

**AUDITED FINANCIAL STATEMENTS**

**CLARENDON COUNTY**

**MANNING, SOUTH CAROLINA**

**JUNE 30, 2017**

**AUDITED FINANCIAL STATEMENTS**

**CLARENDON COUNTY**

**MANNING, SOUTH CAROLINA**

**JUNE 30, 2017**

	<b>Page</b>
Independent Auditor's Report.....	4 – 6
Management's Discussion and Analysis (Unaudited).....	7 – 14
Basic Financial Statements:.....	
Government-wide Financial Statements:.....	
Statement of Net Position.....	15
Statement of Activities.....	16
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	17
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	19
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	20
Statement of Net Position – Proprietary Funds.....	21
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds.....	22
Statement of Cash Flows – Proprietary Funds.....	23
Statement of Fiduciary Assets and Liabilities – Agency Funds.....	24
Combining Balance Sheet – Discretely Presented Component Units.....	25
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Discretely Presented Component Units..	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Component Units to the Statement of Activities – Discretely Presented Component Units.....	27

AUDITED FINANCIAL STATEMENTS

CLARENDON COUNTY

MANNING, SOUTH CAROLINA

JUNE 30, 2017

	Page
Notes to the Financial Statements – Table of Contents.....	28
Notes to the Financial Statements.....	29 – 84
Required Supplementary Information	
Schedule of Funding Progress for the Retiree Health Plan.....	85
Schedule of the County's Proportionate Share of the Net Pension Liability (SCRS) and (PORS).....	86
Schedule of County Contributions (SCRS) and (PORS).....	87
Combining and Individual Fund Schedules: .....	88
Nonmajor Governmental Funds .....	89
Combining Balance Sheet – Nonmajor Governmental Funds.....	90 – 91
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds .....	92 – 93
Budgetary Comparison Schedules	
Schedule of Revenues – Budget and Actual – General Fund .....	94 – 95
Schedule of Expenditures – Budget and Actual – General Fund .....	96 – 100
Fiduciary Fund .....	101
Combining Schedule of Fiduciary Assets and Liabilities – All Agency Funds .....	102 – 103
Combining Schedule of Changes in Assets and Liabilities – All Agency Funds .....	104 – 107

**AUDITED FINANCIAL STATEMENTS**

**CLARENDON COUNTY**

**MANNING, SOUTH CAROLINA**

**JUNE 30, 2017**

	<b>Page</b>
<b>SUPPLEMENTAL SECTION</b>	
Schedule of Fines, Assessments and Surcharges Special Revenue Fund – Victims Rights Fund.....	108
Computation of Legal Debt Margin.....	109
<b>COMPLIANCE SECTION</b>	
Federal Grants:	
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 <i>Government Auditing Standards</i> .....	110 – 111
<b>STATISTICAL SECTION</b> .....	112 – 114

# McGregor & COMPANY<sup>LLP</sup>

CERTIFIED PUBLIC ACCOUNTANTS | SINCE 1930

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS • SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS • WWW.MCGREGORCPA.COM

	PARTNERS			ASSOCIATES			
C.C. McGregor, CPA 1906-1968	W.C. Stevenson, CPA	D.L. Richardson, CPA	D.K. Strickland, CPA	V.K. Laroche, CPA	G.P. Davis, CPA	H.S. Mims, CPA	
	B.T. Kight, CPA	E.C. Inabinet, CPA	J.P. McGuire, CPA	G.N. Mundy, CPA	H.J. Darver, CPA	T. Solorzano, CPA	
	G.D. Skipper, CPA	S.S. Luoma, CPA	L.H. Kelly, CPA	M.L. Layman, CPA	D.M. Herpel, CPA	C.W. Bolen, CPA	
	L.R. Leaphart, Jr, CPA	T.M. McCall, CPA	J.R. Matthews II, CPA	P.A. Betette, Jr, CPA	H.O. Crider, Jr, CPA	L.T. Hewitt, CPA	
	M.J. Binnicker, CPA	H.D. Brown, Jr, CPA		S. Wo, CPA	F.C. Gillam, Jr, CPA		
	W.W. Francis, CPA	L.B. Salley, CPA		C.D. Hinchee, CPA	M.L. Goode, CPA		

## INDEPENDENT AUDITOR'S REPORT

To the Members of the  
Clarendon County Council  
Manning, South Carolina

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clarendon County, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County'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 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.

#### COLUMBIA

3830 FOREST DRIVE | PO BOX 135  
COLUMBIA, SC 29202  
(803) 787-0003 | FAX (803) 787-2299

#### ORANGEBURG

1190 BOULEVARD STREET  
ORANGEBURG, SC 29115  
(803) 536-1015 | FAX (803) 536-1020

#### BARNWELL

340 FULDNER ROAD | PO BOX 1305  
BARNWELL, SC 29812  
(803) 259-1163 | FAX (803) 259-5469

#### GREENVILLE

101 N MAIN STREET | SUITE 1510  
GREENVILLE, SC 29601  
(864) 751-6556 | FAX (864) 751-6557

## INDEPENDENT AUDITOR'S REPORT

(continued)

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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clarendon County, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress for retirees' health plan information, and the schedules of the County's proportionate share of the net pension liability and contributions on pages 7 through 14, 85, and 86 through 87 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.

## INDEPENDENT AUDITOR'S REPORT

(continued)

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clarendon County's basic financial statements. The combining and individual fund schedules, supplemental section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund schedules and supplemental section 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 fund schedules and supplemental section are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The statistical section has 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 it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2018, on our consideration of Clarendon 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 Clarendon County's internal control over financial reporting and compliance.

*McIneger & Co. LLP*

Orangeburg, South Carolina  
January 25, 2018

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2017**

Clarendon County's discussion and analysis offers readers of the County's financial statements a narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and notes to the financial statements.

The government-wide financial statements include not only Clarendon County and its blended component units (known as the primary government), but also legally separate entities for which the County is financially accountable. Information included in this discussion and analysis focuses on the activities of the primary government. Accordingly, information provided does not include the activities of discretely-presented component units.

**Financial Highlights:**

- Clarendon County's assets exceeded its liabilities at June 30, 2017 by \$9.2 million (net position).
- The County's total net position decreased \$2.2 million over the previous year.
- At June 30, 2017, the County's governmental fund balance sheet reported a combined ending fund balance of \$12.0 million, a decrease of \$0.9 million over the previous fiscal year. Of the \$12.0 million, \$6.8 million remains in the various funds of the County as committed, assigned or unassigned.
- The General Fund reported a fund balance of \$2.6 million, reflecting a \$0.2 million increase from last fiscal year. This ending balance equates to 12.1% of General Fund expenditures for the year.
- Total bonded debt increased \$0.5 million during the fiscal year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to Clarendon County's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2017**

**Government-wide financial statements:** The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Clarendon 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's governmental activities include general government, public safety, judicial, physical environment, economic environment, transportation, human services, and cultural/recreation. Financial information in the government-wide financial statements distinguishes discretely-presented component units from the financial information for the primary government itself.

The government-wide financial statements can be found on pages 15 and 16 of this report.

**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. Clarendon County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental funds:* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2017**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, 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 between governmental funds and governmental activities.

Clarendon County maintains 14 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, General County Debt Service Fund, E-911 Fund, Fire Services Fund and C-Program Roads Fund which are considered to be major funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Clarendon County adopts an annual appropriation budget for its governmental funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget.

The basic governmental funds financial statements can be found on pages 17 through 20 of this report.

*Proprietary funds:* Clarendon County utilizes two proprietary funds associated with its Water and Sewer related activities and the Weldon Auditorium. These statements are found on pages 21 through 23.

*Fiduciary fund:* 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 statements because the resources of those funds are not available to support the County's own programs.

The basic fiduciary fund financial statement can be found on page 24 of this report.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 through 84 of this report.

**Other information:** In addition to the basic financial statements and accompanying notes, the combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 88 through 93 of this report.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2017**

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Clarendon County, assets exceeded liabilities by \$9.2 million at the close of the most recent fiscal year. The County's decrease in net position for this fiscal year amounts to \$2.2 million, a decrease of 19.3%.

