,779,870	-
Total	<u>\$ 67,516,448</u>	<u>296.19</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 Director of Finance, P.O. Box 157, Walterboro, SC 29488.

COLLETON COUNTY, SOUTH CAROLINA

**STATEMENT OF NET POSITION
JUNE 30, 2018**

	Governmental Activities	Component Units		
		Memorial Library	Fire and Rescue Commission	Alcohol & Drug Commission
ASSETS				
Cash and cash equivalents	\$ 38,176,827	\$ 99,581	\$ 235,983	\$ 56,384
Investments	-	-	-	103,237
Receivables, net of allowances	7,145,322	5,276	1,879,073	16,936
Due from state agency	-	-	-	66,267
Prepays and deposits	280,676	9,192	141,072	-
Assets held for resale	2,922,238	-	-	-
Capital assets:				
Nondepreciable	19,391,438	-	542,365	-
Depreciable, net	37,274,710	370,561	8,680,224	-
Total assets	<u>105,191,211</u>	<u>484,610</u>	<u>11,478,717</u>	<u>242,824</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows for pension	6,519,314	154,808	2,640,012	-
Deferred outflows for other post employment benefits	31,554	3,827	5,760	-
Total deferred outflows of resources	<u>6,550,868</u>	<u>158,635</u>	<u>2,645,772</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	3,740,267	2,771	197,015	51,100
Payroll liabilities	357,510	9,219	181,407	4,230
Accrued liabilities	325,253	-	65,354	7,333
Unearned revenues	803,604	23,681	-	-
Noncurrent liabilities:				
Due within one year	5,722,763	3,386	797,736	-
Due in more than one year	63,551,868	1,179,436	16,022,012	-
Total liabilities	<u>74,501,265</u>	<u>1,218,493</u>	<u>17,263,524</u>	<u>62,663</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows for pension	482,244	9,337	258,465	-
Deferred inflows for other post employment benefits	301,535	36,573	55,039	-
Total deferred inflows of resources	<u>783,779</u>	<u>45,910</u>	<u>313,504</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	35,243,087	370,561	3,467,595	-
Restricted:				
Emergency services	395,256	-	-	-
Court administration	136,187	-	-	-
Law enforcement	402,617	-	-	-
Solid waste	797,008	-	-	-
Economic development				
Expendable	2,922,238	-	-	-
Nonexpendable	2,556,234	-	-	-
Debt service	7,140,900	-	145,576	-
Other purposes	340,661	-	-	-
Unrestricted (deficit)	<u>(13,477,153)</u>	<u>(991,719)</u>	<u>(7,065,710)</u>	<u>180,161</u>
Total net position	<u>36,457,035</u>	<u>(621,158)</u>	<u>(3,452,539)</u>	<u>180,161</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 111,742,079</u>	<u>\$ 643,245</u>	<u>\$ 14,124,489</u>	<u>\$ 242,824</u>

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

COLLETON COUNTY, SOUTH CAROLINA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Functions/Programs	Expenses	Program Revenues			Primary Government Governmental Activities	Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Memorial Library	Component Units	
							Fire and Rescue Commission	Alcohol & Drug Commission
Primary government:								
Governmental activities:								
General government	\$ 8,428,469	\$ 1,547,365	\$ 115,383	\$ -	\$ (6,765,721)	\$ -	\$ -	\$ -
Judicial	6,498,833	1,004,415	3,964,123	11,020	(1,519,275)	-	-	-
Public safety	13,309,631	1,234,198	501,257	273,051	(11,301,125)	-	-	-
Roads and bridges	3,398,083	1,031,641	1,695,459	-	(670,983)	-	-	-
Solid waste	3,215,275	2,035,603	66,189	-	(1,113,483)	-	-	-
Recreation and culture	3,825,057	987,145	9,199	31,000	(2,797,713)	-	-	-
Health and human services	2,392,807	39,191	686,707	-	(1,666,909)	-	-	-
Economic development	11,530,791	-	2,758,496	-	(8,772,295)	-	-	-
Interest and fiscal charges	704,723	-	-	-	(704,723)	-	-	-
Total governmental activities	<u>53,303,669</u>	<u>7,879,558</u>	<u>9,796,813</u>	<u>315,071</u>	<u>(35,312,227)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Component Units:								
Memorial Library	862,390	29,424	697,614	-	(135,352)	-	-	-
Fire and Rescue Commission	11,273,991	763,249	3,339,392	-	-	(7,171,350)	-	-
Alcohol & Drug Commission	544,076	173,289	320,527	-	-	-	(50,260)	-
Total component units	<u>\$ 12,680,457</u>	<u>\$ 965,962</u>	<u>\$ 4,357,533</u>	<u>\$ -</u>	<u>(135,352)</u>	<u>(7,171,350)</u>	<u>(50,260)</u>	<u>(50,260)</u>
General revenues:								
Property taxes					25,615,202	-	5,666,782	-
Alcohol excise tax					-	-	-	81,496
Local options sales tax					2,394,955	-	-	-
Local accommodations tax					563,987	-	-	-
Hospitality tax					594,599	-	-	-
Franchise fees					150,737	-	-	-
Grants and contributions not restricted to specific programs					2,577,176	-	-	-
Miscellaneous					638,280	50,695	50,164	316
Total general revenues and transfers					<u>32,534,936</u>	<u>50,695</u>	<u>5,716,946</u>	<u>81,812</u>
Change in net position					<u>(2,777,291)</u>	<u>(84,657)</u>	<u>(1,454,404)</u>	<u>31,552</u>
Net position, beginning of year					40,314,349	(405,505)	(1,800,997)	148,609
Prior period adjustment					(1,080,023)	(130,996)	(197,138)	-
Net position, beginning of year, as restated					<u>39,234,326</u>	<u>(536,501)</u>	<u>(1,998,135)</u>	<u>148,609</u>
Net position, end of year					<u>\$ 36,457,035</u>	<u>\$ (621,158)</u>	<u>\$ (3,452,539)</u>	<u>\$ 180,161</u>

The accompanying notes are an integral part of these financial statements

COLLETON COUNTY, SOUTH CAROLINA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018**

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 7,973,766	\$ 20,781,686	\$ 9,421,375	\$ 38,176,827
Receivables, net	4,591,689	1,258,450	1,295,183	7,145,322
Prepaid expenditures	258,279	-	22,397	280,676
Assets held for resale	-	2,922,238	-	2,922,238
Total assets	<u>\$ 12,823,734</u>	<u>\$ 24,962,374</u>	<u>\$ 10,738,955</u>	<u>\$ 48,525,063</u>
LIABILITIES				
Accounts payable	\$ 1,247,051	\$ 2,024,783	\$ 468,433	\$ 3,740,267
Accrued payroll and benefits	281,004	-	76,506	357,510
Accrued liabilities	3,159	-	-	3,159
Unearned revenue	139,985	586,014	77,605	803,604
Total liabilities	<u>1,671,199</u>	<u>2,610,797</u>	<u>622,544</u>	<u>4,904,540</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - fees	26,215	-	-	26,215
Unavailable revenue - property taxes	1,613,853	-	120,015	1,733,868
Unavailable revenue - spec assessments	299,096	-	-	299,096
Unavailable revenue - intergovernmental	-	-	5,000	5,000
Total deferred inflows of resources	<u>1,939,164</u>	<u>-</u>	<u>125,015</u>	<u>2,064,179</u>
FUND BALANCES				
Nonspendable:				
Prepaid expenditures	258,279	-	22,397	280,676
Restricted for:				
Public safety	-	-	797,873	797,873
Recreation and culture	-	-	6,047	6,047
Judicial services	-	-	136,187	136,187
Solid waste reserve	797,008	-	-	797,008
Economic development	-	5,478,472	-	5,478,472
Debt service	-	-	7,140,900	7,140,900
Other purposes	-	-	334,614	334,614
Assigned:				
Judicial services	-	-	1,014,142	1,014,142
Public safety	-	-	122,806	122,806
Committed:				
Recreation and culture	-	-	416,430	416,430
Capital projects	-	16,873,105	-	16,873,105
Unassigned	8,158,084	-	-	8,158,084
Total fund balances	<u>9,213,371</u>	<u>22,351,577</u>	<u>9,991,396</u>	<u>41,556,344</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,823,734</u>	<u>\$ 24,962,374</u>	<u>\$ 10,738,955</u>	<u>\$ 48,525,063</u>

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

COLLETON COUNTY, SOUTH CAROLINA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018**

Total governmental fund balances:		\$ 41,556,344
Amounts reported for governmental activities in the statement of net position are different because of the		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the government funds.		56,666,148
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Property taxes and other special assessments	2,032,964	
Solid waste receivables	26,215	
Intergovernmental receivables	<u>5,000</u>	2,064,179
Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. These deferred outflows of resources consist of pension related experience differences, assumption changes, and differences between projected and actual earnings on plan investments:		
Deferred outflows related to pensions	6,519,314	
Deferred outflows related to other post employment benefits	<u>31,554</u>	6,550,868
Long term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds:		
General obligation bonds	(31,457,353)	
Notes payable	(880,032)	
Bond premiums	(440,003)	
Capital leases	(1,603,291)	
Compensated absences	(715,428)	
Landfill closure and post closure cost	(509,640)	
Accrued interest	(322,094)	
Net pension liability	(30,738,579)	
Total other post employment benefits liability	<u>(2,930,305)</u>	(69,596,725)
Deferred inflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds. These deferred inflows of resources consist of pension related differences between projected and actual earnings on plan investments.		
Deferred outflows related to pensions	(482,244)	
Deferred inflows related to other post employment benefits	<u>(301,535)</u>	<u>(783,779)</u>
Net position of governmental activities		<u>\$ 36,457,035</u>

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

COLLETON COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 21,848,333	\$ -	\$ 7,282,082	\$ 29,130,415
Intergovernmental	2,790,679	3,276,120	7,467,446	13,534,245
Fines and fees	5,821,354	-	644,602	6,465,956
Other income	713,523	304,750	103,025	1,121,298
Total revenues	<u>31,173,889</u>	<u>3,580,870</u>	<u>15,497,155</u>	<u>50,251,914</u>
EXPENDITURES				
Current:				
General government	8,454,480	-	8,365	8,462,845
Judicial	1,215,435	-	4,792,561	6,007,996
Public safety	6,822,657	43,478	1,256,007	8,122,142
Roads and bridges	1,713,165	-	38,098	1,751,263
Solid waste	2,581,416	4,082	-	2,585,498
Recreation and culture	1,673,673	5,035	484,733	2,163,441
Health and human services	822,755	-	1,053,071	1,875,826
Economic development	259,046	678,073	1,048,905	1,986,024
Intergovernmental	4,173,778	2,897,848	489,312	7,560,938
Capital outlay				
General government	476,337	165,110	-	641,447
Judicial	-	-	15,584	15,584
Public safety	-	7,496,497	86,312	7,582,809
Roads and bridges	-	153,517	71,487	225,004
Solid waste	26,821	800,936	86,888	914,645
Recreation and culture	-	3,902,336	-	3,902,336
Debt service:				
Principal	-	-	4,925,632	4,925,632
Interest	-	-	795,505	795,505
Total expenditures	<u>28,219,563</u>	<u>16,146,912</u>	<u>15,152,460</u>	<u>59,518,935</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,954,326</u>	<u>(12,566,042)</u>	<u>344,695</u>	<u>(9,267,021)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	17,297	114,999	11,163	143,459
Proceeds from issuance of debt	-	582,353	-	582,353
Insurance recoveries	103,511	19,099	9,641	132,251
Transfers in	2,234,401	2,821,012	1,345,978	6,401,391
Transfers out	(4,621,836)	(96,908)	(1,682,647)	(6,401,391)
Total other financing sources (uses)	<u>(2,266,627)</u>	<u>3,440,555</u>	<u>(315,865)</u>	<u>858,063</u>
Net change in fund balances	687,699	(9,125,487)	28,830	(8,408,958)
Fund balances, beginning of year	<u>8,525,672</u>	<u>31,477,064</u>	<u>9,962,566</u>	<u>49,965,302</u>
Fund balances, end of year	<u>\$ 9,213,371</u>	<u>\$ 22,351,577</u>	<u>\$ 9,991,396</u>	<u>\$ 41,556,344</u>

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

COLLETON COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Net change in fund balances - total governmental funds \$ (8,408,958)

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

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

Capital outlay	\$ 13,450,164	
Depreciation expense	<u>(3,400,614)</u>	10,049,550

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position (7,182,654)

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

Property taxes and other special assessments	\$ 168,577	
Solid waste receivables	(31,364)	
Intergovernmental receivables	<u>5,000</u>	142,213

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

Repayment of the principal of long-term debt	\$ 4,925,632	
Issuance of long-term debt	(582,353)	
Amortization of premium on long-term debt	<u>70,615</u>	4,413,894

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

Pension liability	\$ (1,228,012)	
Landfill closure and post-closure liability	(17,931)	
Compensated absences	(18,401)	
Accrued interest on long-term debt	20,167	
Other post employment benefits liability	<u>(281,286)</u>	(1,525,463)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (265,873)

\$ (2,777,291)

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

COLLETON COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 8,917,415
Taxes receivable	1,426
Total assets	<u>\$ 8,918,841</u>
LIABILITIES	
Accounts payable	\$ 111
Assets held for others	8,918,730
Total liabilities	<u>\$ 8,918,841</u>

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

COLLETON COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Blended Component Units

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

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

Basis of Presentation - Government-wide Financial Statements

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

As discussed earlier, the government has three discretely presented component units. While the Alcohol & 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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation - Fund Financial Statements (Continued)

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

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

The **Debt Service Funds** account for the accumulation of resources for, and payment of, long-term debt principal and interest. The County's Debt Service Fund was established and is maintained in accordance with acts passed by the General Assembly of South Carolina authorizing the sale of general obligation bonds of the County. The Non-GOB Debt Service Fund accounts for the accumulation of funds and payment of various capital leases and notes payable. The Capital Sales Tax Debt Service Fund collects the local option special purpose sales taxes to pay the debt service for the Capital Penny Sales Tax Bond that was passed by voter referendum.

Additionally, the County reports the following fund types.

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

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

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

Measurement Focus and Basis of Accounting

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within the first 60 days of the end of the current fiscal period, except for grant reimbursements for which the availability period is 120 days. Expenditures generally are recorded when a liability is incurred as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

Budgetary Basis of Accounting

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Basis of Accounting (Continued)

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

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for 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.

Investments

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Prepaid Items

Certain payments to vendors for services that will benefit period beyond June 30, 2018, are recorded as prepaid items using the consumption method by recording the asset for the prepaid amount and reflecting the expenditure/expense in the year which the services are consumed. Prepaid items of governmental funds in the fund financial statements are offset by an equal amount with a reserve of fund balance to indicate that they are not available for general appropriation.

Capital Assets

Capital assets, which include property, plant, and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items,) are reported in the governmental activities in the government-wide financial statements. Capital assets other than infrastructure are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The capitalization threshold for infrastructure assets is \$50,000 for individual items and networks. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets (Continued)

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

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

Deferred Outflows/Inflows of Resources

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deferred Outflows/Inflows of Resources (Continued)

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

Net Position Flow Assumptions

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

Fund Balance Flow Assumptions

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

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).

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Balance Policies (Continued)

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

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

Revenues and Expenditures/Expenses

Program Revenues

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues and Expenditures/Expenses (Continued)

Property Taxes

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

Compensated Absences

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

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

Use of Estimates

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

NOTE 2. DEPOSITS AND INVESTMENTS

Interest Rate Risk

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

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

	<u>Fair Value</u>	<u>Percentage of Portfolio</u>	<u>Credit Rating</u>
Repurchase agreements	\$ 41,232,532	87%	Unrated
Savings accounts	159,980	0%	N/A
Checking accounts	6,028,807	13%	N/A
Cash on hand	8,487	0%	N/A
Deposits held by County Treasurer	<u>\$ 47,429,806</u>	<u>100%</u>	

Custodial Credit Risk – Deposits

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

As of June 30, 2018, the County's bank balance of \$47,421,319 was fully collateralized by pledging financial institutions trust departments in the County's name.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk — Investments

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

NOTE 3. RECEIVABLES

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

	Primary Government			Component Units		
	General	Capital Projects	Nonmajor Governmental	Fire and Rescue Commission	Memorial Library	Alcohol & Drug Commission
Taxes receivable	\$ 4,733,987	\$ -	\$ 371,438	\$ 1,485,304	\$ -	\$ -
Accounts receivable	1,563,346	-	-	11,284,580	-	16,936
Other receivables	1,926,809	1,258,450	1,134,218	-	5,276	-
Less: allowance	(3,632,453)	-	(210,473)	(10,890,811)	-	-
Net receivables	<u>\$ 4,591,689</u>	<u>\$ 1,258,450</u>	<u>\$ 1,295,183</u>	<u>\$ 1,879,073</u>	<u>\$ 5,276</u>	<u>\$ 16,936</u>

NOTE 4. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2018, consisted of the following:

Major Governmental Funds	Transfers In	Transfers Out
General Fund	\$ 2,234,401	\$ 4,621,836
Capital Projects Fund	2,821,012	96,908
Nonmajor Governmental	1,345,978	1,682,647
Total interfund balances	<u>\$ 6,401,391</u>	<u>\$ 6,401,391</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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018, was as follows:

Governmental activities	Balance June 30, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Capital assets not being depreciated					
Land	\$ 2,697,027	\$ 245,021	\$ -	\$ -	\$ 2,942,048
Land - infrastructure	4,507,518	39,452	-	-	4,546,970
Construction in progress	9,389,415	10,649,612	(7,003,333)	(1,133,274)	11,902,420
Total capital assets not being depreciated	16,593,960	10,934,085	(7,003,333)	(1,133,274)	19,391,438
Capital assets being depreciated					
Buildings and improvements	30,479,249	803,022	(67,151)	679,689	31,894,809
Improvements other than buildings	11,683,167	91,207	-	198,206	11,972,580
Equipment and vehicles	23,595,415	1,621,850	(945,288)	255,379	24,527,356
Infrastructure	12,789,508	-	-	-	12,789,508
Total capital assets being depreciated	78,547,339	2,516,079	(1,012,439)	1,133,274	81,184,253
Less accumulated depreciation					
Buildings and improvements	(12,877,008)	(719,845)	67,152	-	(13,529,701)
Improvements other than buildings	(4,416,652)	(534,471)	-	-	(4,951,123)
Equipment and vehicles	(17,473,549)	(1,514,793)	765,966	-	(18,222,376)
Infrastructure	(6,574,838)	(631,505)	-	-	(7,206,343)
Total accumulated depreciation	(41,342,047)	(3,400,614)	833,118	-	(43,909,543)
Total capital assets being depreciated, net	37,205,292	(884,535)	(179,321)	1,133,274	37,274,710
Governmental activities capital assets, net	\$ 53,799,252	\$ 10,049,550	\$ (7,182,654)	\$ -	\$ 56,666,148