The largest portion of the County's net position (\$23.2 million) reflects its investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Clarendon County's Net Position  
(Dollars in Thousands)**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 14,251	\$ 15,954	\$ 993	\$ 1,636	\$ 15,244	\$ 17,590
Capital assets	35,881	35,260	11,220	10,798	47,101	46,058
Total assets	50,132	51,214	12,213	12,434	62,345	63,648
Deferred outflows of resources	3,513	1,614	55	22	3,568	1,636
Long-term liabilities outstanding	44,881	41,374	7,941	8,005	52,822	49,379
Other liabilities	1,687	2,166	1,814	1,875	3,501	4,041
Total liabilities	46,568	43,540	9,755	9,880	56,323	53,420
Deferred inflows of resources	349	437	5	6	354	443
Net position						
Invested in capital assets, net of related debt	20,809	21,158	2,436	1,870	23,245	23,028
Restricted	3,024	3,904	735	772	3,759	4,676
Unrestricted	(17,105)	(16,211)	(663)	(72)	(17,768)	(16,283)
Total net position	\$ 6,728	\$ 8,851	\$ 2,508	\$ 2,570	\$ 9,236	\$ 11,421

An additional portion of the County's net position of the governmental activities (\$3.0 million) represents resources that are subject to external restrictions on how they may be used or deemed to be unspendable. A significant transaction that impacted the Statement of Net Position was GASB statement 68 inclusion of \$19.8 million of net pension liability (\$17.0 million at previous fiscal year end).

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2017**

The changes in net position displayed below shows the governmental and business-type activities during the fiscal year. Increases in property taxes and charges for services were not sufficient to offset a decrease in federal and state grants; as well as growth in roadway improvement activities. Included below are unfunded OPEB expenditures of \$0.8 million in the current fiscal year negatively impacting changes in net position.

**Clarendon County's Changes in Net Position  
(Dollars in Thousands)**

	Governmental Activities		Business-type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 3,160	\$ 2,439	\$ 808	\$ 753	\$ 3,968	\$ 3,192
Grants and Contributions	1,021	1,715	171	1,288	1,192	3,003
<b>General revenues:</b>						
Ad valorem taxes	18,077	17,791	-	-	18,077	17,791
Other taxes	3,143	3,124	-	-	3,143	3,124
State shared	4,475	6,734	-	-	4,475	6,734
Interest	39	28	1	1	40	29
Other	<u>367</u>	<u>312</u>	<u>-</u>	<u>-</u>	<u>367</u>	<u>312</u>
<b>Total revenues</b>	30,282	32,143	980	2,042	31,262	34,185
<b>Expenses</b>						
<b>Program Activities:</b>						
<b>Government Activities:</b>						
General government	11,206	9,973	-	-	11,206	9,973
Public safety	11,938	11,377	-	-	11,938	11,377
Physical environment	3,849	3,738	-	-	3,849	3,738
Transportation	254	140	-	-	254	140
Economic environment	698	664	-	-	698	664
Court related	1,937	1,864	-	-	1,937	1,864
Cultural and recreational	688	750	-	-	688	750
Agencies	939	848	-	-	939	848
Interest on long-term debt	670	1,561	-	-	670	1,561
<b>Business-type Activities:</b>						
Water and sewer fund	-	-	865	664	865	664
Weldon Auditorium	<u>-</u>	<u>-</u>	<u>469</u>	<u>427</u>	<u>469</u>	<u>427</u>
<b>Total expenses</b>	32,179	30,915	1,334	1,091	33,513	32,006
Transfers in (out)	<u>(226)</u>	<u>(277)</u>	<u>292</u>	<u>336</u>	<u>66</u>	<u>59</u>
<b>Change in net position</b>	<u>\$ (2,123)</u>	<u>\$ 951</u>	<u>\$ (62)</u>	<u>\$ 1,287</u>	<u>\$ (2,185)</u>	<u>\$ 2,238</u>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2017**

**Primary Governmental Activities:** Revenues for the County's governmental activities were \$30.3 million for fiscal year 2017 and \$1.0 million for its Business-type activities. Taxes constitute the largest source of County revenues, amounting to approximately \$21.2 million for the fiscal year 2017. Real property taxes (\$14.3 million) represent 67.5% of total taxes and 47.2% of all revenue combined. Lastly, intergovernmental revenues decreased to \$5.5 million for the fiscal year end.

### **Financial Analysis of Clarendon County's Funds**

As noted earlier, Clarendon County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds:** The focus of Clarendon County governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Clarendon County's financing requirements. In particular, non-restricted fund balances (committed, assigned and unassigned) may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2017, Clarendon County governmental funds reported combined fund balances of \$12.0 million, a decrease of \$0.9 million from the prior year balances. This decrease was primarily the result of capital asset acquisitions and improvements made to state owned roadways.

The General Fund is the chief operating fund of the County. At June 30, 2017, total fund balance in the General Fund was \$2.6 million, of which \$1.5 million was not restricted. As a measure of the General Fund's liquidity, the total and unrestricted and nonspendable fund balances compared to total fund expenditures shows percentages of 12.1% and 6.9%, respectively. The fund balance of the General Fund showed an increase of 6.2%, or \$0.2 million during the fiscal year.

### **General Fund Budgetary Highlights**

A budget to actual statement is provided for the General Fund. A budget column for both the original budget adopted for fiscal year 2017 as well as the final budget is presented. Historically, neither grant revenue nor expenditures are budgeted. The variances reflected are primarily a result of related grant activities and savings realized at the departmental level (staffing levels less than budgeted).

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2017**

**Capital Asset and Debt Administration**

**Capital assets:** Clarendon County's investment in capital assets for its governmental type activities as of June 30, 2017 amounts to \$35.9 million (net of accumulated depreciation) and \$11.2 million within its business-type activity. This investment in capital assets includes land, buildings and improvements, machinery and equipment and construction in progress. Clarendon County's investment in capital assets for the fiscal year was up 2.3% as renovations continued to a facility being upgraded to house various governmental functions, the acquisition of firefighting apparatus, and continued expansions to the county's water system.

**Clarendon County's Capital Assets (Net)  
(Dollars in Thousands)**

	Government Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 2,936	\$ 2,936	\$ 120	\$ 120	\$ 3,056	\$ 3,056
Infrastructure	5,264	4,700	-	-	5,264	4,700
Construction in progress	1,736	1,690	2,539	2,714	4,275	4,404
Buildings and improvements	22,197	22,727	2,880	2,966	25,077	25,693
Water distribution system	-	-	5,512	4,798	5,512	4,798
Machinery and equipment	<u>3,748</u>	<u>3,207</u>	<u>169</u>	<u>200</u>	<u>3,917</u>	<u>3,407</u>
Total	<u>\$ 35,881</u>	<u>\$ 35,260</u>	<u>\$11,220</u>	<u>\$10,798</u>	<u>\$ 47,101</u>	<u>\$ 46,058</u>

Additional information on the County's capital assets can be found in Note 6 on pages 45 through 48 of this report.

**Long-term debt:** At the end of the current fiscal year, Clarendon County had a total bonded debt outstanding of \$26.7 million, of which \$6.3 million is backed by the full faith and credit of the County.

**Clarendon County's Outstanding Debt  
(Dollars in Thousands)**

	2017	2016
General obligation bond(s)	\$ 6,262	\$ 5,715
Revenue bond(s)	20,046	20,199
Capital lease(s)	<u>348</u>	<u>266</u>
	<u>\$ 26,656</u>	<u>\$ 26,180</u>

The County's total debt increased \$0.5 million as debt service requirements were slightly less than new debt issuances. The County currently has a rating of "A+" from Standard & Poor's Corporation on general obligation bond issues. As of June 30, 2017, the County's general obligation debt and capital lease approximated one hundred eighty-nine dollars (\$189) per capita.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2017**

**Additional information on Clarendon County's long-term debt can be found in Note 8 on pages 50 through 60 of this report.**

**Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for Clarendon County is currently 5.5%, which represents a decrease from a year ago. This compares to the state's average unemployment rate of 4.2% and the national average rate of 4.5%.
- Assessed taxable property valuation decreased to \$100.6 million in 2017, primarily in the real property as a result of required reassessment.
- While county-wide gross taxable sales increased from \$425 million in 2016 to \$442 million in 2017; net taxable sales increased as well by 2.5% to \$162 million in 2017.

All of these factors were considered in preparing the County's budget for the 2018 fiscal year. Per the Fiscal Year 2018 Adopted Budget, disbursements are budgeted at \$21.0 million, a 1.2% increase from the fiscal year 2017 level for the General Fund. The County's commitment to programs such as public safety, health and welfare, community development, public works, and parks, recreation, and cultural activities remains strong. However, pressures on the County's budget due to the additional resources required to keep our communities safe will continue to be a challenge for the County in light of legislated constraints to revenue growth.

**Requests for Information**

This financial report is designed to provide a general overview of Clarendon County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to County Chief Financial Officer, 411 Sunset Drive, Manning, South Carolina 29102. Complete financial statements for each individual component unit may be obtained at each respective administrative office.

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

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Harvin Clarendon County Library	Business Development Corp.
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents - Note 3	\$ 10,555,704	\$ 164,475	\$ 10,720,179	\$ 158,193	\$ 1,387,640
Receivables:					
Delinquent taxes	2,121,025	-	2,121,025	-	-
Other	283,352	92,686	376,038	9,490	-
Due from fiduciary funds	79,038	-	79,038	-	-
Due from component unit	250,000	-	250,000	-	-
Prepaid expense	-	-	-	23,626	-
Due from other governments	891,292	-	891,292	-	-
Inventories	70,186	-	70,186	-	-
Promises to Give	-	-	-	-	43,000
Capital leases and notes receivable - Note 5	-	-	-	-	176,260
Total current assets	<u>14,250,597</u>	<u>257,161</u>	<u>14,507,758</u>	<u>191,309</u>	<u>1,606,900</u>
<b>Non-current assets:</b>					
Restricted cash and cash equivalents	-	735,297	735,297	-	-
Capital leases and notes receivable - Note 5	-	-	-	-	407,181
Promises to Give	-	-	-	-	83,739
Non-depreciable capital assets-net - Note 6	4,671,950	2,659,219	7,331,169	24,000	3,594,982
Depreciable capital assets-net - Note 6	31,209,118	8,560,877	39,769,995	84,348	2,863,532
Total non-current assets	<u>35,881,068</u>	<u>11,955,393</u>	<u>47,836,461</u>	<u>108,348</u>	<u>6,949,434</u>
Total assets	<u>50,131,665</u>	<u>12,212,554</u>	<u>62,344,219</u>	<u>299,657</u>	<u>8,556,334</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension Deferrals - Note 7	3,513,314	55,089	3,568,403	99,387	-
Total deferred outflows of resources	<u>3,513,314</u>	<u>55,089</u>	<u>3,568,403</u>	<u>99,387</u>	<u>-</u>
<b>LIABILITIES</b>					
<b>Current liabilities (payable from current assets):</b>					
Accounts payable	580,821	63,549	644,370	3,797	6,114
Due to other governments	84,905	17	84,922	-	-
Internal balances	(1,545,170)	1,545,170	-	-	-
Due to fiduciary funds - Note 7	2,957	-	2,957	-	-
Unearned revenue	58,840	51,020	109,860	-	736,065
Note payable - Note 9	-	-	-	-	481,633
Other liabilities	489,024	418	489,442	-	-
Accrued compensated absences - Note 9	73,466	699	74,165	-	-
Closures and maintenance costs payable - Note 9	26,800	-	26,800	-	-
Capital lease - Note 9	94,666	-	94,666	-	-
BAN payable - Note 8	750,000	-	750,000	-	-
Bond payable - Note 9	1,070,944	152,968	1,223,912	-	-
Total current liabilities	<u>1,687,253</u>	<u>1,813,841</u>	<u>3,501,094</u>	<u>3,797</u>	<u>1,223,812</u>
<b>Non-current liabilities:</b>					
Accrued compensated absences - Note 9	391,507	3,721	395,228	14,177	-
Closures and maintenance costs payable - Note 9	500,500	-	500,500	-	-
Note payable	-	-	-	-	1,010,502
Net pension liability - Note 12	19,402,264	351,294	19,753,558	641,223	-
OPEB payable - Note 13	6,751,631	83,263	6,834,894	257,890	-
Capital lease - Note 9	253,578	-	253,578	-	-
Bond payable - Note 9	17,581,017	7,503,021	25,084,038	-	-
Total long-term liabilities	<u>44,880,497</u>	<u>7,941,299</u>	<u>52,821,796</u>	<u>913,290</u>	<u>1,010,502</u>
Total liabilities	<u>46,567,750</u>	<u>9,755,140</u>	<u>56,322,890</u>	<u>917,087</u>	<u>2,234,314</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Bond premium	206,170	-	206,170	-	-
Pension Deferrals - Note 7	143,170	4,763	147,933	61,631	-
Total deferred inflows of resources	<u>349,340</u>	<u>4,763</u>	<u>354,103</u>	<u>61,631</u>	<u>-</u>
<b>NET POSITION</b>					
Net investment in capital assets	20,808,829	2,435,623	23,244,452	108,348	-
Restricted:					
Debt service	2,003,284	735,297	2,738,581	-	-
Local option sales tax	1,020,804	-	1,020,804	-	-
I-95 Mega-site	-	-	-	-	1,321,154
Unrestricted	(17,105,028)	(663,180)	(17,768,208)	(688,022)	5,000,866
Total net position	<u>\$ 6,727,889</u>	<u>\$ 2,507,740</u>	<u>\$ 9,235,629</u>	<u>\$ (579,674)</u>	<u>\$ 6,322,020</u>

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

CLARENDON COUNTY, SOUTH CAROLINA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017

Functions/Programs	Net (Expense) Revenue and Changes in Net Position								
	Program Revenues			Primary Government			Component Units		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Harvin Clarendon County Library	Business Development Corporation
<b>Primary Government:</b>									
Governmental activities:									
Public safety	\$ 11,938,356	\$ 898,770	\$ 173,730	\$ 48,378	\$ (10,817,478)	\$ -	\$ (10,817,478)		
General government	11,205,705	147,868	218,409	-	(10,839,428)	-	(10,839,428)		
Physical environment	3,849,047	1,312,169	524,585	-	(2,012,293)	-	(2,012,293)		
Court related	1,937,119	599,409	-	-	(1,337,710)	-	(1,337,710)		
Agencies	938,892	-	-	-	(938,892)	-	(938,892)		
Economic environment	697,990	95,404	-	-	(602,586)	-	(602,586)		
Culture/Recreation	688,495	60,739	-	56,250	(571,506)	-	(571,506)		
Transportation	253,537	45,250	-	-	(208,287)	-	(208,287)		
Interest	669,519	-	-	-	(669,519)	-	(669,519)		
Total governmental activities	<u>32,178,660</u>	<u>3,159,609</u>	<u>916,724</u>	<u>104,628</u>	<u>(27,997,699)</u>	<u>-</u>	<u>(27,997,699)</u>		
Business-Type Activities:									
Water & Sewer Utility	865,162	766,061	-	171,119	-	72,018	72,018		
Weldon Auditorium	469,139	41,705	-	-	-	(427,434)	(427,434)		
Total business-type activities	<u>1,334,301</u>	<u>807,766</u>	<u>-</u>	<u>171,119</u>	<u>-</u>	<u>(355,416)</u>	<u>(355,416)</u>		
<b>Total Primary Government:</b>	<u>\$33,512,961</u>	<u>\$ 3,967,375</u>	<u>\$ 916,724</u>	<u>\$ 275,747</u>	<u>(27,997,699)</u>	<u>(355,416)</u>	<u>(28,353,115)</u>		
<b>Component Units:</b>									
Harvin Clarendon County Library	\$ 752,546	\$ 25,936	\$ 116,457	\$ -			\$ (610,153)	\$ -	
Business Development Corporation	537,250	275,442	-	290,765			-	28,957	
Total Component Units	<u>\$ 1,289,796</u>	<u>\$ 301,378</u>	<u>\$ 116,457</u>	<u>\$ 290,765</u>			<u>(610,153)</u>	<u>28,957</u>	
<b>General Revenues:</b>									
Taxes:									
Property taxes, levied for general purposes					16,356,474	-	16,356,474	-	-
Property taxes, levied for debt services					1,720,164	-	1,720,164	-	-
Sales and use taxes					3,143,371	-	3,143,371	-	-
Franchise fees					117,679	-	117,679	-	-
State shared revenues					4,475,224	-	4,475,224	-	-
Interest earnings					39,264	1,221	40,485	-	26,562
Gain on sale of capital assets					20,584	-	20,584	-	-
Miscellaneous					227,801	-	227,801	-	-
County appropriation					-	-	-	540,100	-
Total general revenues					<u>26,100,561</u>	<u>1,221</u>	<u>26,101,782</u>	<u>540,100</u>	<u>26,562</u>
Transfers					(225,800)	292,164	66,364	-	-
Total general revenues and transfers					<u>25,874,761</u>	<u>293,385</u>	<u>26,168,146</u>	<u>540,100</u>	<u>26,562</u>
Change in net position					(2,122,938)	(62,031)	(2,184,969)	(70,053)	55,519
Net position - beginning					8,850,827	2,569,771	11,420,598	(509,621)	6,266,501
Net position - ending					<u>\$ 6,727,889</u>	<u>\$ 2,507,740</u>	<u>\$ 9,235,629</u>	<u>\$ (579,674)</u>	<u>\$ 6,322,020</u>