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

Governmental Activities	
General Government	\$ 336,350
Judicial	53,881
Roads and bridges	796,982
Public Safety	731,198
Solid waste	309,121
Recreation and culture	550,781
Health and human services	95,404
Economic Development	526,897
Total Governmental Activities Depreciation Expense	\$ 3,400,614

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

Discretely Presented Component Units

Fire and Rescue Commission activity for the year ended June 30, 2018, is as follows:

Fire and Rescue Commission	Balance June 30, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Capital assets not being depreciated					
Land	\$ 529,165	\$ 13,200	\$ -	\$ -	\$ 542,365
Total capital assets not being depreciated	529,165	13,200	-	-	542,365
Capital assets being depreciated					
Buildings and improvements	6,908,991	-	-	-	6,908,991
Improvements other than buildings	147,532	-	-	-	147,532
Equipment and vehicles	18,847,426	107,873	(579,503)	-	18,375,796
Total capital assets being depreciated	25,903,949	107,873	(579,503)	-	25,432,319
Less accumulated depreciation					
Buildings and improvements	(1,935,856)	(139,925)	-	-	(2,075,781)
Improvements other than buildings	(118,278)	(8,018)	-	-	(126,296)
Equipment and vehicles	(14,291,188)	(638,693)	379,863	-	(14,550,018)
Total accumulated depreciation	(16,345,322)	(786,636)	379,863	-	(16,752,095)
Total capital assets being depreciated, net	9,558,627	(678,763)	(199,640)	-	8,680,224
Fire and rescue commission capital assets, net	<u>\$ 10,087,792</u>	<u>\$ (665,563)</u>	<u>\$ (199,640)</u>	<u>\$ -</u>	<u>\$ 9,222,589</u>

Depreciation expense incurred by the Fire and Rescue Commission for the fiscal year ended June 30, 2018, was \$786,636.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

Discretely Presented Component Units (Continued)

Memorial Library activity for the year ended June 30, 2018, is as follows:

Memorial Library	Balance June 30, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Capital assets being depreciated					
Buildings and improvements	\$ 119,026	\$ -	\$ -	\$ -	\$ 119,026
Library materials	2,050,431	88,311	(29,147)	-	2,109,595
Equipment and vehicles	375,613	-	(14,190)	-	361,423
Total capital assets being depreciated	<u>2,545,070</u>	<u>88,311</u>	<u>(43,337)</u>	<u>-</u>	<u>2,590,044</u>
Less accumulated depreciation					
Buildings and improvements	(119,026)	-	-	-	(119,026)
Library materials	(1,833,289)	(80,982)	29,147	-	(1,885,124)
Equipment and vehicles	(210,926)	(18,597)	14,190	-	(215,333)
Total accumulated depreciation	<u>(2,163,241)</u>	<u>(99,579)</u>	<u>43,337</u>	<u>-</u>	<u>(2,219,483)</u>
Total capital assets being depreciated, net	<u>381,829</u>	<u>(11,268)</u>	<u>-</u>	<u>-</u>	<u>370,561</u>
Memorial library capital assets, net	<u>\$ 381,829</u>	<u>\$ (11,268)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 370,561</u>

Depreciation expense incurred by the Memorial Library for the fiscal year ended June 30, 2018, was \$99,579.

As of June 30, 2018, the County owns several parcels of land in the Colleton County Commerce Center for speculative purposes and to date on one parcel has constructed an industrial building for sale that have a fair market value of \$2,922,238 and are actively being marketed. These assets are considered held for sale and have been separated from capital assets on the Statement of Net Position and no depreciation will be taken on this asset since it is considered held for sale.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS

Long-term obligations for the year ended June 30, 2018, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Primary Government					
Governmental activities:					
Bonds:					
General obligation	\$ 34,930,000	\$ 582,353	\$ 4,055,000	\$ 31,457,353	\$ 4,687,353
Bond premiums	510,618	-	70,615	440,003	-
Capital leases	2,473,923	-	870,632	1,603,291	756,667
Net pension liability	27,322,372	7,311,409	3,895,202	30,738,579	-
Total OPEB liability	2,948,154	349,456	367,305	2,930,305	-
Note payable	880,032	-	-	880,032	171,429
Compensated absences	697,027	292,743	274,342	715,428	107,314
Landfill closure and post-closure costs	491,709	17,931	-	509,640	-
Governmental activity long-term liabilities	<u>\$ 70,253,835</u>	<u>\$ 8,553,892</u>	<u>\$ 9,533,096</u>	<u>\$ 69,274,631</u>	<u>\$ 5,722,763</u>
Component Units					
Fire and rescue commission					
General obligation	\$ 4,790,000	\$ -	\$ 940,000	\$ 3,850,000	\$ 450,000
Capital leases	2,197,839	-	292,845	1,904,994	299,583
Net pension liability	8,736,690	2,428,257	956,084	10,208,863	-
Total OPEB liability	538,129	63,786	67,044	534,871	-
Compensated absences	303,282	162,221	144,483	321,020	48,153
Governmental activity long-term liabilities	<u>\$ 16,565,940</u>	<u>\$ 2,654,264</u>	<u>\$ 2,400,456</u>	<u>\$ 16,819,748</u>	<u>\$ 797,736</u>
Memorial library					
Net pension liability	\$ 686,801	\$ 191,435	\$ 73,403	\$ 804,833	\$ -
Total OPEB liability	357,582	42,385	44,550	355,417	-
Compensated absences	22,967	17,493	17,888	22,572	3,386
Governmental activity long-term liabilities	<u>\$ 1,067,350</u>	<u>\$ 251,313</u>	<u>\$ 135,841</u>	<u>\$ 1,182,822</u>	<u>\$ 3,386</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Primary Government

Bonds Payable

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

The South Carolina constitution permits the County to incur general obligation (general purpose) bonded indebtedness not to exceed 8% of the assessed value of taxable property in the County. At June 30, 2018, the County was in compliance with this requirement.

The following is a summary of each long-term bond obligation of the governmental activities of the County at June 30, 2018:

General Obligation Bonds	Amount
\$5,395,000 General Obligation Bond, Series 2015, with interest of 3.498%, annual principal and interest payments beginning in 2017, matures 2032, for the purpose of refunding the special source revenue bond and for economic development purposes.	\$ 4,830,000
\$4,000,000 General Obligation, Series 2012, with interest of 2.0% to 3.0%, semi-annual principal and interest payments beginning 2013, matures 2032, for the purpose of economic development at the business park.	2,960,000
\$29,000,000 General Obligation, Series 2015, 1.82% annual interest, annual principal and interest payments beginning in 2016, matures 2024, for the purpose of county-wide projects by voters	23,085,000
\$582,353 General Obligation Bond, Series 2018, with interest of 2.5%, to mature in fiscal year 2019, for the purpose of repaying a portion of the \$7,610,000 Taxable Economic Revenue Bonds on behalf of the Colleton County Intermodal Corporation.	582,353
	\$ 31,457,353

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Primary Government (Continued)

Bonds Payable (Continued)

The annual requirements to amortize the bonds are as follows:

Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2019	\$ 4,687,353	\$ 685,290	\$ 5,372,643
2020	4,185,000	597,428	4,782,428
2021	4,275,000	510,078	4,785,078
2022	4,370,000	420,728	4,790,728
2023	4,480,000	329,328	4,809,328
2024-2028	6,880,000	765,475	7,645,475
2029-2033	2,580,000	231,042	2,811,042
	<u>\$ 31,457,353</u>	<u>\$ 3,539,369</u>	<u>\$ 34,996,722</u>

Refunding

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

Capital Leases Payable

	Amount
Lease #2 - The County has entered into a capital lease agreement, secured by 221.1 acres of land being entitled "Dogwood Hills Golf Club," bearing interest at 2.53% with annual payments of \$90,000 plus interest, maturing 2021.	\$ 270,000
Lease #2 - The County has entered into a capital lease agreement, secured by vehicles & equipment, bearing interest at 1.2% with annual payments of \$666,667, maturing 2020.	1,333,291
	<u>\$ 1,603,291</u>

Equipment Under Capitalized Leases

The County has entered into the above lease agreements for leasing vehicles, equipment, golf course, and the civic center. The cost of these assets is \$2,319,485 with accumulated amortization of \$238,792 for a net value of \$2,080,693. Depreciation expense was \$210,042 for the current year. The lease on the vehicles and equipment is payable from the general fund while the civic center and golf course leases are payable from the County's debt service fund.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Primary Government (Continued)

Equipment Under Capitalized Leases (Continued)

The remaining lease payments as of June 30, 2018, are as follows:

Year Ending June 30,	Capital Leases		
	Principal	Interest	Total
2019	\$ 756,667	\$ 22,067	\$ 778,734
2020	756,667	11,767	768,434
2021	89,957	1,450	91,407
	<u>\$ 1,603,291</u>	<u>\$ 35,284</u>	<u>\$ 1,638,575</u>

The interest paid on the capital lease obligations for the year ended June 30, 2018, was approximately \$34,880.

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

Future debt service requirements for notes payable at June 30, 2018, are as follows:

Year Ending June 30,	Notes Payable		
	Principal	Interest	Total
2019	\$ 171,429	\$ 188,378	\$ 359,807
2020	171,429	220,858	392,287
2021	107,435	196,795	304,230
2022	107,435	162,263	269,698
2023	107,435	155,417	262,852
2024-2028	214,869	616,804	831,673
	<u>\$ 880,032</u>	<u>\$ 1,540,515</u>	<u>\$ 2,420,547</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Primary Government (Continued)

Landfill Closure and Post Closure Care Costs

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

The \$509,640 reported as an accrual for landfill closure and post closure care costs at June 30, 2018, 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	
17 years	53.61%	\$ 635,910	\$ 161,098	\$ 797,008	\$ 242,885

These amounts are based on what it would cost to perform all closure and post closure care in fiscal year 2018. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. The Council has designated cash of \$797,008 for payment of closure and post closure care costs.

Discretely Presented Component Units

Fire and rescue general obligation bonds payable at June 30, 2018, consist of the following:

General Obligation Bonds	Amount
\$6,445,000 Fire Protection Service General Obligation Bonds, Series 2012, 0.4% to 2.26% annual interest, annual principal and interest payments beginning in 2013, matures 2026.	\$ 3,850,000

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Discretely Presented Component Units (Continued)

Future debt service requirements for fire and rescue general obligation bonds outstanding at June 30, 2018, are as follows:

Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2019	\$ 450,000	\$ 493,526	\$ 943,526
2020	455,000	464,638	919,638
2021	465,000	434,748	899,748
2022	475,000	403,960	878,960
2023	485,000	372,274	857,274
2024-2026	1,520,000	326,540	1,846,540
	<u>\$ 3,850,000</u>	<u>\$ 2,495,686</u>	<u>\$ 6,345,686</u>

<u>Capital Leases Payable</u>	<u>Amount</u>
\$3,036,957 lease payable for radios at an interest rate of 2.32% with annual payments of \$343,779 beginning in fiscal year 2015.	
	<u>\$ 1,904,994</u>

Equipment Under Capitalized Lease

The fire and rescue has entered into the above lease agreement for Motorola radios. The cost of these assets is \$3,422,784 with accumulated amortization of \$832,721 with a net value of \$2,590,063. Depreciation expense was \$171,139 for the year. The lease on the radios is payable from the fire and rescue debt service fund. The remaining lease payments as of June 30, 2018, are as follows:

Year Ending June 30,	Capital Leases		
	Principal	Interest	Total
2019	\$ 299,583	\$ 493,526	\$ 793,109
2020	306,533	464,638	771,171
2021	313,644	434,748	748,392
2022	320,921	403,960	724,881
2023	328,366	372,274	700,640
2024	335,947	326,540	662,487
	<u>\$ 1,904,994</u>	<u>\$ 2,495,686</u>	<u>\$ 4,400,680</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Other Postemployment Benefits

Plan Administration and Benefits

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

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

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

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

Plan Membership

Membership of the Retiree Health Plan consisted of the following at June 30, 2018, the date of the latest actuarial valuation:

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Other Postemployment Benefits (Continued)

Contributions

Contribution requirements are established annually by the County Council. The required contribution is based on a projected “pay as you go” financing requirements. For the year ended June 30, 2018, the County contributed \$41,141 for the pay as you go benefits for the Retiree Health Plan.

Total OPEB Liability of the County

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

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

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

Discount rate:	3.56%
Healthcare cost trend rate:	Initial rate of 6.75% declining to an ultimate rate of 4.15% after 15 years
Inflation rate:	2.25%
Salary increase:	3.50% to 9.50% for PORS and 3.00% to 7.00% for SCRS, including inflation
Participation rate:	70% if retiree has at least 20 years of service and is at least 60 years old at retirement. 35% if retiree has at least 20 years of service and is at least 60 years old at retirement. 20% for retirees that have fewer than 20 years of service.

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

The actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the period 2010-2014.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Other Postemployment Benefits (Continued)

Discount rate

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

Changes in the Total OPEB Liability of the County

The changes in the total OPEB liability of the County, and respective component units, for the year ended June 30, 2018, were as follows:

	Total OPEB Liability		
	Primary Government	Fire & Rescue Commission	Memorial Library
Beginning Balance	\$ 2,948,155	\$ 538,129	\$ 357,582
Changes for the year:			
Service cost	260,008	47,459	31,526
Interest	89,458	16,329	10,847
Effect of assumption changes	(338,163)	(61,725)	(41,003)
Benefit payments	(29,153)	(5,321)	(3,535)
Net changes	(17,850)	(3,258)	(2,165)
Ending Balance	\$ 2,930,305	\$ 534,871	\$ 355,417

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Other Postemployment Benefits (Continued)

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

The following presents the total OPEB liability of the County, and the respective component units, as well as what the County's, and respective component unit's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56%) or 1-percentage-point higher (4.56%) than the current discount rate:

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate				
	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)	
Primary Government	\$ 3,479,670	\$ 2,930,305	\$ 2,485,824	
Component Units				
Fire and Rescue Commission	\$ 635,142	\$ 534,871	\$ 453,736	
Memorial Library	421,916	355,417	301,410	

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

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

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates				
	1% Decrease	Current Healthcare Cost Trend Assumption Rate	1% Increase	
Primary Government	\$ 2,322,523	\$ 2,930,305	\$ 3,747,221	
Component Units				
Fire and Rescue Commission	\$ 423,929	\$ 534,871	\$ 683,978	
Memorial Library	281,610	355,417	454,357	

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Other Postemployment Benefits (Continued)

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

At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Assumption changes	\$ -	\$ 301,535
Employer contributions subsequent to the measurement date	31,554	-
Total	\$ 31,554	\$ 301,535

County contributions subsequent to the measurement date of \$31,554, for the Retiree Health plan are deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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

Year ended June 30:			
2019	\$	(36,619)	
2020		(36,619)	
2021		(36,619)	
2022		(36,619)	
2023		(36,619)	
Thereafter		(118,440)	
Total	\$	(301,535)	

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Other Postemployment Benefits (Continued)

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

At June 30, 2018, the Fire and Rescue Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Assumption changes	\$ -	\$ 55,039
Employer contributions subsequent to the measurement date	5,760	-
Total	\$ 5,760	\$ 55,039

Fire and Rescue Commission contributions subsequent to the measurement date of \$5,760, for the Retiree Health plan are deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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

Year ended June 30:			
2019	\$	(6,684)	
2020		(6,684)	
2021		(6,684)	
2022		(6,684)	
2023		(6,684)	
Thereafter		(21,619)	
Total	\$	(55,039)	

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Other Postemployment Benefits (Continued)

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

At June 30, 2018, the Memorial Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Assumption changes	\$ -	\$ 36,573
Employer contributions subsequent to the measurement date	3,827	-
Total	\$ 3,827	\$ 36,573

Memorial Library contributions subsequent to the measurement date of \$3,827, for the Retiree Health plan are deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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

Year ended June 30:			
2019	\$	(4,440)	
2020		(4,440)	
2021		(4,440)	
2022		(4,440)	
2023		(4,440)	
Thereafter		(14,373)	
Total	\$	(36,573)	

OPEB Expense

For the year ended June 30, 2018, the County, Fire and Rescue Commission, and the Memorial Library recognized OPEB expense of \$312,848; \$57,104; and \$37,933, respectively.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Other Postemployment Benefits (Continued)

OPEB Expense (Continued)

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

Description	Primary Government	Fire & Rescue Commission	Memorial Library
Service cost	\$ 260,008	\$ 47,459	\$ 31,526
Interest on the total OPEB liability	89,458	16,329	10,847
Recognition of deferred outflows/inflows of resources due to liabilities	(36,618)	(6,684)	(4,440)
Total employer OPEB expense	<u>\$ 312,848</u>	<u>\$ 57,104</u>	<u>\$ 37,933</u>

Pension Plan

Description of the Entity

The South Carolina Public Employee Benefit Authority (“PEBA”), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the Budget and Control Board (restructured into the Department of Administration on July 1, 2015), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (“Systems”) and serves as a co-trustee of the Systems in conducting that review.

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

Plan Description

The South Carolina Retirement System (“SCRS”), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions. The South Carolina Police Officers Retirement System (“PORS”), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions.

Membership

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

Benefits

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

SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five or eight year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the accidental death benefit program. The Town does not participate in the employer accidental death program.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. Upon recommendation by the actuary in the annual actuarial valuation, the PEBA Board may adopt and present to the State Fiscal Accountability Authority for approval, an increase the SCRS and PORS employer and employee contribution rates, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9% of earnable compensation for SCRS and 5% for PORS. An increase in the contribution rates adopted by the Board may not provide for an increase of more than ½ of 1% in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the Board are insufficient to maintain a 30-year amortization schedule of the unfunded liabilities of the plans, the Board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the 30-year amortization period; this increase is not limited to ½ of 1% per year.