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

CLARENDON COUNTY, SOUTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017

	GENERAL	CAPITAL PROJECTS	GENERAL COUNTY DEBT SVC	E-911 FUND	FIRE DEPARTMENT	C-PROGRAM ROADS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>								
Cash and cash equivalents	\$ 2,052,971	\$ 1,787,277	\$ 1,870,454	\$ 977,750	\$ 1,156,471	\$ 1,265,447	\$ 1,445,334	\$ 10,555,704
Accounts receivable								
Property taxes	1,586,602	-	81,247	-	311,594	-	141,582	2,121,025
Other	221,074	-	-	34,290	-	-	27,988	283,352
Due from other funds	-	-	715,485	-	-	-	-	715,485
Due from fiduciary funds	79,038	-	-	-	-	-	-	79,038
Due from business enterprise	416,687	1,128,483	-	-	-	-	-	1,545,170
Due from component unit	250,000	-	-	-	-	-	-	250,000
Due from other governments	891,292	-	-	-	-	-	-	891,292
Supplies inventory	70,186	-	-	-	-	-	-	70,186
Total assets	<u>\$ 5,567,850</u>	<u>\$ 2,915,760</u>	<u>\$ 2,667,186</u>	<u>\$ 1,012,040</u>	<u>\$ 1,468,065</u>	<u>\$ 1,265,447</u>	<u>\$ 1,614,904</u>	<u>\$ 16,511,252</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 259,998	\$ 293,538	\$ -	\$ 133	\$ 24,035	\$ -	\$ 3,117	\$ 580,821
Accrued payroll and withholdings	171,522	-	-	-	689	-	-	172,211
Due to other funds	715,485	-	-	-	-	-	-	715,485
Due to fiduciary funds	2,957	-	-	-	-	-	-	2,957
Due to other governments	84,905	-	-	-	-	-	-	84,905
Bonds payable	-	-	750,000	-	-	-	-	750,000
Unearned revenue	58,840	-	-	-	-	-	-	58,840
Advance mobile home revenue	9,378	-	-	-	-	-	-	9,378
Other liabilities	307,435	-	-	-	-	-	-	307,435
Total liabilities	<u>1,610,520</u>	<u>293,538</u>	<u>750,000</u>	<u>133</u>	<u>24,724</u>	<u>-</u>	<u>3,117</u>	<u>2,682,032</u>
<b>Deferred Inflows of Resources</b>								
Unavailable Revenue-Property Taxes	1,402,557	-	69,862	-	271,053	-	135,525	1,878,997
Total Deferred Inflows of Resources	<u>1,402,557</u>	<u>-</u>	<u>69,862</u>	<u>-</u>	<u>271,053</u>	<u>-</u>	<u>135,525</u>	<u>1,878,997</u>
<b>Fund balances:</b>								
Nonspendable	70,186	-	-	-	-	-	-	70,186
Restricted	1,020,804	-	1,847,324	1,011,907	-	-	1,222,789	5,102,824
Committed	-	1,493,739	-	-	-	-	-	1,493,739
Assigned	76,369	1,128,483	-	-	1,172,288	1,265,447	253,473	3,896,060
Unassigned	1,387,414	-	-	-	-	-	-	1,387,414
Total fund balances	<u>2,554,773</u>	<u>2,622,222</u>	<u>1,847,324</u>	<u>1,011,907</u>	<u>1,172,288</u>	<u>1,265,447</u>	<u>1,476,262</u>	<u>11,950,223</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund balances</b>	<u>\$ 5,567,850</u>	<u>\$ 2,915,760</u>	<u>\$ 2,667,186</u>	<u>\$ 1,012,040</u>	<u>\$ 1,468,065</u>	<u>\$ 1,265,447</u>	<u>\$ 1,614,904</u>	
Amounts reported for governmental activities in the statement of net position are different because:								
Capital assets used in governmental activities are not financial resources, therefore, are not reported in funds.								35,881,068
Long-term liabilities, including bonds payable (\$18,651,961), capital lease (\$348,244), accrued compensated absences (\$464,973), closure and maintenances costs payable (\$527,300) and bond premium (\$206,170) are not reported in funds.								(20,198,648)
Other Post Employment Benefits (OPEB) liability represents the future unfunded costs associated with current benefits design.								(6,751,631)
Net pension liability and deferred outflow/inflows represent the proportionate share of the future unfunded costs associated with County's participation in the South Carolina Retirement System.								(16,032,120)
Delinquent taxes receivable are not financial resources in the current period and, therefore, are reported as unearned revenue in the funds.								1,878,997
<b>Total net position - total governmental activities</b>								<u>\$ 6,727,889</u>

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

	GENERAL	CAPITAL PROJECTS	GENERAL COUNTY DEBT SVC	E-911 FUND	FIRE DEPARTMENT	C-PROGRAM ROADS	OTHER GOVERNMENTAL FUNDS	TOTAL
<b>REVENUES</b>								
Taxes	\$ 15,898,456	\$ -	\$ 1,630,525	\$ -	\$ 2,821,551	\$ -	\$ 765,095	\$ 21,115,627
Licenses and permits	113,486	-	-	-	-	-	-	113,486
Intergovernmental	2,710,989	-	-	510,934	-	1,838,401	436,252	5,496,576
Charges for services	1,558,563	-	-	140,416	2,440	-	-	1,701,419
Fines and forfeitures	387,125	-	-	-	-	-	733,689	1,120,814
Interest	1,664	14,069	2,477	4,862	3,151	11,755	1,286	39,264
Miscellaneous	538,343	-	-	-	-	-	-	538,343
Total revenues	<u>21,208,626</u>	<u>14,069</u>	<u>1,633,002</u>	<u>656,212</u>	<u>2,827,142</u>	<u>1,850,156</u>	<u>1,936,322</u>	<u>30,125,529</u>
<b>EXPENDITURES</b>								
Current:								
General government	5,850,074	45,062	-	-	-	3,771,825	424,997	10,091,958
Public safety	7,435,107	84,904	-	275,370	2,446,194	-	225,679	10,467,254
Physical environment	3,667,263	-	-	-	-	-	-	3,667,263
Transportation	203,527	-	-	-	-	-	-	203,527
Economic environment	639,941	-	-	-	-	-	-	639,941
Agencies	930,658	-	-	-	-	-	-	930,658
Culture/Recreation	435,934	-	-	-	-	-	137,748	573,682
Court Related	1,565,841	-	-	-	-	-	222,431	1,788,272
Debt service:								
Principal	-	-	655,772	-	-	-	66,371	722,143
Interest and fiscal charges	-	-	651,252	-	-	-	38,792	690,044
Capital outlay	339,791	1,036,603	-	419,748	560,367	94,474	36,043	2,487,026
Total expenditures	<u>21,068,136</u>	<u>1,166,569</u>	<u>1,307,024</u>	<u>695,118</u>	<u>3,006,561</u>	<u>3,866,299</u>	<u>1,152,061</u>	<u>32,261,768</u>
Excess of revenues over (under) expenditures	140,490	(1,152,500)	325,978	(38,906)	(179,419)	(2,016,143)	784,261	(2,136,239)
<b>OTHER FINANCING SOURCES (USES)</b>								
Sale of assets	4,800	-	-	-	20,977	-	-	25,777
Bond proceeds	-	750,000	451,275	-	-	-	-	1,201,275
Lease proceeds	-	190,271	-	-	-	-	-	190,271
Transfers	4,721	-	-	-	15,000	-	(245,521)	(225,800)
Net other financing sources (uses)	<u>9,521</u>	<u>940,271</u>	<u>451,275</u>	<u>-</u>	<u>35,977</u>	<u>-</u>	<u>(245,521)</u>	<u>1,191,523</u>
Net changes in fund balances	<u>150,011</u>	<u>(212,229)</u>	<u>777,253</u>	<u>(38,906)</u>	<u>(143,442)</u>	<u>(2,016,143)</u>	<u>538,740</u>	<u>(944,716)</u>
Fund balances at beginning of year	<u>2,404,762</u>	<u>2,834,451</u>	<u>1,070,071</u>	<u>1,050,813</u>	<u>1,315,730</u>	<u>3,281,590</u>	<u>937,522</u>	<u>12,894,939</u>
Fund balances at end of year	<u>\$ 2,554,773</u>	<u>\$ 2,622,222</u>	<u>\$ 1,847,324</u>	<u>\$ 1,011,907</u>	<u>\$ 1,172,288</u>	<u>\$ 1,265,447</u>	<u>\$ 1,476,262</u>	<u>\$ 11,950,223</u>

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

**CLARENDON 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 YEAR ENDED JUNE 30, 2017**

Net Changes in fund balances - total governmental funds		\$ (944,716)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.		
Expenditures for capital assets	2,487,026	
Less current year depreciation	<u>(1,827,240)</u>	659,786
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
Loss on sale of capital assets	<u>(5,193)</u>	(5,193)
Lease and bond proceeds provide current financial resources to government funds, but incurring debt increases long-term liabilities in the statement of net position.		
Bond proceeds	(1,201,275)	
Lease proceeds	(190,271)	
Bond principal payment	663,972	
Bond premium	20,525	
Capital lease payment	<u>74,802</u>	(632,247)
Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences	70,532	
Change in OPEB liability	(768,021)	
Change in Pension liability	(655,388)	
Change in closure and maintenance costs payable	<u>16,900</u>	(1,335,977)
Some property tax will not be collected for several months after the County's fiscal year-end, they are not considered "available" revenues in the governmental funds.		
		<u>135,409</u>
Change in net position of governmental activities.		<u>\$ (2,122,938)</u>

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

**CLARENDON COUNTY, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Budget Basis (Note 2)</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 16,334,410	\$ 16,334,410	\$ 15,898,456	\$ (435,954)
Licenses and permits	102,000	102,000	113,486	11,486
Intergovernmental	1,679,000	1,679,000	2,710,989	1,031,989
Charges for services	1,499,000	1,499,000	1,558,563	59,563
Fines and forfeitures	437,500	437,500	387,125	(50,375)
Interest	5,200	5,200	1,664	(3,536)
Miscellaneous	543,375	543,375	538,343	(5,032)
Total revenues	<u>20,600,485</u>	<u>20,600,485</u>	<u>21,208,626</u>	<u>608,141</u>
<b>EXPENDITURES</b>				
Current:				
General government	5,339,890	5,339,890	5,882,545	(542,655)
Public safety	7,762,893	7,762,893	7,568,888	194,005
Physical environment	3,726,090	3,726,090	3,707,874	18,216
Transportation	220,720	220,720	203,733	16,987
Economic environment	651,536	651,536	639,941	11,595
Culture/Recreation	521,254	521,254	525,374	(4,120)
Court related	1,597,444	1,597,444	1,565,841	31,603
Agencies	930,658	930,658	930,658	-
Total expenditures	<u>20,750,485</u>	<u>20,750,485</u>	<u>21,024,854</u>	<u>(274,369)</u>
Excess of revenues over (under) expenditures	(150,000)	(150,000)	183,772	333,772
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of assets	25,000	25,000	4,800	(20,200)
Transfers In/(Out)	25,000	25,000	4,721	(20,279)
Net other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>9,521</u>	<u>(40,479)</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	<u>\$ (100,000)</u>	<u>\$ (100,000)</u>	193,293	<u>\$ 293,293</u>
Fund balance at beginning of year			<u>2,340,523</u>	
Fund balance at end of year			<u>\$ 2,533,816</u>	

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

CLARENDON COUNTY, SOUTH CAROLINA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				
	WATER UTILITY	SEWER UTILITY	TOTAL UTILITY	WELDON AUDITORIUM	TOTAL ENTERPRISE FUNDS
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ (50,429)	\$ 189,676	\$ 139,247	\$ 25,228	\$ 164,475
Accounts receivable, net of allowance	76,716	15,940	92,656	30	92,686
Total current assets	<u>26,287</u>	<u>205,616</u>	<u>231,903</u>	<u>25,258</u>	<u>257,161</u>
<b>Noncurrent Assets</b>					
Restricted cash and cash equivalents	82,469	-	82,469	652,828	735,297
Capital assets:					
Land	81,210	38,771	119,981	-	119,981
Buildings and improvements	1,978	-	1,978	3,438,173	3,440,151
Machinery and equipment	296,342	28,026	324,368	-	324,368
Water and sewer system	5,981,387	313,184	6,294,571	-	6,294,571
Construction in Progress	2,539,238	-	2,539,238	-	2,539,238
Less: Accumulated Depreciation	<u>(819,224)</u>	<u>(120,287)</u>	<u>(939,511)</u>	<u>(558,702)</u>	<u>(1,498,213)</u>
Total noncurrent assets	<u>8,163,400</u>	<u>259,694</u>	<u>8,423,094</u>	<u>3,532,299</u>	<u>11,955,393</u>
<b>TOTAL ASSETS</b>	<u>8,189,687</u>	<u>465,310</u>	<u>8,654,997</u>	<u>3,557,557</u>	<u>12,212,554</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension difference between expected and actual funding	20,103	2,234	22,337	14,173	36,510
Employer contributions subsequent to measurement date	10,230	1,137	11,367	7,212	18,579
Total deferred outflows of resources	<u>30,333</u>	<u>3,371</u>	<u>33,704</u>	<u>21,385</u>	<u>55,089</u>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts payable	50,290	12,271	62,561	988	63,549
Accrued payroll and withholdings	-	-	-	418	418
Due to other funds	1,295,277	96,591	1,391,868	153,302	1,545,170
Due to other governments	-	-	-	17	17
Unearned revenue	50,557	463	51,020	-	51,020
Accrued compensated absences	391	43	434	265	699
Bond payable	82,968	-	82,968	70,000	152,968
Total current liabilities	<u>1,479,483</u>	<u>109,368</u>	<u>1,588,851</u>	<u>224,990</u>	<u>1,813,841</u>
<b>Noncurrent Liabilities:</b>					
Accrued compensated absences	2,081	231	2,312	1,409	3,721
Bond payable	4,703,021	-	4,703,021	2,800,000	7,503,021
Pension liability - Note 11	193,430	21,492	214,922	136,372	351,294
Net OPEB liability - Note 12	42,490	4,722	47,212	36,051	83,263
Total noncurrent liabilities	<u>4,941,022</u>	<u>26,445</u>	<u>4,967,467</u>	<u>2,973,832</u>	<u>7,941,299</u>
<b>TOTAL LIABILITIES</b>	<u>6,420,505</u>	<u>135,813</u>	<u>6,556,318</u>	<u>3,198,822</u>	<u>9,755,140</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Net difference between projected and actual earnings on pension plan investments	2,623	291	2,914	1,849	4,763
Total deferred inflows of resources	<u>2,623</u>	<u>291</u>	<u>2,914</u>	<u>1,849</u>	<u>4,763</u>
<b>NET POSITION</b>					
Net investment in capital assets	2,239,397	186,755	2,426,152	9,471	2,435,623
Restricted:					
Debt service	82,469	-	82,469	652,828	735,297
Unrestricted	<u>(524,974)</u>	<u>145,822</u>	<u>(379,152)</u>	<u>(284,028)</u>	<u>(663,180)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 1,796,892</u>	<u>\$ 332,577</u>	<u>\$ 2,129,469</u>	<u>\$ 378,271</u>	<u>\$ 2,507,740</u>