Required employee contribution rates for the year ended June 30, 2018, are as follows:

South Carolina Retirement System

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

South Carolina Police Officers Retirement System

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

Required employer contribution rates for the year ended June 30, 2018, are as follows:

South Carolina Retirement System

Employee Class Two	13.41% of earnable compensation
Employee Class Three	13.41% of earnable compensation
Employer incidental death benefit	0.15% of earnable compensation

South Carolina Police Officers Retirement System

Employee Class Two	15.84% of earnable compensation
Employee Class Three	15.84% of earnable compensation
Employer incidental death benefit	0.20% of earnable compensation
Employer accidental death program	0.20% of earnable compensation

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

Net Pension Liability

The most recent annual actuarial valuation reports adopted by the PEBA Board and SFAA are as of July 1, 2016. The net pension liability of each defined benefit pension plan was therefore determined based on the July 1, 2016, actuarial valuations, using membership data as of July 1, 2016, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2017, using generally accepted actuarial procedures. Information included in the following schedules is based on the certification provided by the systems' consulting actuary, Gabriel, Roeder, Smith and Company.

The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67, less that system's fiduciary net position.

As of June 30, 2018, the County's net pension liability amounts for SCRS and PORS are as follows:

System	Total Pension Liability	Plan Fiduciary Net Liability	Employers' Net Pension Liability	Plan Fiduciary Net Position as a percentage of the Total Pension Liability
SCRS	\$ 47,272,411	\$ 25,214,366	\$ 22,058,045	53.3%
PORS	\$ 22,223,361	\$ 13,542,827	\$ 8,680,534	60.9%

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

Net Pension Liability (Continued)

As of June 30, 2018, the change in the County's net pension liability for the SCRS Plan is calculated as follows:

Total pension liability	
Service cost	\$ 787,857
Interest	3,251,199
Difference between actual and expected experience	53,484
Assumption changes	1,711,458
Benefit payments	<u>(2,973,967)</u>
Net change in total pension liability	2,830,031
Total pension liability - beginning June 30, 2017	<u>44,442,380</u>
Total pension liability - ending June 30, 2018	<u>47,272,411</u>
Plan fiduciary net position	
Contributions - employer	1,145,297
Contributions - member	809,889
Refunds of contributions to members	(103,050)
Retirement benefits	(2,848,696)
Death benefits	(22,220)
Net investment income	2,734,978
Administrative expense	(13,198)
Net transfers to affiliated systems	<u>(1,519)</u>
Net change in Plan fiduciary net position	1,701,481
Plan fiduciary net position - beginning June 30, 2017	<u>23,512,885</u>
Plan fiduciary net position - ending June 30, 2018	<u>25,214,366</u>
Net pension liability	<u><u>\$ 22,058,045</u></u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

Net Pension Liability (Continued)

As of June 30, 2018, the County's change in the net pension liability for the PORS Plan is calculated as follows:

Total pension liability	
Service cost	\$ 528,144
Interest	1,498,921
Difference between actual and expected experience	15,982
Benefit payments	(1,193,922)
Assumption changes	1,055,736
Net change in total pension liability	<u>1,904,861</u>
Total pension liability - beginning June 30, 2017	<u>20,318,500</u>
Total pension liability - ending June 30, 2018	<u>22,223,361</u>
 Plan fiduciary net position	
Contributions - employer	608,384
Contributions - member	405,071
Refunds of contributions to members	(63,256)
Retirement benefits	(1,118,461)
Death benefits	(12,204)
Net investment income	1,444,596
Administrative expense	(6,849)
Net transfers to affiliated systems	4,048
Net change in Plan fiduciary net position	<u>1,261,329</u>
Plan fiduciary net position - beginning June 30, 2017	<u>12,281,498</u>
Plan fiduciary net position - ending June 30, 2018	<u>13,542,827</u>
 Net pension liability	 <u><u>\$ 8,680,534</u></u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

Net Pension Liability (continued)

As of June 30, 2018, the Fire and Drug Commission's net pension liability amounts for SCRS and PORS are as follows:

System	Total Pension Liability	Plan Fiduciary Net Liability	Employers' Net Pension Liability	Plan Fiduciary Net Position as a percentage of the Total Pension Liability
SCRS	\$ 1,143,203	\$ 609,767	\$ 533,436	53.3%
PORS	\$ 24,770,425	\$ 15,094,998	\$ 9,675,427	60.9%

As of June 30, 2018, the change in the Fire and Rescue Commission's net pension liability for the SCRS Plan is calculated as follows:

Total pension liability	
Service cost	\$ 19,053
Interest	78,625
Difference between actual and expected experience	1,293
Assumption changes	41,389
Benefit payments	(71,920)
Net change in total pension liability	<u>68,440</u>
Total pension liability - beginning June 30, 2017	<u>1,074,763</u>
Total pension liability - ending June 30, 2018	<u>1,143,203</u>
Plan fiduciary net position	
Contributions - employer	27,697
Contributions - member	19,586
Refunds of contributions to members	(2,492)
Retirement benefits	(68,891)
Death benefits	(537)
Net investment income	66,141
Administrative expense	(319)
Net transfers to affiliated systems	(37)
Net change in Plan fiduciary net position	<u>41,148</u>
Plan fiduciary net position - beginning June 30, 2017	<u>568,619</u>
Plan fiduciary net position - ending June 30, 2018	<u>609,767</u>
Net pension liability	<u>\$ 533,436</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

Net Pension Liability (Continued)

As of June 30, 2018, the change in the Fire and Rescue Commission's net pension liability for the PORS Plan is calculated as follows:

Total pension liability	
Service cost	\$ 588,676
Interest	1,670,715
Difference between actual and expected experience	17,813
Benefit payments	(1,330,759)
Assumption changes	1,176,736
	2,123,181
Net change in total pension liability	2,123,181
Total pension liability - beginning June 30, 2017	22,647,244
Total pension liability - ending June 30, 2018	24,770,425
Plan fiduciary net position	
Contributions - employer	678,113
Contributions - member	451,497
Refunds of contributions to members	(70,506)
Retirement benefits	(1,246,650)
Death benefits	(13,603)
Net investment income	1,610,164
Administrative expense	(7,633)
Net transfers to affiliated systems	4,512
	1,405,894
Net change in Plan fiduciary net position	1,405,894
Plan fiduciary net position - beginning June 30, 2017	13,689,104
Plan fiduciary net position - ending June 30, 2018	15,094,998
Net pension liability	\$ 9,675,427

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

Net Pension Liability (Continued)

As of June 30, 2018, the Memorial Library's net pension liability amount for SCRS is as follows:

System	Total Pension Liability	Plan Fiduciary Net Liability	Employers' Net Pension Liability	Plan Fiduciary Net Position as a percentage of the Total Pension Liability
SCRS	\$ 1,724,832	\$ 919,999	\$ 804,833	53.3%

As of June 30, 2018, the change in the Memorial Library's net pension liability for the SCRS Plan is calculated as follows:

Total pension liability		
Service cost		\$ 28,747
Interest		118,627
Difference between actual and expected experience		1,951
Assumption changes		62,446
Benefit payments		(108,511)
Net change in total pension liability		<u>103,260</u>
Total pension liability - beginning June 30, 2017		<u>1,621,572</u>
Total pension liability - ending June 30, 2018		<u>1,724,832</u>
Plan fiduciary net position		
Contributions - employer		41,789
Contributions - member		29,550
Refunds of contributions to members		(3,760)
Retirement benefits		(103,941)
Death benefits		(811)
Net investment income		99,791
Administrative expense		(480)
Net transfers to affiliated systems		(55)
Net change in Plan fiduciary net position		<u>62,083</u>
Plan fiduciary net position - beginning June 30, 2017		<u>857,916</u>
Plan fiduciary net position - ending June 30, 2018		<u>919,999</u>
Net pension liability		<u>\$ 804,833</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

South Carolina state statutes requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2015, and the next experience study is scheduled to be conducted after the June 30, 2020, annual valuation is complete.

The following provides a summary of the actuarial assumptions and methods used in the July 1, 2016, valuations for SCRS and PORS.

	SCRS	PORS
Actuarial cost method	Entry Age	Entry Age
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	levels off at 3.5%	levels off at 4.0%
Includes inflation at	2.75%	2.75%
Benefit adjustments	lesser of 1% or \$500	lesser of 1% or \$500

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000. Assumptions used in the July 1, 2016, valuations for SCRS and PORS are as follows:

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

Actuarial Assumptions and Methods (Continued)

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30-year capital market outlook at the end of the third quarter 2015. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission (RSIC) using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table on the following page. For actuarial purposes, the 7.25% assumed annual investment rate of return used in the calculation of the total pension liability includes a 5.00% real rate of return and a 2.25% inflation component.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

Actuarial Assumptions and Methods (Continued)

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Equity	45.0%		
Global public equity	31.0%	6.72%	2.08%
Private equity	9.0%	9.60%	0.86%
Equity options securities	5.0%	5.91%	0.30%
Real assets	8.0%		
Real estate (private)	5.0%	4.32%	0.22%
Real estate (REITs)	2.0%	6.33%	0.13%
Infrastructure	1.0%	6.26%	0.06%
Opportunistic	17.0%		
GTAA/Risk parity	10.0%	4.16%	0.42%
Hedge funds (non-PA)	4.0%	3.82%	0.15%
Other opportunistic strategies	3.0%	4.16%	0.12%
Diversified credit	18.0%		
Mixed credit	6.0%	3.92%	0.24%
Emerging markets	5.0%	5.01%	0.25%
Private debt	7.0%	4.37%	0.31%
Conservative fixed income	12.0%		
Core fixed income	10.0%	1.60%	0.16%
Cash and short duration (net)	2.0%	0.92%	0.01%
	100%		
		Total expected real return	5.31%
		Inflation for actuarial purposes	2.25%
		Total expected nominal return	7.56%

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Primary Government			
SCRS	\$ 28,429,790	\$ 22,058,045	\$ 18,191,893
PORS	\$ 11,720,320	\$ 8,680,534	\$ 6,286,066
Component Units			
Fire and Rescue Commission			
SCRS	\$ 687,526	\$ 533,436	\$ 439,940
PORS	\$ 13,063,609	\$ 9,675,427	\$ 7,006,524
Memorial Library			
SCRS	\$ 1,037,319	\$ 804,833	\$ 663,769

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

Pension Expense

For the year ended June 30, 2018, the County recognized pension expense of \$2,172,160 for the SCRS plan. For the year ended June 30, 2017, the Fire and Rescue Commission and the Memorial Library recognized pension expense of \$52,531 and \$79,256, respectively, for the SCRS plan.

Pension expense for the SCRS plan is calculated as follows:

Description	Primary Government	Fire & Rescue Commission	Memorial Library
Service cost	\$ 1,052,939	\$ 25,464	\$ 38,419
Interest on the total pension liability	2,988,333	72,268	109,035
Member contributions	(807,573)	(19,530)	(29,466)
Projected earnings on plan investments	(1,822,683)	(44,078)	(66,504)
Administrative expenses	13,576	328	495
Recognition of deferred outflows/inflows of resources due to liabilities	577,576	13,968	21,074
Recognition of deferred outflows/inflows of resources due to assets	142,843	3,454	5,212
Other	(8,062)	(195)	(294)
Total proportionate share of collective pension expense	<u>2,136,949</u>	<u>51,679</u>	<u>77,971</u>
Deferred amounts from changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	35,211	852	1,285
Total employer pension expense	<u>\$ 2,172,160</u>	<u>\$ 52,531</u>	<u>\$ 79,256</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

Pension Expense (Continued)

For the year ended June 30, 2018, the County recognized pension expense of \$1,197,007 for the PORS plan. For the year ended June 30, 2018, the Fire and Rescue Commission recognized pension expense of \$1,334,198 for the PORS plan.

Pension expense for the PORS plan is calculated as follows:

Description	Primary Government	Fire & Rescue Commission
Service cost	\$ 395,182	\$ 440,474
Interest on the total pension liability	1,630,772	1,817,679
Member contributions	(406,233)	(452,793)
Projected earnings on plan investments	(865,099)	(964,250)
Administrative expenses	6,620	7,379
Recognition of deferred outflows/inflows of resources due to liabilities	291,826	325,273
Recognition of deferred outflows/inflows of resources due to assets	67,624	75,374
Other	762	849
Total proportionate share of collective pension expense	1,121,454	1,249,985
Deferred amounts from changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	75,553	84,213
Total employer pension expense	\$ 1,197,007	\$ 1,334,198

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

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

At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS pensions plans, respectively, from the following sources:

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 98,334	\$ 12,226
Net difference between projected and actual earnings on pension plan investments	615,757	-
Assumption changes	1,291,262	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	939,787	243,683
Employer contributions subsequent to the measurement date	1,297,681	-
Total	<u>\$ 4,242,821</u>	<u>\$ 255,909</u>

PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 77,406	\$ -
Net difference between projected and actual earnings on pension plan investments	309,323	-
Assumption changes	823,863	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	341,219	226,335
Employer contributions subsequent to the measurement date	724,682	-
Total	<u>\$ 2,276,493</u>	<u>\$ 226,335</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

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

County contributions subsequent to the measurement date of \$1,297,681 and \$724,682, for the SCRS plan and the PORS plan, respectively, and changes in proportion and differences between employer contributions and proportionate share of contributions are deferred outflows/inflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	SCRS	PORS
2019	\$ 753,841	\$ 372,973
2020	1,158,117	508,893
2021	925,369	370,106
2022	(148,096)	73,504
Total	\$ 2,689,231	\$ 1,325,476

At June 30, 2018, the Fire and Rescue Commission reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS pensions plans, respectively, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences between expected and actual experience	\$ 2,377	\$ 296
Net difference between projected and actual earnings on pension plan investments	14,891	-
Assumption changes	31,227	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	22,727	5,893
Employer contributions subsequent to the measurement date	31,380	-
Total	\$ 102,602	\$ 6,189

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
PORS		
Differences between expected and actual experience	\$ 86,277	\$ -
Net difference between projected and actual earnings on pension plan investments	344,780	-
Assumption changes	918,287	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	380,326	252,276
Employer contributions subsequent to the measurement date	807,740	-
Total	<u>\$ 2,537,410</u>	<u>\$ 252,276</u>

The Fire and Rescue Commission contributions subsequent to the measurement date of \$31,380 and \$807,740, for the SCRS plan and the PORS plan, respectively, and changes in proportion and differences between employer contributions and proportionate share of contributions are deferred outflows/inflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>SCRS</u>	<u>PORS</u>
2019	\$ 18,230	\$ 415,721
2020	28,007	567,219
2021	22,378	412,525
2022	(3,582)	81,929
Total	<u>\$ 65,033</u>	<u>\$ 1,477,394</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

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

At June 30, 2018, the Memorial Library reported deferred outflows of resources and deferred inflows of resources related to the SCRS pensions plan from the following sources:

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,588	\$ 446
Net difference between projected and actual earnings on pension plan investments	22,467	-
Assumption changes	47,114	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	34,290	8,891
Employer contributions subsequent to the measurement date	47,349	-
Total	<u>\$ 154,808</u>	<u>\$ 9,337</u>

The Memorial Library contributions subsequent to the measurement date of \$47,349 for the SCRS plan and changes in proportion and differences between employer contributions and proportionate share of contributions are deferred outflows/inflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>SCRS</u>
2019	\$ 27,505
2020	42,256
2021	33,764
2022	(5,403)
Total	<u>\$ 98,122</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Pension Plan (Continued)

Pension Plan Fiduciary Net Position

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

NOTE 7. OTHER INFORMATION

Deferred Compensation Plans

Internal Revenue Code Section 457 Plan

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

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

Internal Revenue Code Section 401(k) Plan.

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. OTHER INFORMATION (CONTINUED)

Risk Management

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

Contingent Liabilities

Grants

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

Litigation

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. OTHER INFORMATION (CONTINUED)

Commitments

Construction Commitments.

On June 30, 2018, the County has commitments under contracts for various architectural and engineering services and construction projects not completed of approximately \$3,953,381 that relate to the capital penny sales tax project approved by voter referendum.

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

Encumbrances

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

Governmental Fund	Amount
Capital Projects Fund	\$ 3,989,498
Nonmajor Governmental Funds	48,636
Total	\$ 4,038,134

Operating Leases

The County participates in certain leases accounted for as operating leases. Future minimum rental payments required over the next five years under the non-cancellable operating leases having a remaining term in excess of one year at June 30, 2018, are as follows:

Year Ending June 30,	Total
2019	\$ 59,476
2020	30,391
2021	21,620
2022	15,664
Total Payments	\$ 127,151

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. OTHER INFORMATION (CONTINUED)

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

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

NOTE 8. NET INVESTMENT IN CAPITAL ASSETS

The following summarizes the amounts included in the calculation for the net investment in capital assets. The County received the proceeds of \$30,272,627 million bond in May 2015 and has unspent funds on hand of \$12,957,618. The list of projects includes asset acquisitions as well as assistance to other entities within the County. The net investment in capital assets is summarized below:

	County	Component Units	
	Governmental Activities	Fire & Rescue Commission	Memorial Library
Capital assets, net	\$ 56,666,148	\$ 9,222,589	\$ 370,561
Long-term obligations	(34,380,679)	(5,754,994)	-
Bond proceeds on hand	12,957,618	-	-
Investment in capital assets	\$ 35,243,087	\$ 3,467,595	\$ 370,561

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. TAX ABATEMENTS

The County negotiates property tax abatement agreements on an individual basis. The County has tax abatement agreements with the following as of June 30, 2018:

Purpose	Percentage of Taxes Abated during the Fiscal Year	Amount of County Taxes Abated during the Fiscal Year	Amount of Fire & Rescue Taxes Abated during the Fiscal Year	Term of Agreement
Manufacturing facility locates in the area and provides employment	57%	\$ 133,554	\$ 59,308	25 Years
Manufacturing facility locates in the area and provides employment	16%	\$ 38,466	\$ 17,081	25 Years
Provide health care to citizens in the	48%	\$ 19,350	-	25 Years

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. SUBSEQUENT EVENTS

On November 15, 2018, \$6,000,000 in fire protection service general obligation bonds were issued to defray a portion of the cost of equipping certain fire service buildings; the acquisition of new and used fire trucks, ambulances and other fire protection service vehicles; acquisition of various firefighting, rescue, medical and protective equipment; and costs of renovation of certain fire stations for use by the Colleton County Fire-Rescue department. The bonds pay interest semi-annually on March 1 and September 1, beginning in 2019 and pay principal annually on March 1, beginning in 2020. The bonds have a ten-year maturity and pay interest of 3%. As part of this issuance, the County had its bond rating of AA- with Standard and Poor's and Aa3 with Moody's confirmed.

NOTE 11. CHANGE IN ACCOUNTING PRINCIPLE

The County has determined that a restatement to its July 1, 2017, beginning net position for governmental activities for the primary government, and discretely presented component units were required to recognize the change in accounting principle for implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, through which accounting for OPEB plans and the related disclosure requirements were modified.