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

**CLARENDON COUNTY, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				TOTAL ENTERPRISE FUNDS
	WATER UTILITY	SEWER UTILITY	TOTAL UTILITY	WELDON AUDITORIUM	
<b>OPERATING REVENUES</b>					
Charges for services	\$ 602,806	\$ 163,255	\$ 766,061	\$ 41,705	\$ 807,766
Total operating revenues	<u>602,806</u>	<u>163,255</u>	<u>766,061</u>	<u>41,705</u>	<u>807,766</u>
<b>OPERATING EXPENSES</b>					
Cost of sales & services	223,828	110,350	334,178	-	334,178
Production expense	-	-	-	38,885	38,885
Personnel & benefits	163,130	18,126	181,256	98,237	279,493
Administration	20,951	6,983	27,934	112,578	140,512
Depreciation	177,188	14,558	191,746	85,954	277,700
Total operating expenses	<u>585,097</u>	<u>150,017</u>	<u>735,114</u>	<u>335,654</u>	<u>1,070,768</u>
<b>OPERATING INCOME (LOSS)</b>	<u>17,709</u>	<u>13,238</u>	<u>30,947</u>	<u>(293,949)</u>	<u>(263,002)</u>
<b>NON-OPERATING REVENUE (EXPENSES)</b>					
Investment income	123	65	188	1,033	1,221
Interest and fiscal charges	(130,048)	-	(130,048)	(133,485)	(263,533)
Total non-operating revenue (expenses)	<u>(129,925)</u>	<u>65</u>	<u>(129,860)</u>	<u>(132,452)</u>	<u>(262,312)</u>
<b>NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<u>(112,216)</u>	<u>13,303</u>	<u>(98,913)</u>	<u>(426,401)</u>	<u>(525,314)</u>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>					
Capital contributions	171,119	-	171,119	-	171,119
Transfers	(22,500)	(2,500)	(25,000)	317,164	292,164
Net other financing sources (uses)	<u>148,619</u>	<u>(2,500)</u>	<u>146,119</u>	<u>317,164</u>	<u>463,283</u>
<b>CHANGE IN NET POSITION</b>	36,403	10,803	47,206	(109,237)	(62,031)
Net position at beginning of year	<u>1,760,489</u>	<u>321,774</u>	<u>2,082,263</u>	<u>487,508</u>	<u>2,569,771</u>
<b>NET POSITION AT END OF YEAR</b>	<u>\$ 1,796,892</u>	<u>\$ 332,577</u>	<u>\$ 2,129,469</u>	<u>\$ 378,271</u>	<u>\$ 2,507,740</u>

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

CLARENDON COUNTY, SOUTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	WATER & SEWER UTILITY	WELDON AUDITORIUM	TOTAL ENTERPRISE FUNDS
<b>Cash Flows From Operating Activities:</b>			
Cash received from customers	\$ 1,076,486	\$ 42,675	\$ 1,119,161
Cash paid to suppliers for goods and services	(384,746)	(151,891)	(536,637)
Cash paid to employees for services	(132,332)	(92,941)	(225,273)
Internal activity-payments to other funds	(30,635)	(10,396)	(41,031)
<b>Net Cash Provided (Used) By Operating Activities</b>	<u>528,773</u>	<u>(212,553)</u>	<u>316,220</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers	(25,000)	317,164	292,164
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>(25,000)</u>	<u>317,164</u>	<u>292,164</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Bond proceeds	1,436,000	-	1,436,000
Principal payments	(1,508,941)	(70,000)	(1,578,941)
Interest paid on debt	(130,048)	(133,485)	(263,533)
Capital contributions	171,119	-	171,119
Purchase of capital assets	(700,229)	-	(700,229)
<b>Net Cash Provided (Used) By Capital and Related Financing Activities</b>	<u>(732,099)</u>	<u>(203,485)</u>	<u>(935,584)</u>
<b>Cash Flow From Investing Activities:</b>			
Interest income	188	1,033	1,221
<b>Net Cash Provided (Used) By Investing Activities</b>	<u>188</u>	<u>1,033</u>	<u>1,221</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(228,138)	(97,841)	(325,979)
Cash and Cash Equivalents at Beginning of Year	449,854	775,897	1,225,751
Cash and Cash Equivalents at End of Year	<u>\$ 221,716</u>	<u>\$ 678,056</u>	<u>\$ 899,772</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by operating Activities</b>			
Operating income (loss)	\$ 30,947	\$ (293,949)	\$ (263,002)
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities</b>			
Depreciation expense	191,746	85,954	277,700
<b>Changes in assets and liabilities:</b>			
(Increase) decrease in accounts receivable	(24,252)	(30)	(24,282)
(Increase) decrease in due from other governments	341,095	-	341,095
(Increase) decrease in prepaids	-	1,000	1,000
Increase (decrease) in accounts payable	(22,634)	(428)	(23,062)
Increase (decrease) in due to other funds	(30,635)	(10,396)	(41,031)
Increase (decrease) in accrued compensated absences	(1,607)	(1,294)	(2,901)
Increase (decrease) in Pension liability	47,599	3,659	51,258
Increase (decrease) in OPEB liability	2,932	2,931	5,863
Increase (decrease) in deferred revenue	(6,418)	-	(6,418)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>\$ 528,773</u>	<u>\$ (212,553)</u>	<u>\$ 316,220</u>

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

**CLARENDON COUNTY, SOUTH CAROLINA**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2017**

**ASSETS**

Cash	\$ 3,962,266
Delinquent taxes receivable	1,906,960
Due from others	18
Due from credit card	309
Due from other funds	2,957
Due from other magistrates	105
Total Assets	<u>\$ 5,872,615</u>

**LIABILITIES**

Due to trust fund holders	\$ 5,771,924
Due to Treasurer - cash overage (shortage)	20,573
Due to other funds	79,038
Due to town magistrates	975
Due to other magistrates	105
Total Liabilities	<u>\$ 5,872,615</u>

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

**CLARENDON COUNTY, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
DISCRETELY PRESENTED COMPONENT UNITS  
JUNE 30, 2017**

	<b>GOVERNMENTAL FUNDS</b>		
	<b>HARVIN CLARENDON COUNTY LIBRARY</b>	<b>BUSINESS DEVELOPMENT CORPORATION</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash	\$ 158,193	\$ 1,387,640	\$ 1,545,833
Prepaid items	23,626	-	23,626
Notes and interest receivable	-	203,711	203,711
Capital and operating lease receivable	-	379,730	379,730
Grants and miscellaneous receivable	9,490	126,739	136,229
<b>TOTAL ASSETS</b>	<b>\$ 191,309</b>	<b>\$ 2,097,820</b>	<b>\$ 2,289,129</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts and payroll withholdings payable	\$ 3,797	\$ 6,114	\$ 9,911
Unearned revenue	-	736,065	736,065
<b>Total Liabilities</b>	<b>3,797</b>	<b>742,179</b>	<b>745,976</b>
<b>Fund Balances</b>			
Nonspendable	23,626	-	23,626
Restricted	-	1,321,154	1,321,154
Committed	95,000	-	95,000
Unassigned	68,886	34,487	103,373
<b>Total Fund Balances</b>	<b>187,512</b>	<b>1,355,641</b>	<b>1,543,153</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 191,309</b>	<b>\$ 2,097,820</b>	<b>\$ 2,289,129</b>
Amounts reported for governmental activities in the statement of net position are different because:			
Total fund balance	\$ 187,512	\$ 1,355,641	\$ 1,543,153
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	108,348	6,458,514	6,566,862
Deferred outflows (inflows) resulting from recognition of the employer's share of the state's net pension are not current resources	37,756	-	37,756
Liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
Accrued compensated absences	(14,177)	-	(14,177)
Notes payable	-	(1,492,135)	(1,492,135)
Net OPEB liability	(257,890)	-	(257,890)
Net Pension liability	(641,223)	-	(641,223)
<b>Total net position</b>	<b>\$ (579,674)</b>	<b>\$ 6,322,020</b>	<b>\$ 5,742,346</b>

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

**CLARENDON COUNTY, SOUTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 DISCRETELY PRESENTED COMPONENT UNITS  
 FOR THE YEAR ENDED JUNE 30, 2017**

	<u>GOVERNMENTAL FUNDS</u>		TOTAL
	HARVIN CLARENDON COUNTY LIBRARY	BUSINESS DEVELOPMENT CORPORATION	
<b>REVENUES</b>			
Federal	\$ 1,000	\$ -	\$ 1,000
State	111,957	267,217	379,174
Local	569,536	325,552	895,088
<b>TOTAL REVENUES</b>	<u>682,493</u>	<u>592,769</u>	<u>1,275,262</u>
<b>EXPENDITURES</b>			
General operations	682,617	349,048	1,031,665
Capital outlay	-	88,685	88,685
Debt service	-	182,533	182,533
<b>TOTAL EXPENDITURES</b>	<u>682,617</u>	<u>620,266</u>	<u>1,302,883</u>
<b>NET CHANGE IN FUND BALANCES</b>	(124)	(27,497)	(27,621)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>187,636</u>	<u>1,383,138</u>	<u>1,570,774</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 187,512</u>	<u>\$ 1,355,641</u>	<u>\$ 1,543,153</u>

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

CLARENDON COUNTY, SOUTH CAROLINA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF COMPONENT UNITS  
TO THE STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS  
FOR THE YEAR ENDED JUNE 30, 2017

	HARVIN CLARENDON COUNTY LIBRARY	BUSINESS DEVELOPMENT CORPORATION	TOTAL
Net change in fund balances - total governmental funds	\$ (124)	\$ (27,497)	\$ (27,621)
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.			
Expenditures for capital assets	-	88,685	88,685
Less current year depreciation	(23,149)	(139,622)	(162,771)
Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.			
Change in compensated absences	849	-	849
Change in net OPEB liability	(40,955)	-	(40,955)
Change in net pension costs	(6,674)	-	(6,674)
Incurring debt increases long-term liabilities in the statement of activities			
Principal payments	-	133,953	133,953
Change in net position of governmental activities	<u>\$ (70,053)</u>	<u>\$ 55,519</u>	<u>\$ (14,534)</u>

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

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**TABLE OF CONTENTS**

<u>Note</u>	<u>Page</u>	<u>Note</u>	<u>Page</u>
1. Summary of Significant.....	29 - 39	9. Long-term Debt.....	50 - 60
Accounting Policies		Primary Government	
Reporting Entity		General Obligations Bonds	
Measurement Focus and Basis		Blended Component Unit	
of Accounting		Revenue Bonds	
Description of Funds		Capital Leases	
Assets, Liabilities and Net Position		Business-Type Activities	
or Equity		Revenue Bonds	
Cash and Equivalents		Changes in Long-term Liabilities	
Receivables and Payables		Discretely Presented Component Units	
Inventory		Notes Payable	
Capital Assets			
Deferred Outflows/Inflows			
of Resources			
Adoption of Accounting Principle			
Accrued Compensated Absences			
Landfill Closure Costs			
Nature and Purpose of			
Restrictions of Fund Equity			
Net Position			
Pensions			
2. Stewardship, Compliance, and.....	39 - 40	10. Operating Lease .....	60 - 61
Accountability			
Budgets and Budgetary Accounting			
Budgetary Basis of Accounting			
3. Cash, Cash Equivalents, and .....	40 - 42	11. Provision for Closure Costs .....	61 - 62
Investments			
Primary Government			
Custodial Credit Risk Deposits			
Discretely Presented Component Unit			
4. Property Taxes .....	42-43	12. Retirement Plans .....	62 - 73
		SC Retirement System	
		Police Officer's Retirement System	
5. Notes Receivable and Lease.....	43 - 44	13. Other Post-Employment Benefits.....	74 - 79
Agreements		(OPEB) Plans	
6. Capital Assets.....	45 - 48	14. Fund Balance Reporting .....	80
7. Interfund Balances.....	49	15. Risk Management .....	81
8. Short-term Obligations.....	50	16. Contingencies and Commitments .....	82
		17. Tax Abatement Disclosures .....	83
		18. Pending Implementation of GASB .....	83 - 84
		Statement on OPEB	
		19. Subsequent Events.....	84

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

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

Clarendon County, South Carolina (the "County") is a political subdivision of the State. Incorporated in 1855, the County encompasses 599 square miles of land with an estimated population of 34,971. The County is governed by an elected five member council.

The financial statements of the County have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting.

**A. Reporting Entity**

The concept underlying the definition of the reporting entity is that elected officials are accountable to their constituents for their actions. The reporting entity's financial statements should allow users to distinguish between the primary government (the County) and its component units. However, some component units, because of the closeness of their relationships with the County, should be blended as though they are part of the County. Otherwise, most component units should be discretely presented.

The following entities have been determined to be blended and discretely presented component units of Clarendon County:

**Blended Component Unit:**

The Clarendon Facilities Corporation (Facilities Corporation), a not-for-profit organization, was established in 2011 to acquire, construct and lease facilities to be used by the County. While the County does not appoint members to the Facilities Corporation's Board of Directors, it has a financial burden to the Facilities Corporation in that it is obligated for lease payments equaling the amount of debt to be relieved and associated interest payments. Activities of the Facilities Corporation are reported as major capital projects and debt service funds. Separate financial statements for the Facilities Corporation are not issued.

**Discretely Presented Component Units:**

**Harvin Clarendon County Library**

Clarendon County provides a significant portion of the Library funding and has the ability to influence operations significantly. Separate financial statements for the Library are available.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**A. Reporting Entity (continued)**

**Discretely Presented Component Units: (continued)**

**Business Development Corporation of Clarendon County (BDC)**

Clarendon County has the ability to influence operations of the Business Development Corporation of Clarendon County significantly. Separate financial statements for the BDC are available.

Because the component units have been reported as if they are part of the County, there are limited instances where special note reference or separation will be required. If no separate note reference or categorization is made, the user should assume that information presented is equally applicable.

**B. Measurement Focus and Basis of Accounting**

The basic financial statements of the County are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

**1. Government-wide Financial Statements**

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as its discretely presented component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Measurement Focus and Basis of Accounting (continued)**

**1. Government-wide Financial Statements (continued)**

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and agency fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement 33 - Accounting and Financial Reporting for Non-exchange Transactions.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. The County chooses to eliminate the indirect costs between governmental activities to avoid a "doubling up" effect.

**2. Fund Financial Statements**

The underlying accounting system of the County is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Measurement Focus and Basis of Accounting (continued)**

**2. Fund Financial Statements**

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. The fiduciary statement includes financial information for the agency funds. The agency funds of the County primarily represent assets held by the County in a custodial capacity for other individuals or governments.

**Governmental Funds**

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 both measurable and available. Revenues are considered to be available when they are collected 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 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Franchise fees, licenses, sales taxes, gas taxes, operating and capital grants, 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. All other revenue items are considered to be measurable only when cash is received by the County.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources". Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Non-current portions of long-term receivables (special assessments) due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

Non-current portions of other long-term receivables are offset by fund balance reserve accounts.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Measurement Focus and Basis of Accounting (continued)**

Because of their spending measurement focus, expenditure recognition for governmental fund types exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**C. Description of Funds**

GASB Statement 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category and the governmental and enterprise combined) for the determination of major funds. The County has used GASB 34 minimum criteria for major fund determination and has also electively disclosed funds which either had debt outstanding or specific community focus as major funds. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

**1. Governmental Major Funds:**

**General Fund** – The General Fund is the general operating fund of the County. It is used to account for all financial resources, except those required to be accounted for in another fund.

**Capital Projects Fund** – The Capital Projects Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities.

**General County Debt Service Fund** – The General County Debt Service fund is established for the purpose of accumulating resources for the payment of principal and interest on general long term debt.

**E-911 Fund** – The E-911 fund accounts for fees collected by telephone service providers to be used to provide emergency assistance through the nationwide 911 system.

**Fire Department** – The Fire Department accounts for ad valorem taxes and other revenues to be used for the operations of the Fire Department.

**C-Program Roads** – The C-Program fund accounts for fuel taxes collected for the construction and repair of public roads.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Description of Funds (continued)**

**1. Governmental Major Funds: (continued)**

**Other Governmental Funds**

**Special Revenue Funds** – These funds are established to account for the proceeds of specific revenue sources and certain special assessments that are legally restricted to expenditures for specified purposes. It is the County's policy not to budget for all Special Revenue Funds in the form of a legally adopted budget format.

**Debt Service Fund** – These funds are established for the purpose of accumulating resources for the payment of principal and interest on general long-term debt other than those payable from Special Revenue Funds.

**2. Other Fund Types:**

**Proprietary Funds**

There are two proprietary funds representing the Water and Sewer fund and the Weldon Auditorium. The Water and Sewer fund is used to account for the cost of providing water and sewer services to unincorporated areas of the County. The Weldon Auditorium Fund is used to account for the operations of the Weldon Auditorium.

**Agency Fund** – The Agency Fund is used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, child support payments and ad valorem taxes.

**D. Assets, Liabilities, and Net Position or Equity**

**1. Cash and Cash Equivalent**

Cash includes operating accounts and cash invested in the South Carolina Local Government Investment Pool with maturities less than three months. These investments are presented at cost which reasonably approximates fair value.