Primary Government

<i>Governmental activities</i> net position, as previously reported	\$ 40,314,349
Change in accounting principle due to the implementation of GASB Statement No. 75	(1,080,023)
<i>Governmental activities</i> net position, as restated	\$ 39,234,326

Memorial Library

<i>Memorial Library</i> net position, as previously reported	\$ (405,505)
Change in accounting principle due to the implementation of GASB Statement No. 75	(130,996)
<i>Memorial Library</i> net position, as restated	\$ (536,501)

Fire and Rescue Commission

<i>Fire and Rescue Commission</i> net position, as previously reported	\$ (1,800,997)
Change in accounting principle due to the implementation of GASB Statement No. 75	(197,138)
<i>Fire and Rescue Commission</i> net position, as restated	\$ (1,998,135)

REQUIRED SUPPLEMENTARY INFORMATION

COLLETON COUNTY, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 21,957,772	\$ 21,957,772	\$ 21,848,333	\$ (109,439)
Intergovernmental	1,966,394	2,416,129	2,790,679	374,550
Fines and fees	5,627,472	5,627,472	5,821,354	193,882
Other income	860,786	1,272,751	713,523	(559,228)
Total revenues	<u>30,412,424</u>	<u>31,274,124</u>	<u>31,173,889</u>	<u>(100,235)</u>
EXPENDITURES:				
Current:				
General government	9,812,451	9,818,323	8,454,480	1,363,843
Judicial	1,294,119	1,294,119	1,215,435	78,684
Public safety	7,173,061	7,046,562	6,822,657	223,905
Roads and bridges	2,147,624	2,143,123	1,713,165	429,958
Solid waste	2,244,850	2,430,045	2,581,416	(151,371)
Recreation and culture	1,713,017	1,887,727	1,673,673	214,054
Health and human services	829,133	829,133	822,755	6,378
Economic development	265,905	265,905	259,046	6,859
Intergovernmental	3,973,778	3,973,778	4,173,778	(200,000)
Capital outlay:				
General government	421,986	546,900	476,337	70,563
Public safety	2,450	2,450	-	2,450
Roads and bridges	2,451	2,451	-	2,451
Solid waste	2,451	29,272	26,821	2,451
Recreation and culture	300,000	156,830	-	156,830
Total expenditures	<u>30,183,276</u>	<u>30,426,618</u>	<u>28,219,563</u>	<u>2,207,055</u>
Excess of revenues under expenditures	<u>229,148</u>	<u>847,506</u>	<u>2,954,326</u>	<u>2,106,820</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	-	-	17,297	17,297
Proceeds from issuance of debt				
Insurance recoveries	36,019	129,644	103,511	(26,133)
Transfers in	2,228,377	2,247,377	2,234,401	(12,976)
Transfers out	(2,433,373)	(3,224,527)	(4,621,836)	(1,397,309)
Total other financing sources, net	<u>(168,977)</u>	<u>(847,506)</u>	<u>(2,266,627)</u>	<u>(1,419,121)</u>
Net change in fund balances	60,171	-	687,699	687,699
Fund balances, beginning of year	<u>8,525,672</u>	<u>8,525,672</u>	<u>8,525,672</u>	<u>-</u>
Fund balances, end of year	<u>\$ 8,585,843</u>	<u>\$ 8,525,672</u>	<u>\$ 9,213,371</u>	<u>\$ 687,699</u>

**COLLETON COUNTY, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION**

FOR THE PLAN YEAR ENDED JUNE 30,

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

Plan Year Ended June 30	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered employee payroll	County's share of the net pension liability as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	0.097985%	\$ 22,058,045	\$ 10,023,134	220%	53.34%
2016	0.092799%	\$ 19,526,510	\$ 8,800,266	222%	52.90%
2015	0.092174%	\$ 17,480,579	\$ 8,710,229	201%	57.00%
2014	0.094651%	\$ 16,295,759	\$ 8,614,344	189%	59.90%

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

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

Notes to the Schedules:

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

**COLLETON COUNTY, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION**

FOR THE PLAN YEAR ENDED JUNE 30,

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

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

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

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

Notes to the Schedules:

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

**COLLETON COUNTY, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION**

FOR THE PLAN YEAR ENDED JUNE 30,

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

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

Notes to the Schedules:

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

**COLLETON COUNTY, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION**

FOR THE FISCAL YEAR ENDED JUNE 30,

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

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

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

Fiscal Year Ended June 30	Statutorily required contribution	Contributions relative to statutorily required contribution	Contribution deficiency (excess)	County's covered employee payroll	Contributions as a percentage of covered employee payroll
2018	\$ 724,682	\$ 724,682	\$ -	\$ 4,461,857	16.24%
2017	\$ 647,610	\$ 647,610	\$ -	\$ 4,547,825	14.24%
2016	\$ 543,598	\$ 543,598	\$ -	\$ 3,956,317	13.74%
2015	\$ 531,574	\$ 531,574	\$ -	\$ 3,964,012	13.41%

Notes to the Schedules:

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

**COLLETON COUNTY, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION**

FOR THE FISCAL YEAR ENDED JUNE 30,

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

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

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

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

Notes to the Schedules:

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

**COLLETON COUNTY, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION**

FOR THE FISCAL YEAR ENDED JUNE 30,

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

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

Notes to the Schedules:

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

COLLETON COUNTY, SOUTH CAROLINA

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

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 260,008
Interest on total OPEB liability	89,458
Effect of assumption changes	(338,163)
Benefit payments	<u>(29,153)</u>
Net change in total OPEB liability	<u>(17,850)</u>
Total OPEB liability - beginning	<u>2,948,155</u>
Total OPEB liability - ending	<u><u>\$ 2,930,305</u></u>
Covered-employee payroll	\$ 12,826,065
Total OPEB liability as a percentage of covered-employee payroll	22.8%

Notes to the Schedule:

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

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

COLLETON COUNTY, SOUTH CAROLINA

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

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 47,459
Interest on total OPEB liability	16,329
Effect of assumption changes	(61,725)
Benefit payments	<u>(5,321)</u>
Net change in total OPEB liability	<u>(3,258)</u>
Total OPEB liability - beginning	<u>538,129</u>
Total OPEB liability - ending	<u><u>\$ 534,871</u></u>
Covered-employee payroll	\$ 2,341,133
Total OPEB liability as a percentage of covered-employee payroll	22.8%

Notes to the Schedule:

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

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

COLLETON COUNTY, SOUTH CAROLINA

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

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 31,526
Interest on total OPEB liability	10,847
Effect of assumption changes	(41,003)
Benefit payments	<u>(3,535)</u>
Net change in total OPEB liability	(2,165)
Total OPEB liability - beginning	<u>357,582</u>
Total OPEB liability - ending	<u><u>\$ 355,417</u></u>
Covered-employee payroll	\$ 1,555,181
Total OPEB liability as a percentage of covered-employee payroll	22.9%

Notes to the Schedule:

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

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

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Funds

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

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

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

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

COLLETON COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Special Revenue Funds				
	Sheriff's Discretionary Funds	Sheriff's Title IV D	Clerk of Court IV Incentives	Clerk of Court IV Unit Costs	Victim Witness Services
ASSETS					
Cash and cash equivalents	\$ 239,185	\$ 5,623	\$ 58,815	\$ 21,637	\$ 154,942
Receivables, net	5,995	2,013	11,614	50,276	519
Prepaid expenditures	-	-	-	-	-
Total assets	\$ 245,180	\$ 7,636	\$ 70,429	\$ 71,913	\$ 155,461
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 1,471	\$ 2,824	\$ 4,930
Accrued payroll and benefits	-	-	-	1,860	730
Unearned revenues	-	-	-	-	-
Total liabilities	-	-	1,471	4,684	5,660
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - intergovernmental	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable:					
Prepaid expenditures	-	-	-	-	-
Restricted for:					
Public safety	245,180	7,636	-	-	149,801
Debt service	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Judicial services	-	-	68,958	67,229	-
Other purposes	-	-	-	-	-
Assigned:					
Judicial services	-	-	-	-	-
Public safety	-	-	-	-	-
Committed					
Recreation and culture	-	-	-	-	-
Total fund balances	245,180	7,636	68,958	67,229	149,801
Total liabilities, deferred inflows of resources, and fund balances	\$ 245,180	\$ 7,636	\$ 70,429	\$ 71,913	\$ 155,461

Special Revenue Funds

14th Circuit Court Solicitor	Special Revenue	Animal Care Control Donations	Emergency Telephone	County Hospitality Tax	County Accommodations Tax	State Accommodations Tax
\$ 1,051,912	\$ -	\$ 128,521	\$ 361,459	\$ 91,248	\$ 202,035	\$ 6,047
93,060	784,033	-	46,909	58,493	81,307	-
22,397	-	-	-	-	-	-
<u>\$ 1,167,369</u>	<u>\$ 784,033</u>	<u>\$ 128,521</u>	<u>\$ 408,368</u>	<u>\$ 149,741</u>	<u>\$ 283,342</u>	<u>\$ 6,047</u>
\$ 65,015	\$ 371,814	\$ 715	\$ 11,201	\$ 651	\$ 9,812	\$ -
65,815	-	-	1,911	-	6,190	-
-	77,605	-	-	-	-	-
<u>130,830</u>	<u>449,419</u>	<u>715</u>	<u>13,112</u>	<u>651</u>	<u>16,002</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	5,000	-	-	-	-
<u>-</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
22,397	-	-	-	-	-	-
-	-	-	395,256	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	6,047
-	-	-	-	-	-	-
-	334,614	-	-	-	-	-
1,014,142	-	-	-	-	-	-
-	-	122,806	-	-	-	-
-	-	-	-	149,090	267,340	-
<u>1,036,539</u>	<u>334,614</u>	<u>122,806</u>	<u>395,256</u>	<u>149,090</u>	<u>267,340</u>	<u>6,047</u>
<u>\$ 1,167,369</u>	<u>\$ 784,033</u>	<u>\$ 128,521</u>	<u>\$ 408,368</u>	<u>\$ 149,741</u>	<u>\$ 283,342</u>	<u>\$ 6,047</u>

COLLETON COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	<u>Debt Service Funds</u>				<u>Totals</u>
	<u>Debt Service</u>	<u>GO Bond</u>	<u>Capital Sales Tax Debt Service</u>	<u>Debt Service Non-GOB</u>	
ASSETS					
Cash and cash equivalents	\$ 914,311	\$ 1,521,652	\$ 4,534,020	\$ 129,968	\$ 9,421,375
Receivables, net	160,964	-	-	-	1,295,183
Prepaid expenditures	-	-	-	-	22,397
Total assets	<u>\$ 1,075,275</u>	<u>\$ 1,521,652</u>	<u>\$ 4,534,020</u>	<u>\$ 129,968</u>	<u>\$ 10,738,955</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 468,433
Accrued payroll and benefits	-	-	-	-	76,506
Unearned revenues	-	-	-	-	77,605
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>622,544</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	120,015	-	-	-	120,015
Unavailable revenue - intergovernmental	-	-	-	-	5,000
Total deferred inflows of resources	<u>120,015</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,015</u>
FUND BALANCES					
Nonspendable:					
Prepaid expenditures	-	-	-	-	22,397
Restricted for:					
Public safety	-	-	-	-	797,873
Debt service	955,260	1,521,652	4,534,020	129,968	7,140,900
Recreation and culture	-	-	-	-	6,047
Judicial services	-	-	-	-	136,187
Other purposes	-	-	-	-	334,614
Assigned:					
Judicial services	-	-	-	-	1,014,142
Public safety	-	-	-	-	122,806
Committed					
Recreation and culture	-	-	-	-	416,430
Total fund balances	<u>955,260</u>	<u>1,521,652</u>	<u>4,534,020</u>	<u>129,968</u>	<u>9,991,396</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,075,275</u>	<u>\$ 1,521,652</u>	<u>\$ 4,534,020</u>	<u>\$ 129,968</u>	<u>\$ 10,738,955</u>

COLLETON COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Special Revenue Funds				
	Sheriff's Discretionary Funds	Sheriff's Title IV D	Clerk of Court IV Incentives	Clerk of Court IV Unit Costs	Victim Witness Services
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	19,396	7,788	24,753	200,022	73,486
Fines and fees	-	-	-	-	-
Other revenues	30,612	23	425	121	1,095
Total revenues	\$ 50,008	\$ 7,811	\$ 25,178	\$ 200,143	\$ 74,581
Expenditures:					
Current:					
General government	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial services	-	-	1,470	149,541	-
Public safety	95,043	1,491	-	-	67,382
Roads and bridges	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Health and human services	-	-	-	-	-
Economic development	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Capital outlay					
Judicial services	-	-	-	-	-
Public safety	86,312	-	-	-	-
Roads and bridges	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	181,355	1,491	1,470	149,541	67,382
Excess (deficiency) of revenues over (under) expenditures	(131,347)	6,320	23,708	50,602	7,199
Other financing sources (uses)					
Proceeds from sale of capital assets	11,163	-	-	-	-
Insurance recoveries	5,099	-	-	-	-
Transfers in	-	-	-	15,988	-
Transfers out	(84,810)	-	(15,988)	-	-
Total other financing sources (uses)	(68,548)	-	(15,988)	15,988	-
Net change in fund balances	(199,895)	6,320	7,720	66,590	7,199
Fund balances, beginning of year	445,075	1,316	61,238	639	142,602
Fund balances, end of year	\$ 245,180	\$ 7,636	\$ 68,958	\$ 67,229	\$ 149,801

Special Revenue Funds

14th Circuit Court Solicitor	Special Revenue	Animal Care Control Donations	Emergency Telephone	County Hospitality Tax	County Accommodations Tax	State Accommodations Tax
\$ -	\$ -	\$ -	\$ -	\$ 594,599	\$ 563,987	\$ -
3,540,608	3,505,155	13,264	82,974	-	-	-
333,713	-	18,104	278,763	-	-	-
19,750	9,447	935	2,448	860	3,278	362
<u>\$ 3,894,071</u>	<u>\$ 3,514,602</u>	<u>\$ 32,303</u>	<u>\$ 364,185</u>	<u>\$ 595,459</u>	<u>\$ 567,265</u>	<u>\$ 362</u>
\$ -	\$ -	\$ -	\$ -	\$ 8,365	\$ -	\$ -
4,386,069	255,481	-	-	-	-	-
-	759,524	38,694	293,873	-	-	-
-	32,073	-	-	-	6,025	-
-	3,634	-	-	17,365	463,734	-
-	1,053,071	-	-	-	-	-
-	924,753	-	-	124,152	-	-
-	457,610	-	-	6,000	25,702	-
15,584	-	-	-	-	-	-
-	-	-	-	-	-	-
-	71,487	-	-	-	-	-
-	86,888	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>4,401,653</u>	<u>3,644,521</u>	<u>38,694</u>	<u>293,873</u>	<u>155,882</u>	<u>495,461</u>	<u>-</u>
<u>(507,582)</u>	<u>(129,919)</u>	<u>(6,391)</u>	<u>70,312</u>	<u>439,577</u>	<u>71,804</u>	<u>362</u>
-	-	-	-	-	-	-
4,542	-	-	-	-	-	-
240,988	163,244	-	-	-	-	-
(75,687)	(92,191)	-	(34,747)	(388,957)	(300,000)	-
<u>169,843</u>	<u>71,053</u>	<u>-</u>	<u>(34,747)</u>	<u>(388,957)</u>	<u>(300,000)</u>	<u>-</u>
(337,739)	(58,866)	(6,391)	35,565	50,620	(228,196)	362
<u>1,374,278</u>	<u>393,480</u>	<u>129,197</u>	<u>359,691</u>	<u>98,470</u>	<u>495,536</u>	<u>5,685</u>
<u>\$ 1,036,539</u>	<u>\$ 334,614</u>	<u>\$ 122,806</u>	<u>\$ 395,256</u>	<u>\$ 149,090</u>	<u>\$ 267,340</u>	<u>\$ 6,047</u>

COLLETON COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Debt Service Funds				Totals
	Debt Service	GO Bond	Capital Sales Tax Debt Service	Debt Service Non-GOB	
Revenues:					
Taxes	\$ 1,819,000	\$ -	\$ 4,304,496	\$ -	\$ 7,282,082
Intergovernmental	-	-	-	-	7,467,446
Fines and fees	14,022	-	-	-	644,602
Other revenues	7,158	10,995	15,112	404	103,025
Total revenues	<u>\$ 1,840,180</u>	<u>\$ 10,995</u>	<u>\$ 4,319,608</u>	<u>\$ 404</u>	<u>\$ 15,497,155</u>
Expenditures:					
Current:					
General government	\$ -	\$ -	\$ -	\$ -	\$ 8,365
Judicial services	-	-	-	-	4,792,561
Public safety	-	-	-	-	1,256,007
Roads and bridges	-	-	-	-	38,098
Recreation and culture	-	-	-	-	484,733
Health and human services	-	-	-	-	1,053,071
Economic development	-	-	-	-	1,048,905
Intergovernmental	-	-	-	-	489,312
Capital outlay					
Judicial services	-	-	-	-	15,584
Public safety	-	-	-	-	86,312
Roads and bridges	-	-	-	-	71,487
Recreation and culture	-	-	-	-	86,888
Debt service:					
Principal	465,000	-	3,590,000	870,632	4,925,632
Interest and fiscal charges	249,528	-	490,850	55,127	795,505
Total expenditures	<u>714,528</u>	<u>-</u>	<u>4,080,850</u>	<u>925,759</u>	<u>15,152,460</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,125,652</u>	<u>10,995</u>	<u>238,758</u>	<u>(925,355)</u>	<u>344,695</u>
Other financing sources (uses)					
Proceeds from sale of capital assets	-	-	-	-	11,163
Insurance recoveries	-	-	-	-	9,641
Transfers in	-	-	-	925,758	1,345,978
Transfers out	(690,267)	-	-	-	(1,682,647)
Total other financing sources (uses)	<u>(690,267)</u>	<u>-</u>	<u>-</u>	<u>925,758</u>	<u>(315,865)</u>
Net change in fund balances	435,385	10,995	238,758	403	28,830
Fund balances, beginning of year	<u>519,875</u>	<u>1,510,657</u>	<u>4,295,262</u>	<u>129,565</u>	<u>9,962,566</u>
Fund balances, end of year	<u>\$ 955,260</u>	<u>\$ 1,521,652</u>	<u>\$ 4,534,020</u>	<u>\$ 129,968</u>	<u>\$ 9,991,396</u>

COLLETON COUNTY, SOUTH CAROLINA
SHERIFF'S DISCRETIONARY FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ -	\$ 53,728	\$ 19,396	\$ (34,332)
Other revenues	-	143,726	30,612	(113,114)
Total revenues	<u>-</u>	<u>197,454</u>	<u>50,008</u>	<u>(147,446)</u>
EXPENDITURES				
Public safety	-	58,726	95,043	(36,317)
Capital outlay				
Public safety	-	55,284	86,312	(31,028)
Total expenditures	<u>-</u>	<u>114,010</u>	<u>181,355</u>	<u>(67,345)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>83,444</u>	<u>(131,347)</u>	<u>(214,791)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	11,163	11,163
Insurance proceeds	-	-	5,099	5,099
Transfers out	-	(83,444)	(84,810)	(1,366)
Total other financing sources (uses)	<u>-</u>	<u>(83,444)</u>	<u>(68,548)</u>	<u>14,896</u>
Net change in fund balance	-	-	(199,895)	(199,895)
FUND BALANCES, beginning of year	<u>445,075</u>	<u>445,075</u>	<u>445,075</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 445,075</u>	<u>\$ 445,075</u>	<u>\$ 245,180</u>	<u>\$ (199,895)</u>

**COLLETON COUNTY, SOUTH CAROLINA
SHERIFF'S TITLE IV D**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 14,190	\$ 14,190	\$ 7,788	\$ (6,402)
Other revenues	-	-	23	23
Total revenues	<u>14,190</u>	<u>14,190</u>	<u>7,811</u>	<u>(6,379)</u>
EXPENDITURES				
Public safety	14,190	14,190	1,491	12,699
Total expenditures	<u>14,190</u>	<u>14,190</u>	<u>1,491</u>	<u>12,699</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>6,320</u>	<u>6,320</u>
Net change in fund balance	-	-	6,320	6,320
FUND BALANCES, beginning of year	<u>1,316</u>	<u>1,316</u>	<u>1,316</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 1,316</u>	<u>\$ 1,316</u>	<u>\$ 7,636</u>	<u>\$ 6,320</u>

**COLLETON COUNTY, SOUTH CAROLINA
CLERK OF COURT IV INCENTIVES**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 36,975	\$ 36,975	\$ 24,753	\$ (12,222)
Other revenues	-	-	425	425
Total revenues	<u>36,975</u>	<u>36,975</u>	<u>25,178</u>	<u>(11,797)</u>
EXPENDITURES				
Judicial services	5,000	5,000	1,470	3,530
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>1,470</u>	<u>3,530</u>
Excess of revenues over expenditures	<u>31,975</u>	<u>31,975</u>	<u>23,708</u>	<u>(8,267)</u>
OTHER FINANCING USES				
Transfers out	(31,975)	(31,975)	(15,988)	15,987
Total other financing uses	<u>(31,975)</u>	<u>(31,975)</u>	<u>(15,988)</u>	<u>15,987</u>
Net change in fund balance	-	-	7,720	7,720
FUND BALANCES, beginning of year	<u>61,238</u>	<u>61,238</u>	<u>61,238</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 61,238</u>	<u>\$ 61,238</u>	<u>\$ 68,958</u>	<u>\$ 7,720</u>

**COLLETON COUNTY, SOUTH CAROLINA
CLERK OF COURT IV UNIT COSTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 133,002	\$ 133,002	\$ 200,022	\$ 67,020
Other revenues	-	-	121	121
Total revenues	<u>133,002</u>	<u>133,002</u>	<u>200,143</u>	<u>67,141</u>
EXPENDITURES				
Judicial services	164,977	164,977	149,541	15,436
Total expenditures	<u>164,977</u>	<u>164,977</u>	<u>149,541</u>	<u>15,436</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(31,975)</u>	<u>(31,975)</u>	<u>50,602</u>	<u>82,577</u>
OTHER FINANCING SOURCES				
Transfers in	31,975	31,975	15,988	(15,987)
Total other financing sources	<u>31,975</u>	<u>31,975</u>	<u>15,988</u>	<u>(15,987)</u>
Net change in fund balance	-	-	66,590	66,590
FUND BALANCES, beginning of year	<u>639</u>	<u>639</u>	<u>639</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 639</u>	<u>\$ 639</u>	<u>\$ 67,229</u>	<u>\$ 66,590</u>

**COLLETON COUNTY, SOUTH CAROLINA
VICTIM WITNESS SERVICES**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 57,802	\$ 75,802	\$ 73,486	\$ (2,316)
Other revenues	-	-	1,095	1,095
Total revenues	<u>57,802</u>	<u>75,802</u>	<u>74,581</u>	<u>(1,221)</u>
EXPENDITURES				
Public safety	57,802	75,802	67,382	8,420
Total expenditures	<u>57,802</u>	<u>75,802</u>	<u>67,382</u>	<u>8,420</u>
Excess of revenues over expenditures	-	-	7,199	7,199
Net change in fund balance	-	-	7,199	7,199
FUND BALANCES, beginning of year	<u>142,602</u>	<u>142,602</u>	<u>142,602</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 142,602</u>	<u>\$ 142,602</u>	<u>\$ 149,801</u>	<u>\$ 7,199</u>

**COLLETON COUNTY, SOUTH CAROLINA
14TH CIRCUIT COURT SOLICITOR**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ -	\$ 3,558,108	\$ 3,540,608	\$ (17,500)
Fines and fees	-	333,713	333,713	-
Other revenues	-	19,750	19,750	-
Total revenues	<u>-</u>	<u>3,911,571</u>	<u>3,894,071</u>	<u>(17,500)</u>
EXPENDITURES				
Judicial services	-	4,124,598	4,386,069	(261,471)
Capital outlay				
Judicial services	-	4,338,678	15,584	4,323,094
Debt service:				
Principal	-	35,691	-	35,691
Interest and fiscal charges	-	82,447	-	82,447
Total expenditures	<u>-</u>	<u>8,581,414</u>	<u>4,401,653</u>	<u>4,179,761</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(4,669,843)</u>	<u>(507,582)</u>	<u>4,162,261</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of debt		4,500,000	-	(4,500,000)
Insurance proceeds	-	4,542	4,542	-
Transfers in	-	240,988	240,988	-
Transfers out	-	(75,687)	(75,687)	-
Total other financing sources (uses)	<u>-</u>	<u>4,669,843</u>	<u>169,843</u>	<u>(4,500,000)</u>
Net change in fund balance	-	-	(337,739)	(337,739)
FUND BALANCES, beginning of year	<u>1,374,278</u>	<u>1,374,278</u>	<u>1,374,278</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 1,374,278</u>	<u>\$ 1,374,278</u>	<u>\$ 1,036,539</u>	<u>\$ (337,739)</u>

**COLLETON COUNTY, SOUTH CAROLINA
SPECIAL REVENUE**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 920,774	\$ 6,216,428	\$ 3,505,155	\$ (2,711,273)
Other revenues	-	24,011	9,447	(14,564)
Total revenues	<u>920,774</u>	<u>6,240,439</u>	<u>3,514,602</u>	<u>(2,725,837)</u>
EXPENDITURES				
Judicial services	-	378,496	255,481	123,015
Public safety	340,807	647,475	759,524	(112,049)
Roads and bridges	-	199,164	32,073	167,091
Recreation and culture	-	19,085	3,634	15,451
Health and human services	552,225	1,669,975	1,053,071	616,904
Economic development	-	1,070,907	924,753	146,154
Intergovernmental	-	443,869	457,610	(13,741)
Capital outlay				
Roads and bridges	-	1,366,616	71,487	1,295,129
Solid waste	52,500	-	86,888	(86,888)
Recreation and culture	-	553,824	-	553,824
Total expenditures	<u>945,532</u>	<u>6,349,411</u>	<u>3,644,521</u>	<u>2,704,890</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,758)</u>	<u>(108,972)</u>	<u>(129,919)</u>	<u>(20,947)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	24,758	183,972	163,244	(20,728)
Transfers out	-	(75,000)	(92,191)	(17,191)
Total other financing sources (uses)	<u>24,758</u>	<u>108,972</u>	<u>71,053</u>	<u>(37,919)</u>
Net change in fund balance	-	-	(58,866)	(58,866)
FUND BALANCES, beginning of year	<u>393,480</u>	<u>393,480</u>	<u>393,480</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 393,480</u>	<u>\$ 393,480</u>	<u>\$ 334,614</u>	<u>\$ (58,866)</u>

**COLLETON COUNTY, SOUTH CAROLINA
ANIMAL CARE CONTROL DONATIONS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ -	\$ 16,000	\$ 13,264	\$ (2,736)
Fines and fees	20,000	20,000	18,104	(1,896)
Other revenues	-	-	935	935
Total revenues	<u>20,000</u>	<u>36,000</u>	<u>32,303</u>	<u>(3,697)</u>
EXPENDITURES				
Public safety	20,000	36,000	38,694	(2,694)
Total expenditures	<u>20,000</u>	<u>36,000</u>	<u>38,694</u>	<u>(2,694)</u>
Deficiency of revenues under expenditures	-	-	(6,391)	(6,391)
Net change in fund balance	-	-	(6,391)	(6,391)
FUND BALANCES, beginning of year	<u>129,197</u>	<u>129,197</u>	<u>129,197</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 129,197</u>	<u>\$ 129,197</u>	<u>\$ 122,806</u>	<u>\$ (6,391)</u>

**COLLETON COUNTY, SOUTH CAROLINA
EMERGENCY TELEPHONE**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 85,000	\$ 85,000	\$ 82,974	\$ (2,026)
Fines and fees	260,000	260,000	278,763	18,763
Other revenues	-	34,747	2,448	(32,299)
Total revenues	<u>345,000</u>	<u>379,747</u>	<u>364,185</u>	<u>(15,562)</u>
EXPENDITURES				
Public safety	345,000	345,000	293,873	51,127
Total expenditures	<u>345,000</u>	<u>345,000</u>	<u>293,873</u>	<u>51,127</u>
Excess of revenues over expenditures	<u>-</u>	<u>34,747</u>	<u>70,312</u>	<u>35,565</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(34,747)	(34,747)	-
Total other financing sources (uses)	<u>-</u>	<u>(34,747)</u>	<u>(34,747)</u>	<u>-</u>
Net change in fund balance	-	-	35,565	35,565
FUND BALANCES, beginning of year	<u>359,691</u>	<u>359,691</u>	<u>359,691</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 359,691</u>	<u>\$ 359,691</u>	<u>\$ 395,256</u>	<u>\$ 35,565</u>

**COLLETON COUNTY, SOUTH CAROLINA
COUNTY HOSPITALITY TAX**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes	\$ 615,000	\$ 615,000	\$ 594,599	\$ (20,401)
Other revenues	-	-	860	860
Total revenues	<u>615,000</u>	<u>615,000</u>	<u>595,459</u>	<u>(19,541)</u>
EXPENDITURES				
General government	-	15,000	8,365	6,635
Recreation and culture	95,891	80,891	17,365	63,526
Economic development	124,152	124,152	124,152	-
Intergovernmental	6,000	6,000	6,000	-
Total expenditures	<u>226,043</u>	<u>226,043</u>	<u>155,882</u>	<u>70,161</u>
Excess of revenues over expenditures	<u>388,957</u>	<u>388,957</u>	<u>439,577</u>	<u>50,620</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(388,957)</u>	<u>(388,957)</u>	<u>(388,957)</u>	<u>-</u>
Total other financing sources (uses)	<u>(388,957)</u>	<u>(388,957)</u>	<u>(388,957)</u>	<u>-</u>
Net change in fund balance	-	-	50,620	50,620
FUND BALANCES, beginning of year	<u>98,470</u>	<u>98,470</u>	<u>98,470</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 98,470</u>	<u>\$ 98,470</u>	<u>\$ 149,090</u>	<u>\$ 50,620</u>

**COLLETON COUNTY, SOUTH CAROLINA
COUNTY ACCOMMODATIONS TAX**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes	\$ 500,915	\$ 500,915	\$ 563,987	\$ 63,072
Other revenues	309,049	309,049	3,278	(305,771)
Total revenues	<u>809,964</u>	<u>809,964</u>	<u>567,265</u>	<u>(242,699)</u>
EXPENDITURES				
Roads and bridges	8,112	8,112	6,025	2,087
Recreation and culture	476,150	476,150	463,734	12,416
Intergovernmental	25,702	25,702	25,702	-
Total expenditures	<u>509,964</u>	<u>509,964</u>	<u>495,461</u>	<u>14,503</u>
Excess (deficiency) of revenues over (under) expenditures	<u>300,000</u>	<u>300,000</u>	<u>71,804</u>	<u>(228,196)</u>
OTHER FINANCING USES				
Transfers out	(300,000)	(300,000)	(300,000)	-
Total other financing uses	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
Net change in fund balance	-	-	(228,196)	(228,196)
FUND BALANCES, beginning of year	<u>495,536</u>	<u>495,536</u>	<u>495,536</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 495,536</u>	<u>\$ 495,536</u>	<u>\$ 267,340</u>	<u>\$ (228,196)</u>

**COLLETON COUNTY, SOUTH CAROLINA
DEBT SERVICE**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes	\$ 1,773,283	\$ 1,773,283	\$ 1,819,000	\$ 45,717
Fines and fees	7,100	7,100	14,022	6,922
Other revenues	-	-	7,158	7,158
Total revenues	<u>1,780,383</u>	<u>1,780,383</u>	<u>1,840,180</u>	<u>59,797</u>
EXPENDITURES				
Debt service:				
Principal	1,047,353	840,588	465,000	375,588
Interest and fiscal charges	249,528	249,528	249,528	-
Total expenditures	<u>1,296,881</u>	<u>1,090,116</u>	<u>714,528</u>	<u>375,588</u>
Excess of revenues over expenditures	<u>483,502</u>	<u>690,267</u>	<u>1,125,652</u>	<u>435,385</u>
OTHER FINANCING USES				
Transfers out	<u>(690,267)</u>	<u>(690,267)</u>	<u>(690,267)</u>	<u>-</u>
Total other financing uses	<u>(690,267)</u>	<u>(690,267)</u>	<u>(690,267)</u>	<u>-</u>
Net change in fund balance	(206,765)	-	435,385	435,385
FUND BALANCES, beginning of year	<u>519,875</u>	<u>519,875</u>	<u>519,875</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 313,110</u>	<u>\$ 519,875</u>	<u>\$ 955,260</u>	<u>\$ 435,385</u>

**COLLETON COUNTY, SOUTH CAROLINA
CAPITAL SALES TAX DEBT SERVICE**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes	\$ 4,080,850	\$ 4,080,850	\$ 4,304,496	\$ 223,646
Other revenues	-	-	15,112	15,112
Total revenues	<u>4,080,850</u>	<u>4,080,850</u>	<u>4,319,608</u>	<u>238,758</u>
EXPENDITURES				
Debt service:				
Principal	3,590,000	3,590,000	3,590,000	-
Interest and fiscal charges	490,850	490,850	490,850	-
Total expenditures	<u>4,080,850</u>	<u>4,080,850</u>	<u>4,080,850</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>238,758</u>	<u>238,758</u>
Net change in fund balance	-	-	238,758	238,758
FUND BALANCES, beginning of year	<u>4,295,262</u>	<u>4,295,262</u>	<u>4,295,262</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 4,295,262</u>	<u>\$ 4,295,262</u>	<u>\$ 4,534,020</u>	<u>\$ 238,758</u>

**COLLETON COUNTY, SOUTH CAROLINA
DEBT SERVICE NON-GOB**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Other revenues	\$ -	\$ -	\$ 404	\$ 404
Total revenues	<u>-</u>	<u>-</u>	<u>404</u>	<u>404</u>
EXPENDITURES				
Debt service:				
Principal	870,632	1,125,632	870,632	255,000
Interest and fiscal charges	55,126	382,479	55,127	327,352
Total expenditures	<u>925,758</u>	<u>1,508,111</u>	<u>925,759</u>	<u>582,352</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(925,758)</u>	<u>(1,508,111)</u>	<u>(925,355)</u>	<u>582,756</u>
OTHER FINANCING SOURCES				
Proceeds from issuance of debt	-	582,353	-	(582,353)
Transfers in	925,758	925,758	925,758	-
Total other financing sources	<u>925,758</u>	<u>1,508,111</u>	<u>925,758</u>	<u>(582,353)</u>
Net change in fund balance	-	-	403	403
FUND BALANCES, beginning of year	<u>129,565</u>	<u>129,565</u>	<u>129,565</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 129,565</u>	<u>\$ 129,565</u>	<u>\$ 129,968</u>	<u>\$ 403</u>

**COLLETON COUNTY, SOUTH CAROLINA
CAPITAL PROJECTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 193,051	\$ 2,257,813	\$ 3,276,120	\$ 1,018,307
Other revenues	1,216,213	7,767,914	304,750	(7,463,164)
Total revenues	<u>1,409,264</u>	<u>10,025,727</u>	<u>3,580,870</u>	<u>(6,444,857)</u>
EXPENDITURES				
General government	-	198,861	-	198,861
Public safety	-	720,205	43,478	676,727
Solid waste	-	323,722	4,082	319,640
Recreation and culture	-	6,003	5,035	968
Economic development	-	279,161	678,073	(398,912)
Intergovernmental	-	5,575,266	2,897,848	2,677,418
Capital outlay				
General government	498,503	2,010,435	165,110	1,845,325
Public safety	73,051	17,112,069	7,496,497	9,615,572
Roads and bridges	-	178,068	153,517	24,551
Solid waste	-	1,032,694	800,936	231,758
Recreation and culture	-	5,141,952	3,902,336	1,239,616
Economic development	-	18,479	-	18,479
Total expenditures	<u>571,554</u>	<u>32,596,915</u>	<u>16,146,912</u>	<u>16,450,003</u>
Excess (deficiency) of revenues over (under) expenditures	<u>837,710</u>	<u>(22,571,188)</u>	<u>(12,566,042)</u>	<u>10,005,146</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	70,000	114,999	44,999
Proceeds from issuance of debt	-	21,320,263	582,353	(20,737,910)
Insurance proceeds	-	-	19,099	19,099
Transfers in	378,503	1,277,833	2,821,012	1,543,179
Transfers out	-	(96,908)	(96,908)	-
Total other financing sources (uses)	<u>378,503</u>	<u>22,571,188</u>	<u>3,440,555</u>	<u>(19,130,633)</u>
Net change in fund balance	1,216,213	-	(9,125,487)	(9,125,487)
FUND BALANCES, beginning of year	<u>31,477,064</u>	<u>31,477,064</u>	<u>31,477,064</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 32,693,277</u>	<u>\$ 31,477,064</u>	<u>\$ 22,351,577</u>	<u>\$ (9,125,487)</u>

FIDUCIARY FUNDS

Agency Funds

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

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

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

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

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

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

Delinquent Tax Fund - to account for delinquent taxes collected.

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

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

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

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

COLLETON COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	June 30, 2017	Increases	Decreases	June 30, 2018
Sheriff's Seizure Fund				
ASSETS				
Cash and cash equivalents	\$ 215,410	\$ 41,877	\$ (40,641)	\$ 216,646
Total assets	<u>\$ 215,410</u>	<u>\$ 41,877</u>	<u>\$ (40,641)</u>	<u>\$ 216,646</u>
LIABILITIES				
Assets held for others	\$ 215,410	\$ 41,877	(40,641)	\$ 216,646
Total liabilities	<u>\$ 215,410</u>	<u>\$ 41,877</u>	<u>\$ (40,641)</u>	<u>\$ 216,646</u>
 Willow Swamp Water Shed Fund				
ASSETS				
Cash and cash equivalents	\$ 27,910	\$ 17,675	\$ -	\$ 45,585
Total assets	<u>\$ 27,910</u>	<u>\$ 17,675</u>	<u>\$ -</u>	<u>\$ 45,585</u>
LIABILITIES				
Assets held for others	\$ 27,910	\$ 17,675	\$ -	\$ 45,585
Total liabilities	<u>\$ 27,910</u>	<u>\$ 17,675</u>	<u>\$ -</u>	<u>\$ 45,585</u>
 Law Officer's Memorial Fund				
ASSETS				
Cash and cash equivalents	\$ 680	\$ 2,147	\$ -	\$ 2,827
Total assets	<u>\$ 680</u>	<u>\$ 2,147</u>	<u>\$ -</u>	<u>\$ 2,827</u>
LIABILITIES				
Assets held for others	\$ 680	\$ 2,147	\$ -	\$ 2,827
Total liabilities	<u>\$ 680</u>	<u>\$ 2,147</u>	<u>\$ -</u>	<u>\$ 2,827</u>
 Treasurer Fund				
ASSETS				
Cash and cash equivalents	\$ 255,583	\$ 6,479,784	\$ (6,297,148)	\$ 438,219
Taxes receivable	1,516	58,968	(59,058)	1,426
Total assets	<u>\$ 257,099</u>	<u>\$ 6,538,752</u>	<u>\$ (6,356,206)</u>	<u>\$ 439,645</u>
LIABILITIES				
Assets held for others	\$ 257,099	\$ 7,999,653	\$ (7,817,107)	\$ 439,645
Total liabilities	<u>\$ 257,099</u>	<u>\$ 7,999,653</u>	<u>\$ (7,817,107)</u>	<u>\$ 439,645</u>

COLLETON COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	June 30, 2017	Increases	Decreases	June 30, 2018
14th Circuit Court Solicitor Fund				
ASSETS				
Cash and cash equivalents	\$ 34,799	\$ 658,443	\$ (681,971)	\$ 11,271
Taxes receivable	862	5,492	(6,354)	-
Total assets	<u>\$ 35,661</u>	<u>\$ 663,935</u>	<u>\$ (688,325)</u>	<u>\$ 11,271</u>
LIABILITIES				
Accounts payable	\$ -	\$ 314,314	\$ (314,314)	\$ -
Assets held for others	35,661	663,935	(688,325)	11,271
Total liabilities	<u>\$ 35,661</u>	<u>\$ 978,249</u>	<u>\$ (1,002,639)</u>	<u>\$ 11,271</u>
Delinquent Tax Fund				
ASSETS				
Cash and cash equivalents	\$ 1,592,264	\$ 10,008,841	\$ (10,255,376)	\$ 1,345,729
Total assets	<u>\$ 1,592,264</u>	<u>\$ 10,008,841</u>	<u>\$ (10,255,376)</u>	<u>\$ 1,345,729</u>
LIABILITIES				
Assets held for others	\$ 1,592,264	\$ 2,992,335	\$ (3,238,870)	\$ 1,345,729
Total liabilities	<u>\$ 1,592,264</u>	<u>\$ 2,992,335</u>	<u>\$ (3,238,870)</u>	<u>\$ 1,345,729</u>
Clerk of Court Fund				
ASSETS				
Cash and cash equivalents	\$ 273,471	\$ 107,124	\$ (19,241)	\$ 361,354
Total assets	<u>\$ 273,471</u>	<u>\$ 107,124</u>	<u>\$ (19,241)</u>	<u>\$ 361,354</u>
LIABILITIES				
Assets held for others	\$ 273,471	\$ 107,124	\$ (19,241)	\$ 361,354
Total liabilities	<u>\$ 273,471</u>	<u>\$ 107,124</u>	<u>\$ (19,241)</u>	<u>\$ 361,354</u>
Magistrate Fund				
ASSETS				
Cash and cash equivalents	\$ 93,168	\$ 413	\$ (19,660)	\$ 73,921
Total assets	<u>\$ 93,168</u>	<u>\$ 413</u>	<u>\$ (19,660)</u>	<u>\$ 73,921</u>
LIABILITIES				
Assets held for others	\$ 93,168	\$ 413	\$ (19,660)	\$ 73,921
Total liabilities	<u>\$ 93,168</u>	<u>\$ 413</u>	<u>\$ (19,660)</u>	<u>\$ 73,921</u>

COLLETON COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Fireman's Fund				
ASSETS				
Cash and cash equivalents	\$ 90,036	\$ 141,963	\$ (184,238)	\$ 47,761
Total assets	<u>\$ 90,036</u>	<u>\$ 141,963</u>	<u>\$ (184,238)</u>	<u>\$ 47,761</u>
LIABILITIES				
Accounts payable	\$ 40,837	\$ 119,433	\$ (160,159)	\$ 111
Assets held for others	49,199	141,963	(143,512)	47,650
Total liabilities	<u>\$ 90,036</u>	<u>\$ 261,396</u>	<u>\$ (303,671)</u>	<u>\$ 47,761</u>
Colleton County School Fund				
ASSETS				
Cash and cash equivalents	\$ 8,293,207	\$ 9,731,980	\$ (11,651,085)	\$ 6,374,102
Total assets	<u>\$ 8,293,207</u>	<u>\$ 9,731,980</u>	<u>\$ (11,651,085)</u>	<u>\$ 6,374,102</u>
LIABILITIES				
Assets held for others	\$ 8,293,207	\$ 68,642,214	\$ (70,561,319)	\$ 6,374,102
Total liabilities	<u>\$ 8,293,207</u>	<u>\$ 68,642,214</u>	<u>\$ (70,561,319)</u>	<u>\$ 6,374,102</u>
Totals				
ASSETS				
Cash and cash equivalents	\$ 10,876,528	\$ 27,190,247	\$ (29,149,360)	\$ 8,917,415
Taxes receivable	2,378	64,460	(65,412)	1,426
Total assets	<u>\$ 10,878,906</u>	<u>\$ 27,254,707</u>	<u>\$ (29,214,772)</u>	<u>\$ 8,918,841</u>
LIABILITIES				
Accounts payable	\$ 40,837	\$ 433,747	\$ (474,473)	\$ 111
Assets held for others	10,838,069	80,609,336	(82,528,675)	8,918,730
Total liabilities	<u>\$ 10,878,906</u>	<u>\$ 81,043,083</u>	<u>\$ (83,003,148)</u>	<u>\$ 8,918,841</u>

COMPONENT UNITS

Major Component Units

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

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

Memorial Library Fund - used to account for programs and activities for the memorial library.

COLLETON COUNTY, SOUTH CAROLINA
COMPONENT UNIT - FIRE AND RESCUE COMMISSION
BALANCE SHEET
JUNE 30, 2018

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 157,922	\$ 78,061	\$ 235,983
Receivables, net	1,632,109	246,964	1,879,073
Prepaid expenditures	141,072	-	141,072
Total assets	<u>\$ 1,931,103</u>	<u>\$ 325,025</u>	<u>\$ 2,256,128</u>
LIABILITIES			
Accounts payable	\$ 197,015	\$ -	\$ 197,015
Accrued payroll and benefits	181,407	-	181,407
Total liabilities	<u>378,422</u>	<u>-</u>	<u>378,422</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - fees	1,063,549	-	1,063,549
Unavailable revenue - property taxes	289,338	179,449	468,787
Total deferred inflows of resources	<u>1,352,887</u>	<u>179,449</u>	<u>1,532,336</u>
FUND BALANCES			
Unavailable	141,072	-	141,072
Restricted	-	145,576	145,576
Unassigned	58,722	-	58,722
Total fund balances	<u>199,794</u>	<u>145,576</u>	<u>345,370</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,931,103</u>	<u>\$ 325,025</u>	<u>\$ 2,256,128</u>

COLLETON COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FIRE AND RESCUE COMMISSION
JUNE 30, 2018

Total fire and rescue fund balance:		\$ 345,370
Amounts reported for governmental activities in the statement of net position are different because of the		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the government funds.		9,222,589
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Property taxes and other special assessments	468,787	
EMS fee receivables	1,063,549	1,532,336
Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. These deferred outflows of resources consist of pension related experience differences, assumption changes, and differences between projected and actual earnings on plan investments:		
Deferred outflows related to pensions	2,640,012	
Deferred outflows related to other post employment benefits	5,760	2,645,772
Long term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds:		
General obligation bonds	(3,850,000)	
Capital leases	(1,904,994)	
Compensated absences	(321,020)	
Accrued interest	(65,354)	
Net pension liability	(10,208,863)	
Total other post employment benefits liability	(534,871)	(16,885,102)
Deferred inflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds. These deferred inflows of resources consist of pension related differences between projected and actual earnings on plan investments.		
Deferred outflows related to pensions	(258,465)	
Deferred inflows related to other post employment benefits	(55,039)	(313,504)
Net position of governmental activities		\$ (3,452,539)

COLLETON COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
COMPONENT UNIT - FIRE AND RESCUE COMMISSION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
REVENUES			
Taxes	\$ 3,347,342	\$ 2,261,003	\$ 5,608,345
Intergovernmental	3,339,392	-	3,339,392
Fines and fees	1,840,197	-	1,840,197
Other income	2,291	3,122	5,413
Total revenues	<u>8,529,222</u>	<u>2,264,125</u>	<u>10,793,347</u>
EXPENDITURES			
Current:			
Public safety	9,260,538	193,050	9,453,588
Capital outlay			
Public safety	122,923	-	122,923
Debt service:			
Principal	-	1,232,845	1,232,845
Interest	-	160,055	160,055
Total expenditures	<u>9,383,461</u>	<u>1,585,950</u>	<u>10,969,411</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(854,239)</u>	<u>678,175</u>	<u>(176,064)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	80,100	-	80,100
Insurance recoveries	44,751	-	44,751
Transfers in	796,930	-	796,930
Transfers out	-	(796,930)	(796,930)
Total other financing sources (uses)	<u>921,781</u>	<u>(796,930)</u>	<u>124,851</u>
Net change in fund balances	67,542	(118,755)	(51,213)
Fund balances, beginning of year	<u>132,252</u>	<u>264,331</u>	<u>396,583</u>
Fund balances, end of year	<u>\$ 199,794</u>	<u>\$ 145,576</u>	<u>\$ 345,370</u>

COLLETON COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FIRE AND RESCUE COMMISSION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Net change in fund balances - total governmental funds	\$	(51,213)
--------------------------------------------------------	----	----------

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

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

Capital outlay	\$ 121,073	
Depreciation expense	<u>(786,636)</u>	(665,563)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position		(199,640)
---------------------------------------------------------------------------------------------------------------------------------------------------	--	-----------

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

Property taxes and other special assessments	\$ 58,437	
EMS fees receivable	<u>(1,076,948)</u>	(1,018,511)

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

Repayment of the principal of long-term debt		1,232,845
----------------------------------------------	--	-----------

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

Pension liability	\$ (551,080)	
Compensated absences	(17,738)	
Accrued interest on long-term debt	10,639	
Other post employment benefits liability	<u>(51,342)</u>	(609,521)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>(142,801)</u>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	------------------

	\$	<u><u>(1,454,404)</u></u>
--	----	---------------------------

COLLETON COUNTY, SOUTH CAROLINA
COMPONENT UNIT - FIRE AND RESCUE COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Taxes	\$ 5,508,821	\$ 5,508,821	\$ 5,608,345	\$ 99,524
Intergovernmental	3,109,958	3,169,405	3,339,392	169,987
Fines and fees	1,677,825	1,667,480	1,840,197	172,717
Other revenues	5,000	83,838	5,413	(78,425)
Total revenues	<u>10,301,604</u>	<u>10,429,544</u>	<u>10,793,347</u>	<u>363,803</u>
EXPENDITURES				
Public safety	8,744,114	8,930,320	9,453,588	(523,268)
Capital outlay				
Public safety	140,000	269,717	122,923	146,794
Debt service:				
Principal	1,239,583	1,232,845	1,232,845	-
Interest and fiscal charges	153,317	160,055	160,055	-
Total expenditures	<u>10,277,014</u>	<u>10,592,937</u>	<u>10,969,411</u>	<u>(376,474)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,590</u>	<u>(163,393)</u>	<u>(176,064)</u>	<u>(12,671)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	80,000	80,100	100
Insurance proceeds	1,100	83,393	44,751	(38,642)
Transfers in	596,930	596,930	796,930	200,000
Transfers out	(596,930)	(596,930)	(796,930)	(200,000)
Total other financing sources (uses)	<u>1,100</u>	<u>163,393</u>	<u>124,851</u>	<u>(38,542)</u>
Net change in fund balance	25,690	-	(51,213)	(51,213)
FUND BALANCES, beginning of year	<u>396,583</u>	<u>396,583</u>	<u>396,583</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 422,273</u>	<u>\$ 396,583</u>	<u>\$ 345,370</u>	<u>\$ (51,213)</u>

COLLETON COUNTY, SOUTH CAROLINA

COMPONENT UNIT - MEMORIAL LIBRARY

BALANCE SHEET

JUNE 30, 2018

	<u>General</u>	<u>Special Revenue Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 98,147	\$ 1,434	\$ 99,581
Receivables, net	5,276	-	5,276
Prepaid expenditures	9,192	-	9,192
Total assets	<u>\$ 112,615</u>	<u>\$ 1,434</u>	<u>\$ 114,049</u>
LIABILITIES			
Accounts payable	\$ 2,510	\$ 261	\$ 2,771
Accrued payroll and benefits	9,219	-	9,219
Unearned revenue	23,681	-	23,681
Total liabilities	<u>35,410</u>	<u>261</u>	<u>35,671</u>
FUND BALANCES			
Unavailable	9,192	-	9,192
Restricted	-	1,173	1,173
Unassigned	68,013	-	68,013
Total fund balances	<u>77,205</u>	<u>1,173</u>	<u>78,378</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 112,615</u>	<u>\$ 1,434</u>	<u>\$ 114,049</u>

COLLETON COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
MEMORIAL LIBRARY
JUNE 30, 2018

Total fire and rescue fund balance:		\$ 78,378
<p>Amounts reported for governmental activities in the statement of net position are different because of the</p> <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the government funds.</p>		
		370,561
<p>Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. These deferred outflows of resources consist of pension related experience differences, assumption changes, and differences between projected and actual earnings on plan investments:</p>		
Deferred outflows related to pensions	154,808	
Deferred outflows related to other post employment benefits	3,827	158,635
<p>Long term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds:</p>		
Compensated absences	(22,572)	
Net pension liability	(804,833)	
Total other post employment benefits liability	(355,417)	(1,182,822)
<p>Deferred inflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds. These deferred inflows of resources consist of pension related differences between projected and actual earnings on plan investments.</p>		
Deferred outflows related to pensions	(9,337)	
Deferred inflows related to other post employment benefits	(36,573)	(45,910)
Net position of governmental activities		\$ (621,158)

COLLETON COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
COMPONENT UNIT - MEMORIAL LIBRARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>General</u>	<u>Special Revenue Fund</u>	<u>Total</u>
REVENUES			
Intergovernmental	\$ 622,614	\$ 75,000	\$ 697,614
Fines and fees	29,424	-	29,424
Other income	50,605	90	50,695
Total revenues	<u>702,643</u>	<u>75,090</u>	<u>777,733</u>
EXPENDITURES			
Current:			
Recreation and culture	651,589	75,017	726,606
Capital outlay	20,862	-	20,862
Total expenditures	<u>672,451</u>	<u>75,017</u>	<u>747,468</u>
Net change in fund balances	30,192	73	30,265
Fund balances, beginning of year	<u>47,013</u>	<u>1,100</u>	<u>48,113</u>
Fund balances, end of year	<u>\$ 77,205</u>	<u>\$ 1,173</u>	<u>\$ 78,378</u>

COLLETON COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
MEMORIAL LIBRARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Net change in fund balances - total governmental funds	\$	30,265
--------------------------------------------------------	----	--------

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

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

Capital outlay	\$	88,311	
Depreciation expense		<u>(99,579)</u>	(11,268)

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

Pension liability	\$	(61,437)	
Compensated absences		395	
Other post employment benefits liability		<u>(34,117)</u>	(95,159)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

		<u>(8,495)</u>
	\$	<u><u>(84,657)</u></u>

COLLETON COUNTY, SOUTH CAROLINA
COMPONENT UNIT - MEMORIAL LIBRARY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 598,837	\$ 702,586	\$ 697,614	\$ (4,972)
Fines and fees	-	-	29,424	29,424
Other revenues	-	55,772	50,695	(5,077)
Total revenues	<u>598,837</u>	<u>758,358</u>	<u>777,733</u>	<u>19,375</u>
EXPENDITURES				
Recreation and culture	598,837	732,981	726,606	6,375
Capital outlay	-	25,377	20,862	4,515
Total expenditures	<u>598,837</u>	<u>758,358</u>	<u>747,468</u>	<u>10,890</u>
Net change in fund balance	-	-	30,265	30,265
FUND BALANCES, beginning of year	<u>48,113</u>	<u>48,113</u>	<u>48,113</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 48,113</u>	<u>\$ 48,113</u>	<u>\$ 78,378</u>	<u>\$ 30,265</u>

COLLETON COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2018

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected	\$ 473,082	\$ 871,621	N/A	\$ 1,344,703
Court fines and assessments remitted to State Treasurer	\$ 264,478	\$ 445,430	N/A	\$ 709,908
Total Court Fines and Assessments retained	\$ 208,604	\$ 426,191	N/A	\$ 634,795
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	\$ 14,861	\$ 9,600	N/A	\$ 24,461
Assessments retained	\$ 1,257	\$ 32,836	N/A	34,093
Total Surcharges and Assessments retained for victim services	\$ 16,118	\$ 42,436	N/A	\$ 58,554

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	N/A	\$ 142,602	\$ 142,602
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer	N/A	-	-
Victim Service Assessments Retained by City/County Treasurer	N/A	\$ 34,093	\$ 34,093
Victim Service Surcharges Retained by City/County Treasurer	N/A	\$ 24,461	\$ 24,461
Interest Earned	N/A	\$ 1,095	\$ 1,095
Grant Funds Received			
Grant from:	N/A	-	-
General Funds Transferred to Victim Service Fund	N/A	-	-
Contribution Received from Victim Service Contracts:			
(1) Town of Edisto Beach	N/A	\$ 4,932	\$ 4,932
(2) Town of Cottageville	N/A	\$ 10,000	\$ 10,000
(3) City of	N/A	-	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	N/A	\$ 217,183	\$ 217,183

COLLETON COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2018

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	N/A	\$ 42,811	\$ 42,811
Operating Expenditures	N/A	\$ 24,571	\$ 24,571
Victim Service Contract(s):			
(1) Entity's Name	N/A	-	-
(2) Entity's Name	N/A	-	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter:	N/A	-	-
(2) Rape Crisis Center:	N/A	-	-
(3) Other local direct crime victims service agency:	N/A	-	-
Transferred to General Fund	N/A	-	-
Total Expenditures from Victim Service Fund/Program (B)	N/A	\$ 67,382	\$ 67,382
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	N/A	\$ 149,801	\$ 149,801
Less: Prior Year Fund Deficit Repayment	N/A	-	-
Carryforward Funds – End of Year	N/A	\$ 149,801	\$ 149,801

STATISTICAL SECTION

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends.....	134-137
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
Revenue Capacity.....	138-141
These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	
Debt Capacity.....	142-146
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
Demographic and Economic Information.....	147-148
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help comparisons over time and with other governments.	
Operating Information.....	149-151
These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	

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

COLLETON COUNTY, SOUTH CAROLINA

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 24,511,294	\$ 26,613,252	\$ 30,234,540	\$ 28,162,225	\$ 29,208,570	\$ 31,257,962	\$ 33,464,047	\$ 31,778,627	\$ 37,187,490	\$ 35,243,087
Restricted	7,104,250	8,210,458	8,509,085	10,192,511	8,976,701	10,305,751	9,738,050	17,017,936	12,733,361	14,691,101
Unrestricted	7,260,956	8,282,389	9,942,615	12,627,357	10,997,674	14,202,852	(8,369,151)	(11,885,105)	(9,606,502)	(13,477,153)
Total governmental activities net position	<u>\$ 38,876,500</u>	<u>\$ 43,106,099</u>	<u>\$ 48,686,240</u>	<u>\$ 50,982,093</u>	<u>\$ 49,182,945</u>	<u>\$ 55,766,565</u>	<u>\$ 34,832,946</u>	<u>\$ 36,911,458</u>	<u>\$ 40,314,349</u>	<u>\$ 36,457,035</u>

Source: County Audit Reports

COLLETON COUNTY, SOUTH CAROLINA

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 6,646,119	\$ 6,593,093	\$ 7,228,887	\$ 8,000,488	\$ 8,178,472	\$ 10,740,147	\$ 8,811,200	\$ 9,227,968	\$ 9,810,028	\$ 8,428,469
Judicial	2,137,323	1,973,222	5,010,233	4,996,680	4,594,583	4,957,014	5,255,325	5,871,221	6,309,402	6,498,833
Public safety	10,634,142	10,232,152	8,244,482	8,202,681	8,410,210	8,589,140	8,642,672	8,319,638	8,702,190	13,309,631
Roads and bridges	2,302,900	1,774,066	2,313,953	2,320,046	2,496,358	4,182,236	4,949,171	6,405,248	2,975,077	3,398,083
Solid waste	2,124,328	1,730,522	2,244,813	2,280,816	2,449,740	2,568,610	2,509,851	2,418,936	2,575,815	3,215,275
Recreation and culture	1,182,007	1,285,985	819,698	1,036,373	1,313,153	1,743,106	2,906,984	2,627,302	2,927,170	3,825,057
Health and human services	1,172,954	1,084,829	1,818,338	1,672,744	1,789,799	1,925,374	1,928,313	1,908,438	1,888,520	2,392,807
Economic development	637,276	259,688	380,812	2,027,728	3,373,628	1,569,363	1,568,862	1,650,684	1,377,821	11,530,791
Intergovernmental	262,917	250,113	3,485,734	3,130,391	3,360,676	3,661,372	3,836,524	5,590,873	9,763,973	-
Interest and fiscal changes	740,453	3,422,305	655,432	560,225	500,152	437,611	469,185	895,063	759,085	704,723
Totals expenses	<u>27,840,419</u>	<u>28,605,975</u>	<u>32,202,382</u>	<u>34,228,172</u>	<u>36,466,771</u>	<u>40,373,973</u>	<u>40,878,087</u>	<u>44,915,371</u>	<u>47,089,081</u>	<u>53,303,669</u>
Revenues										
Governmental activities:										
Charges for services										
General government	594,443	461,919	434,053	407,482	483,659	568,195	531,064	1,231,180	1,407,234	1,547,365
Judicial	354,456	845,808	3,052,629	2,852,878	2,769,668	1,159,451	1,117,461	1,058,359	1,090,259	1,004,415
Public safety	1,342,620	149,508	512,453	352,108	364,705	357,982	342,051	282,939	296,497	1,234,198
Roads and bridges	762,092	979,340	913,889	964,525	1,015,102	911,965	895,833	934,318	1,071,442	1,031,641
Solid waste	399,346	1,106,419	1,443,781	1,150,138	1,636,460	1,737,436	1,802,512	2,071,414	2,150,225	2,035,603
Recreation and culture	3,570	-	160,145	175,987	210,835	330,566	326,236	464,510	500,940	987,145
Health and human services	-	139,036	708,738	725,761	627,354	633,729	33,107	25,911	40,276	39,191
Economic development	-	295,251	-	-	-	1,541,360	677,045	-	-	-
Operating grants and contributions	1,561,311	3,225,446	2,049,525	2,102,187	3,073,637	9,860,851	8,629,703	11,726,799	12,448,200	9,796,813
Capital grants and contributions	440,452	621,186	3,181,056	1,438,292	-	-	4,473,000	-	-	315,071
General revenues										
Taxes	23,190,793	22,999,176	23,662,008	24,538,580	22,956,394	21,029,359	21,343,703	27,045,537	28,691,017	29,319,480
Grants and contributions not restricted to specific program	2,174,986	1,755,788	1,419,929	1,197,122	1,430,665	1,436,657	1,445,663	1,875,873	1,508,783	2,577,176
Interest and investment earnings	132,325	52,452	89,429	79,474	-	-	-	-	-	-
Miscellaneous	47,202	108,356	24,912	311,507	271,784	438,004	428,830	724,951	1,287,099	638,280
Gain (loss) on sale of assets	45,728	95,889	129,976	227,984	66,667	-	-	-	-	-
Transfer in (out)	-	-	-	-	(52,796)	90,713	-	-	-	-
Total revenues	<u>31,049,324</u>	<u>32,835,574</u>	<u>37,782,523</u>	<u>36,524,025</u>	<u>34,854,134</u>	<u>40,096,268</u>	<u>42,046,208</u>	<u>47,441,791</u>	<u>50,491,972</u>	<u>50,526,378</u>
Change in net position	3,208,905	4,229,599	5,580,141	2,295,853	(1,612,637)	(277,705)	1,168,121	2,526,420	3,402,891	(2,777,291)
Net position - beginning	35,667,595	38,876,500	43,106,099	48,686,240	50,982,093	49,182,945	55,766,565	34,832,946	36,911,458	40,314,349
Prior period adjustment	-	-	-	-	(186,511)	6,861,325	(22,101,740)	(447,908)	-	(1,080,023)
Net position - ending	<u>\$ 38,876,500</u>	<u>\$ 43,106,099</u>	<u>\$ 48,686,240</u>	<u>\$ 50,982,093</u>	<u>\$ 49,182,945</u>	<u>\$ 55,766,565</u>	<u>\$ 34,832,946</u>	<u>\$ 36,911,458</u>	<u>\$ 40,314,349</u>	<u>\$ 36,457,035</u>

Source: County Audit Reports

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

Note 2: Net position was restated at June 30, 2018 for GASB Statement No. 68, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

COLLETON COUNTY, SOUTH CAROLINA

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Nonspendable	\$ -	\$ -	\$ 2,442	\$ 6,718	\$ 6,076	\$ 14,004	\$ 10,534	\$ 11,570	\$ 3,333	\$ 258,279
Restricted	7,092	2,592	-	204,307	2,101	362,911	363,272	363,636	364,000	797,008
Committed	-	-	-	-	-	-	-	-	219,674	-
Assigned	-	-	-	-	-	695,942	893,097	968,193	199,057	-
Unassigned	8,947,550	7,433,900	8,735,361	8,975,864	7,921,046	5,981,162	5,746,897	7,085,015	7,739,608	8,158,084
Total General Fund	<u>\$ 8,954,642</u>	<u>\$ 7,436,492</u>	<u>\$ 8,737,803</u>	<u>\$ 9,186,889</u>	<u>\$ 7,929,223</u>	<u>\$ 7,054,019</u>	<u>\$ 7,013,800</u>	<u>\$ 8,428,414</u>	<u>\$ 8,525,672</u>	<u>\$ 9,213,371</u>
ECONOMIC DEVELOPMENT AND CAPITAL IMPROVEMENTS FUND										
Nonspendable	\$ 2,737,489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Economic Development and Capital Improvements Fund	<u>\$ 2,737,489</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
CAPITAL PROJECTS FUND										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,700,933	\$ 2,922,238	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	5,214,418	4,954,705	10,170,294	4,504,276	5,478,472
Committed	-	-	-	-	-	4,221,199	34,062,547	29,554,382	26,972,788	16,873,105
Total Capital Projects Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,136,550</u>	<u>\$ 41,939,490</u>	<u>\$ 39,724,676</u>	<u>\$ 31,477,064</u>	<u>\$ 22,351,577</u>
2005 BOND FUND										
Nonspendable	\$ 1,061	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total 2005 Bond Fund	<u>\$ 1,061</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable	\$ 369,375	\$ 1,825,429	\$ 4,752,641	\$ 4,338,743	\$ 7,728,952	\$ 2,027,489	\$ 1,497,835	\$ 6,484,006	\$ 7,865,085	\$ 22,397
Restricted	348,042	356,323	722,624	1,873,050	3,136,266	1,238,084	831,384	573,094	594,006	8,415,621
Committed	-	-	-	-	567,675	38,487	-	-	-	416,430
Assigned	4,925,295	6,346,099	4,896,457	6,193,164	162,302	1,811,461	1,625,160	1,485,895	1,503,575	1,136,948
Total All Other Governmental Funds	<u>\$ 5,642,712</u>	<u>\$ 8,527,851</u>	<u>\$ 10,371,722</u>	<u>\$ 12,404,957</u>	<u>\$ 11,595,195</u>	<u>\$ 5,115,521</u>	<u>\$ 3,954,379</u>	<u>\$ 8,542,995</u>	<u>\$ 9,962,666</u>	<u>\$ 9,991,396</u>

Source: County Audit Reports

COLLETON COUNTY, SOUTH CAROLINA

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Taxes	\$ 23,256,592	\$ 23,859,750	\$ 24,966,426	\$ 25,323,266	\$ 23,885,157	\$ 21,090,421	\$ 21,299,184	\$ 27,396,764	\$ 28,629,297	\$ 29,130,415
Licenses and permits	156,842	-	-	-	-	-	-	-	-	-
Fines and fees	2,839,939	2,223,421	2,474,493	2,021,074	7,107,783	7,212,428	10,075,366	13,602,672	13,956,983	6,465,956
Intergovernmental	3,985,122	4,684,025	6,748,815	6,266,017	4,504,302	11,297,508	5,811,340	6,030,559	6,516,583	13,534,245
Interest	132,442	97,238	89,338	79,470	-	-	-	-	-	-
Other	298,610	139,684	124,420	515,179	173,666	300,227	302,635	627,055	1,239,266	1,121,298
Total revenues	30,669,547	31,004,118	34,403,492	34,205,006	35,670,908	39,900,584	37,488,525	47,657,050	50,342,129	50,251,914
Expenditures:										
Current:										
General government	6,292,313	7,865,398	6,756,544	7,344,982	7,688,345	10,293,376	8,357,765	8,705,075	9,233,056	8,462,845
Judicial	1,695,299	1,962,697	2,344,951	2,122,867	4,157,881	4,456,189	4,658,249	5,275,752	5,679,392	6,007,996
Public safety	9,763,712	9,335,109	7,345,678	7,440,052	7,468,560	7,723,408	7,668,476	7,348,907	7,713,186	8,122,142
Roads and bridges	1,649,944	2,711,965	1,608,064	1,655,724	1,833,460	3,466,507	4,257,082	5,644,622	2,096,123	1,751,263
Solid waste	1,850,461	1,750,312	1,917,542	1,972,315	2,156,449	2,240,650	2,208,389	2,127,950	2,256,218	2,585,498
Recreation and culture	1,179,546	758,729	761,261	872,178	1,055,271	1,300,883	2,462,699	2,038,864	2,329,422	2,163,441
Health and human services	1,320,906	1,109,046	1,002,283	833,863	1,674,861	1,794,798	1,797,883	1,780,141	1,751,754	1,875,826
Economic development	622,021	2,844,242	235,493	1,864,496	3,101,594	1,097,322	1,110,361	1,186,504	902,674	1,986,024
Intergovernmental	218,773	3,227,967	3,441,590	6,006,861	3,360,676	3,661,372	3,836,524	5,590,873	9,763,973	7,560,938
Capital outlay:	2,996,675	63,109	5,424,846	5,315,933	3,082,720	3,332,868	7,569,037	3,178,051	11,689,652	13,281,825
Debt service:										
Principal	1,927,818	1,632,045	2,347,982	5,325,472	2,246,834	2,294,878	2,528,493	2,286,585	4,860,166	4,925,632
Interest	763,115	675,223	676,249	388,136	536,892	466,532	393,567	768,914	854,370	795,505
Total expenditures	30,280,583	33,935,842	33,862,483	41,142,879	38,363,543	42,128,783	46,848,525	45,932,238	59,129,986	59,518,935
Excess (deficiency) of revenues over expenditures	388,964	(2,931,724)	541,009	(6,937,873)	(2,692,635)	(2,228,199)	(9,360,000)	1,724,812	(8,787,857)	(9,267,021)
Other financing sources (uses)										
Proceeds from sale of capital assets	18,492	9,441	39,330	53,082	66,667	90,713	46,578	184,544	-	143,459
Issuance of debt	-	1,462,500	2,452,446	6,519,794	-	-	33,362,384	5,395,000	2,000,000	582,353
Donation of capital asset	-	-	-	-	-	-	4,473,000	-	-	-
Legal settlement	-	-	-	-	-	-	7,411	-	-	-
Bond premium	-	-	-	-	-	-	-	51,278	-	-
Payment to refund bond escrow	-	-	-	-	-	-	-	(3,710,000)	-	-
Gain/loss on sale of asset	-	-	-	-	-	-	-	5,295	-	-
Insurance proceeds	31,343	87,372	112,399	177,318	98,118	137,777	72,206	137,487	57,074	132,251
Transfers in	4,263,137	7,601,471	6,420,790	9,559,323	4,251,121	6,220,775	4,255,156	8,423,212	6,530,977	6,401,391
Transfers out	(4,263,137)	(7,600,621)	(6,420,789)	(9,559,323)	(4,303,917)	(6,220,775)	(4,255,156)	(8,423,212)	(6,530,977)	(6,401,391)
Total other financing sources	49,835	1,560,163	2,604,176	6,750,194	111,989	228,490	37,961,579	2,063,604	2,057,074	858,063
Net change in fund balances	438,799	(1,371,561)	3,145,185	(187,679)	(2,580,646)	(1,999,709)	28,601,579	3,788,416	(6,730,783)	(8,408,958)
Other changes in fund balance	-	-	-	2,669,997	513,218	6,781,381	-	-	-	-
Fund balances, beginning	16,897,105	17,335,904	15,964,343	19,109,528	21,591,846	19,524,418	24,306,090	52,907,669	56,696,085	49,965,302
Fund balances, Ending	\$ 17,335,904	\$ 15,964,343	\$ 19,109,528	\$ 21,591,846	\$ 19,524,418	\$ 24,306,090	\$ 52,907,669	\$ 56,696,085	\$ 49,965,302	\$ 41,556,344
Debt service as a percentage of noncapital expenditures	9.9%	6.8%	10.6%	15.9%	7.9%	7.1%	7.4%	7.1%	12.0%	12.4%

Source: County Audit Reports

COLLETON COUNTY, SOUTH CAROLINA

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

Fiscal Year	Assessed Value			Market Value			Total Direct Tax Rate
	Real Property	Personal Property	Total	Real Property	Personal Property	Total	
2009	\$ 129,036,420	\$ 40,735,379	\$ 169,771,799	\$ 1,965,699,616	\$ 607,984,487	\$ 2,573,684,103	116.20
2010	123,603,434	41,435,519	165,038,953	2,977,709,647 **	608,617,821 **	3,586,327,468 **	116.20
2011	135,718,521 *	43,267,945 *	178,986,466 *	4,946,871,251	640,058,358	5,586,929,609	113.27
2012	127,313,207	44,104,392	171,417,599	3,677,625,787	561,477,710	4,239,103,497	115.86
2013	124,529,285	45,681,967	170,211,252	3,677,288,314	577,742,213	4,255,030,527	115.86
2014	124,290,470	46,322,848	170,613,318	3,675,411,178	542,309,703	4,217,720,881	115.86
2015	124,833,360	38,508,140	163,341,500	3,743,314,532	459,532,616	4,202,847,148	115.86
2016	125,463,400	41,403,580	166,866,980	3,792,357,210	512,687,036	4,305,044,246	125.05
2017	126,695,930	44,408,120	171,104,050	3,848,082,492	548,235,970	4,396,318,462	125.05
2018	130,485,880	45,527,140	176,013,020	3,997,547,588	562,409,403	4,559,956,991	125.05

* Reassessment Year.

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

Source: County Auditor

COLLETON COUNTY, SOUTH CAROLINA

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year	County Direct Rates			Overlapping Rates					
	County Operations	County Debt	Total Direct Rate	School Operations	School Debt Service	County Fire Protection	County Fire Debt Service	Town of Edisto Beach	City of Walterboro
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	79.00
2013	108.45	7.41	115.86	104.31	46.50	33.56	17.67	19.53	79.46
2014	108.45	7.41	115.86	104.31	46.50	33.56	17.67	20.23	88.00
2015	108.45	7.41	115.86	104.31	46.50	33.56	17.67	20.23	88.00
2016	114.81	10.24	125.05	110.42	46.50	33.56	22.66	20.23	88.00
2017	114.81	10.24	125.05	110.42	49.50	33.36	22.66	20.71	88.00
2018	114.81	10.24	125.05	110.42	49.50	33.56	22.66	23.44	86.40

Source: County Auditor

COLLETON COUNTY, SOUTH CAROLINA

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Customer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
South Carolina Electric and Gas	\$ 8,954,160	1	5.23%	\$ N/A	-	N/A
Coastal Electric Coop	2,915,730	2	1.70%	N/A	-	N/A
Walterboro Community Hospital	1,006,880	3	0.59%	N/A	-	N/A
CSX Transportation, Inc.	917,350	4	0.54%	N/A	-	N/A
Central Electric Power Coop	827,660	5	0.48%	N/A	-	N/A
Walmart Real Estate Business Trust	735,000	6	0.43%	N/A	-	N/A
Cherokee Plantation Owners, Inc	569,676	7	0.33%	N/A	-	N/A
JH Hiers Construction, LLC	441,480	8	0.26%	N/A	-	N/A
Dayco Products, LLC	434,200	9	0.25%	N/A	-	N/A
Walterboro/SAV LLC	391,800	10	0.23%	N/A	-	N/A
	<u>\$ 17,193,936</u>		<u>10.05%</u>	<u>\$ -</u>		<u>-</u>

Source: County Auditor

N/A - Information is not available

COLLETON COUNTY, SOUTH CAROLINA

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 45,342,652	\$ 39,783,212	87.74%	\$ 1,284,317	\$ 41,067,529	90.57%
2010	44,078,603	42,885,742	97.29%	1,157,894	44,043,636	99.92%
2011	* 46,726,207	40,532,303	86.74%	1,582,450	42,114,753	90.13%
2012	47,115,937	44,705,792	94.88%	2,270,821	46,976,613	99.70%
2013	* 52,100,048	44,052,013	84.55%	1,751,253	45,803,266	87.91%
2014	48,000,778	46,192,180	96.23%	878,584	47,070,764	98.06%
2015	14,791,090	13,733,646	92.85%	880,013	14,613,659	98.80%
2016	16,482,359	15,385,339	93.34%	836,779	16,222,118	98.42%
2017	16,903,737	15,970,838	94.48%	1,208,496	17,179,334	101.63%
2018	* 20,208,055	17,430,046	86.25%	N/A	17,430,046	86.25%

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

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

Note 2 - County only in 2015

* Reassessment year.

COLLETON COUNTY, SOUTH CAROLINA

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income	Capital Per Capita
	General Obligation Bond	Notes Payable	Leases Payable	Special Revenue Bond			
2009	\$ 7,958,135	\$ 1,117,283	\$ 854,433	\$ 5,008,967	\$ 14,938,818	14.00%	\$ 384.39
2010	7,006,936	976,468	1,751,957	4,546,844	14,282,205	12.99%	367.23
2011	5,985,601	829,807	3,555,466	4,063,349	14,434,223	12.75%	375.61
2012	8,206,240	677,062	2,109,152	5,033,701	16,026,155	13.80%	420.05
2013	7,280,000	517,977	1,526,344	4,455,000	13,779,321	11.57%	361.16
2014	6,110,000	352,290	932,153	4,090,000	11,484,443	9.44%	295.29
2015	35,012,627	1,059,759	2,535,947	3,710,000	42,318,333	33.86%	1,120.39
2016	38,989,949	880,032	1,854,089	-	41,724,070	33.39%	1,105.83
2017	35,440,618	880,032	2,473,965	-	38,794,615	31.18%	1,022.98
2018	31,897,356	880,032	1,603,291	-	34,380,679	2.66%	914.11

Source: County Audit Report, US Census Bureau

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

Note 2: The ratios are calculated using personal income and population for the prior calendar year.
See Schedule 14 for personal income and population.

COLLETON COUNTY, SOUTH CAROLINA

RATIOS OF GENERAL BONDED BEDT OUTSTANDING LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less Amounts Available in Debt Service Funds	Total	Percentage of Estimated Taxable Value of Property	Per Capita
2009	\$ 7,958,135	\$ 1,228,570	\$ 6,729,565	4.0%	\$ 173
2010	7,006,936	1,449,169	5,557,767	3.4%	143
2011	5,985,601	1,424,537	4,561,064	2.5%	119
2012	8,206,240	800,657	7,405,583	4.3%	194
2013	7,280,000	1,031,180	6,248,820	3.7%	164
2014	6,110,000	919,745	5,190,255	3.0%	133
2015	35,012,627	411,973	34,600,654	21.2%	916
2016	38,989,949	5,496,753	33,493,196	20.1%	888
2017	35,440,618	6,325,794	29,114,824	17.0%	768
2018	31,897,356	7,010,933	24,886,423	14.1%	662

COLLETON COUNTY, SOUTH CAROLINA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT JUNE 30, 2018

<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	\$ 80,191,607	100.00%	\$ 80,191,607
Fire and Rescue Commission	5,748,353	100.00%	5,748,353
City of Walterboro	2,108,633	100.00%	2,108,633
Town of Edisto Beach	2,262,000	100.00%	2,262,000
Subtotal overlapping debt	<u>90,310,593</u>		<u>90,310,593</u>
County direct debt	<u>34,380,679</u>	100.00%	<u>34,380,679</u>
Total direct and overlapping debt	<u><u>\$ 124,691,272</u></u>		<u><u>\$ 124,691,272</u></u>

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

Note: Debt outstanding data provided by each governmental unit.

COLLETON COUNTY, SOUTH CAROLINA

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

	Fiscal Year ^a									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 13,581,744	\$ 13,203,116	\$ 9,855,492	\$ 10,068,526	\$ 10,536,276	\$ 13,649,065	\$ 13,067,320	\$ 13,349,358	\$ 13,688,324	\$ 14,081,042
Total net debt applicable to limit	<u>7,958,135</u>	<u>7,006,936</u>	<u>5,985,601</u>	<u>8,206,240</u>	<u>7,280,000</u>	<u>6,110,000</u>	<u>4,740,000</u> *	<u>8,758,832</u>	<u>8,301,301</u>	<u>8,416,034</u>
Legal debt margin	<u>\$ 5,623,609</u>	<u>\$ 6,196,180</u>	<u>\$ 3,869,891</u>	<u>\$ 1,862,286</u>	<u>\$ 3,256,276</u>	<u>\$ 7,539,065</u>	<u>\$ 8,327,320</u>	<u>\$ 4,590,526</u>	<u>\$ 5,387,023</u>	<u>\$ 5,665,008</u>
Total net debt applicable to the limit as a percentage of debt limit	58.59%	53.07%	60.73%	81.50%	69.09%	44.76%	36.27%	65.61%	60.65%	59.77%

Legal Debt Margin Calculation for Fiscal Year 2017

Total assessed value	\$ 176,013,020
Debt limit (8% of assessed value)	<u>14,081,042</u>
Debt applicable to limit:	<u>8,416,034</u>
Legal debt margin	<u>\$ 5,665,008</u>

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

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

Source: County Audit Reports, County Auditor

COLLETON COUNTY, SOUTH CAROLINA

PLEDGED REVENUE COVERAGE LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Debt Service Collections</u>	<u>Principal</u>	<u>Interest</u>	<u>Coverage</u>
2009	\$ 743,473	\$ 451,800	\$ 286,474	1.01
2010	1,201,376	462,124	276,150	1.63
2011	1,225,389 *	483,495 *	254,779 *	1.66
2012	1,287,061	302,537	22,783	3.96
2013	1,361,755	578,701	218,444	1.71
2014	1,266,976	365,000	186,708	2.30
2015	1,253,752	1,370,000	172,260	0.81
2016	5,487,307	1,425,000	573,371	2.75
2017	6,003,018	3,480,000	801,890	1.40
2018	6,159,788	4,055,000	740,378	1.28

Source: County Auditor

COLLETON COUNTY, SOUTH CAROLINA

**DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate Percentage
2009	38,864	\$ 1,067,388	\$ 27,465	N/A	5,968	14.40%
2010	38,892	1,099,299	28,251	40.7	5,991	13.40%
2011	38,429	1,131,725	29,311	41.3	5,872	13.90%
2012	38,153	1,161,213	30,436	41.7	5,885	12.20%
2013	38,153	1,190,505	31,505	N/A	5,830	10.80%
2014	38,892	1,216,892	31,289	40.7	5,763	7.70%
2015	37,771	1,249,641	33,120	40.0	5,713	7.50%
2016	37,731	1,249,641	33,120	41.5	6,545	6.10%
2017	37,923	1,244,027	32,804	43.0	6,889	4.80%
2018	37,611	1,292,389	34,362	42.5	6,799	4.20%

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

COLLETON COUNTY, SOUTH CAROLINA

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

Employer	2018			2009		
	FTE Employees	Rank	Percentage of Total County Employment	FTE Employees	Rank	Percentage of Total County Employment
Colleton County School District	900	1	5.5%	N/A	-	N/A
Colleton County Government	522	2	3.2%	N/A	-	N/A
Colleton Medical Center	420	3	2.6%	N/A	-	N/A
Walmart	300	4	1.8%	N/A	-	N/A
City of Walterboro	115	5	0.7%	N/A	-	N/A
Cracker Barrel	107	6	0.7%	N/A	-	N/A
Carolina Visuals, LLC	90	7	0.6%	N/A	-	N/A
Rockford Manufacturing	75	8	0.5%	N/A	-	N/A
Palmetto Rural Telephone Cooperative	70	9	0.4%	N/A	-	N/A
Crescent Dairy and Beverages, LLC	60	10	0.4%	N/A	-	N/A
Total of Top Ten Employees	<u>2,659</u>		<u>16.3%</u>	<u>-</u>		<u>-</u>

Source: County Economic Development Department.

N/A - Information is not available.

COLLETON COUNTY, SOUTH CAROLINA

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

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	88.5	81.5	87.5	85.5	93.0	77.0	76.5	84.0	79.0	78.0
Judicial	20.0	19.5	20.0	20.0	18.5	58.0	55.0	78.0	80.5	74.0
Public Safety	135.0	134.5	132.5	133.0	132.0	116.0	103.0	135.0	144.5	115.0
Roads and Bridges	28.5	28.5	28.5	27.5	27.5	17.0	15.0	25.0	24.0	23.0
Solid Waste	14.5	14.5	15.5	15.5	15.5	12.0	23.5	44.0	31.2	14.5
Recreation and Culture	9.0	9.0	9.0	10.0	9.0	13.0	15.0	28.0	23.0	19.0
Health and Human Services	1.5	1.5	1.5	1.5	1.5	2.0	6.0	17.0	6.5	5.0
Economic Development	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Alcohol and Drug	10.5	10.5	10.5	10.5	10.5	9.0	8.5	11.0	8.0	9.0
Library	1.5	1.5	2.5	4.0	5.0	10.0	12.5	16.0	12.8	10.0
Fire and Rescue	69.0	69.0	77.0	75.5	77.5	76.0	77.5	82.0	78.0	83.0
Total	380.00	372.00	386.50	385.00	392.00	392.00	394.50	522.00	489.50	432.50

Source: County Human Resource Department.

COLLETON COUNTY, SOUTH CAROLINA

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Judicial	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Public Safety	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EMS Transports	4,325	5,823	5,725	6,170	6,137	6,542	6,749	7,358	7,416	7,523
Roads and Bridges	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Solid Waste	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Recreation and Culture	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Health and Human Services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

COLLETON COUNTY, SOUTH CAROLINA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Recreation and Culture										
Community Centers	N/A	N/A	N/A	N/A	13	13	13	13	13	14
Recreation Complex	N/A	N/A	N/A	N/A	1	1	1	1	1	1
Golf Course	N/A	N/A	N/A	N/A	-	-	1	1	1	1
Emergency Services										
Number of Fire Stations	30	30	30	30	33	34	34	34	34	34
Number of Fire Trucks	106	105	108	109	119	106	106	115	103	119
Number of Ambulances	10	10	10	11	12	12	12	16	11	14
Streets and Highways										
Miles of Roads	N/A	347.8	347.8	347.8	347.8	362.7	362.7	362.7	362.7	352.7
Collection Sites	13	13	13	13	13	13	13	13	15	15
Sheriff										
Patrol Units	86	86	86	86	86	86	86	92	96	88
Health, Education and Welfare										
County Libraries	1	1	1	1	1	1	1	1	2	3
Book Mobiles	1	1	1	1	1	1	1	1	1	1

Sources: County Engineering, Fleet, and Facilities

N/A - Information is not available.

COMPLIANCE SECTION

**COLLETON COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures	Sub-Recipient
U.S. Department of Agriculture:				
Passed through S.C. Department of Social Services				
Child and Adult Care Food Program	10.558	AR20260	\$ 6,534	\$ -
Child and Adult Care Food Program	10.558	AR20260	184,696	-
	Total 10.558		<u>191,230</u>	<u>-</u>
Passed through S.C. Department of Education Office of Health & Nutrition				
Child Nutrition Cluster				
Summer Food Service Program for Children	10.559	SF-6388	336,665	-
Summer Food Service Program for Children	10.559	SF-6388	154,108	-
	Total 10.559		<u>490,773</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>682,003</u>	<u>-</u>
U.S. Department of Commerce:				
Direct				
Economic Development Cluster				
EDA Economic Adjustment Assistance	11.307	04-79-07083	737,559	-
Total U.S. Department of Commerce			<u>737,559</u>	<u>-</u>
U.S. Department of Health and Human Services:				
Passed through S.C. Department of Social Services				
Child Support Enforcement IV-D Incentive Payments	93.563	C70015C-4	14,270	-
Child Support Enforcement IV-D Sheriff's Department	93.563	C70061C-3	7,326	-
Child Support Enforcement IV-D Family Court	93.563	C70015C-3	183,616	-
	Total 93.563		<u>205,212</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>205,212</u>	<u>-</u>
U.S. Department of Homeland Security:				
Passed through S.C. Emergency Management Agency				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	029-99029-00	724,853	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	029-99029-00	66,368	-
	Total 97.036		<u>791,221</u>	<u>-</u>
Passed through S.C. Emergency Management Agency				
Emergency Management Performance Grant	97.042	17EMPG01	41,922	-
Emergency Management Performance Grant	97.042	16EMPG01	7,495	-
	Total 97.042		<u>49,417</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>840,638</u>	<u>-</u>
U.S. Department of Housing and Urban Development:				
Passed through S. C. Department of Commerce:				
Community Development Block Grants	14.228	4-NR-16-002	12,000	-
Community Development Block Grants	14.228	4-CI-15-009	15,073	-
	Total 14.228		<u>27,073</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>27,073</u>	<u>-</u>

**COLLETON COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures	Sub-Recipient
U.S. Department of Justice:				
Direct				
Equitable Sharing Program	16.922	N/A	\$ 260,323	\$ -
	Total 16.922		<u>260,323</u>	<u>-</u>
Passed through S.C. Department of Public Safety				
Violence Against Women Formula Grants	16.588	1K16035	83,500	-
Violence Against Women Formula Grants	16.588	1K17005	98,536	-
	Total 16.588		<u>182,036</u>	<u>-</u>
Direct				
State Criminal Alien Assistance Program	16.606	2016-AP-BX-0378	916	-
	Total 16.606		<u>916</u>	<u>-</u>
Direct				
Bulletproof Vest Partnership Program	16.607	N/A	4,919	-
	Total 16.607		<u>4,919</u>	<u>-</u>
			<u>448,194</u>	<u>-</u>
U. S. Department of Transportation:				
Direct				
Airport Improvement Program	20.106	3-45-0057-016-2017	27,239	27,239
Airport Improvement Program	20.106	3-45-0057-015-2016	384,610	384,610
	Total 20.106		<u>411,849</u>	<u>411,849</u>
Passed through S.C. Department of Public Safety				
Highway Safety Cluster				
State and Community Highway Safety Grant	20.600	PT-2018-HS-34-18	107,533	-
State and Community Highway Safety Grant	20.600	PT-2017-HS-34-17	27,773	-
	Total 20.600		<u>135,306</u>	<u>-</u>
			<u>547,155</u>	<u>411,849</u>
U.S. Institute of Museum Library Services				
Passed through S. C. State Library				
Grants to States	45.310	HHC-18-05	5,028	-
	Total 45.310		<u>5,028</u>	<u>-</u>
			<u>5,028</u>	<u>-</u>
			<u>\$ 3,492,862</u>	<u>\$ 411,849</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1. BASIS OF PRESENTATION

Basis of Presentation

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

Measurement Focus

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

Program Type Determination

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

Method of Major Program Selection

The risk based approach was used in the selection of federal programs to be tested as major programs. The County did not qualify as a low-risk auditee for the fiscal year ended June 30, 2018.

De-Minimis Indirect Cost Rate

During the year ended June 30, 2018, the County did not use the de-Minimis indirect cost rate.

Subrecipients

During the year ended June 30, 2018, the County passed through funds received from the U.S Department of Transportation Airport Improvement Grant to the Colleton County Airport Commission that were used to layout and plan for apron design and repair study.



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Colleton County, South Carolina** (the "County"), as of and for the year ended June 30, 2018, 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 17, 2018. 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. Our report also includes a reference to the change in accounting principles resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of July 1, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Columbia, South Carolina
December 17, 2018



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

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

Report on Compliance for Each Major Federal Program

We have audited **Colleton County, South Carolina's** (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2018. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

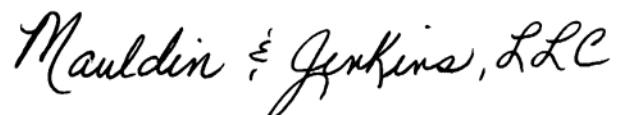
Report on Internal Control Over Compliance

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

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

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

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



Columbia, South Carolina
December 17, 2018

COLLETON COUNTY, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unmodified

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

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

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

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

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

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

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
97.036	U.S. Department of Homeland Security – Passed Through S.C. Emergency Management Agency – Disaster Grant
11.307	U.S. Department of Commerce – EDA Economic Adjustment Assistance

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

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

COLLETON COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV
SCHEDULE OF PRIOR YEAR FINDINGS

None reported.