**2. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Assets, Liabilities, and Net Position or Equity (continued)**

**3. Inventory**

Inventory represents the parts available for use by fleet maintenance. This inventory is stated at cost.

**4. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, right-of-ways, water and sewer distribution systems and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	15 – 50
Machinery and equipment	3 – 10
Infrastructure	25

**5. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position and/or the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of resources that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Assets, Liabilities, and Net Position or Equity (continued)**

**5. Deferred Outflows/Inflows of Resources (continued)**

In addition to liabilities, the Statement of Net Position and/or the 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 resources that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**6. Adoption of Accounting Principle**

The County implemented GASB Statement No. 77, *Tax Abatement Disclosures* (GASB 77) for the year ended June 30, 2017. The primary objective of GASB 77 was to provide tax abatement information to financial statement users so that they could more readily evaluate a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens.

Although many governments offer tax abatements, the information necessary to assess how tax abatements affect their financial position and results of operations, including their ability to raise resources in the future, is lacking. GASB 77 requires disclosures of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

The adoption of GASB 77 had no impact on the County's financial statements but did result in new note disclosures. See Note 17 for more information regarding tax abatements that affect the County.

**7. Accrued Compensated Absences**

The County accrues accumulated unpaid vacation and sick leave when earned by the employee. The current portion is the amount estimated to be used in the following year. The non-current portion is the amount estimated to be used in subsequent fiscal years. Both the current and non-current estimated accrued compensated absences amounts for governmental funds are maintained separately and represent a reconciling item between the fund and government-wide presentations.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Assets, Liabilities, and Net Position or Equity (continued)**

**8. Landfill Closure Costs**

Under the terms of current state and federal regulations, the County is required to place a final cover on closed landfill areas, and to perform certain monitoring and maintenance functions for a period of up to thirty years after closure. The County recognizes these costs of closure and post-closure maintenance over the active life of each landfill area, based on landfill capacity use during the period. Required obligations for closure and post-closure costs are recognized in the governmental activities column in the government-wide statement of net position.

**9. Nature and Purpose of Restrictions of Fund Equity**

GASB Statement 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

GASB Statement 54 provides for two major types of fund balances, which are non-spendable and spendable. Non-spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items and inventories. The County has inventories that are considered non-spendable; however, the County's primary government does not have any prepaid items.

In addition to the non-spendable fund balances, GASB Statement 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints:

- Restricted – fund balances that are constrained by external parties, constitutional provisions or enabling legislation;
- Committed – fund balances that contain self-imposed constraints of the County from its highest level of decision making authority; that is, County Council;
- Assigned – fund balances that contain self-imposed constraints of the County to be used for a particular purpose; and,
- Unassigned – fund balance of the general fund that is not constrained for any particular purpose.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Assets, Liabilities, and Net Position or Equity (continued)**

**9. Nature and Purpose of Restrictions of Fund Equity (continued)**

Committed fund balances are identified by County Council through the enactment of various ordinances. County Council, through ordinances, can remove a self-imposed constraint as well. Additionally, encumbrances are considered as assigned through the issuance of a purchase order or contract; thus the County has approved the purchase activity even though the other party has not performed. In other words, even though a formal "liability" does not exist, assets are assigned to the purchase of these goods or services.

For the purposes of fund balance classification, expenditures are to be spent from restricted fund balances first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The County CFO has the authority to deviate from this policy if it is in the best interest of the County.

**10. Net Position**

Net position represents the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources. Net position in government-wide and proprietary fund financial statements is classified as invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute. The government-wide statement of net position reports \$9,235,629 of which \$1,020,804 is restricted by enabling legislation. The County will use restricted amounts first when both restricted and unrestricted fund balances are available. Additionally, the County would use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

**11. Pensions**

The Governmental Accounting Standards Board (GASB) issued Statement No. 68 entitled *Accounting and Financial Reporting for Pension Plans* in June, 2012 and issued GASB No. 71 (an amendment of GASB No. 68) entitled *Pension Transition for Contributions Made Subsequent to the Measurement Date* in November 2013. The disclosure requirements applicable to employers participating in the South Carolina Retirement System or the Police Officers Retirement System are prescribed in paragraphs 48 through 82 of GASB 68. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System and additions to/deductions from the South Carolina Retirement System

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Assets, Liabilities, and Net Position or Equity (continued)**

**11. Pensions (continued)**

ment System's fiduciary net position have been determined on the same basis as they are reported by the South Carolina Retirement System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

The County follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. Each year, the County Administrator submits to the County Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Three public readings are conducted by County Council and one public hearing to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. The County Administrator is authorized to transfer budgeted amounts between departments within any fund, but this transfer cannot exceed \$25,000 or 25% of said department's budget; however, any revisions that alter the total expenditures of any fund must be approved by the County Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Revenue Funds (Accommodation Tax Fund and the Fire Department).
6. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP) except for encumbrances. Budgetary comparisons presented for the General Fund in this report are on this non-GAAP budgetary basis.
7. Budgeted amounts are as originally adopted, or as amended by the County Council as close to June 30 as possible. Individual amendments were not material in relation to the original appropriations which were adopted.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)**

**Budgetary Basis Of Accounting**

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual presents a comparison of the County's legally adopted budget with actual data on the budgetary basis of accounting. Budgetary accounting principles, however, differ from generally accepted accounting principles (GAAP). These different accounting principles result in the following differences in the excess (deficiency) of revenues and other financing sources (uses) over expenditures at June 30, 2017:

	<b><u>General Fund</u></b>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - budgetary basis	\$ 193,293
Timing differences:	
Net change in encumbrances	<u>(43,282)</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - GAAP basis	<u>\$ 150,011</u>

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the County's general fund. Encumbrances outstanding at year end are reported as assignments of fund balances since they do not constitute expenditures or liabilities. Encumbrances are reported as expenditures in all budgetary basis statements.

Actual expenditures exceeded those budgeted by \$274,369 because grant expenditures are not budgeted (as grant revenues are not budgeted).

**NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Primary Government**

At June 30, 2017, the carrying amount of the County's deposits and investments was \$15,415,312 and the bank balances and investment pool balances were \$16,189,584. To reconcile this information to the financial statements, we include the following:

Cash and investments	\$ 15,415,312
Cash on hand	<u>2,430</u>
Total cash	<u>\$ 15,417,742</u>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)**

**Primary Government (continued)**

Proprietary fund		\$ 899,772
Fiduciary funds		3,962,266
Governmental funds		<u>10,555,704</u>
 Total all funds		 <u>\$15,417,742</u>

**Custodial Credit Risk – 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. The County does not have a deposit policy for custodial credit risk. As of June 2017, none of the County's bank balance of \$6,909,598 was exposed to custodial credit risk.

**Credit Risk:** State law limits investments to obligations of the U.S. and its agencies, general obligations of this State or any of its political subdivisions, savings and loan associations if their deposits are insured by an agency of the federal government, and certificates of deposits. Also no load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940 are allowed under state law.

The County has investments in the State Treasurer's Investment Pool and Morgan Stanley Institutional Liquidity Government Portfolio Fund.

	<u>Maturities</u>	<u>Fair Value</u>
State investment pool	18 months to 2 years	\$ 6,979,847
Treasury money market	12 day weighted average	<u>2,300,139</u>
		 <u>\$ 9,279,986</u>

The local government investment pool is a 2a7-like pool which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The South Carolina State Treasurer oversees the pool. The fair value of the position in the pool is the same as the value of the pool shares. The Pool is included as an investment trust fund in the State of South Carolina Comprehensive Annual Financial Report. At June 30, 2017, the underlying security ratings of the County's investment in the Local Government Investment Pool (LGIP) is classified in risk category "A" and may be obtained from the LGIP's complete financial statements by writing to the following address:

Office of the State Treasurer  
Local Government Investment Pool  
Post Office Box 11778  
Columbia, South Carolina 29211

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)**

**Interest Rate Risk:** In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than twelve months.

It is the policy of the State Treasurer's Office that no derivatives of the U.S. Government Securities or Federal Agency Security or A1/P1 Commercial Paper be purchased by or for the S. C. Local Government Investment Pool. It is the policy of the State Treasurer's Office that the weighted average maturity (WAM) of the LGIP portfolio not exceed 60 days.

**Foreign Currency Risk:** The County has no foreign currency investments.

**Discretely Presented Component Units**

**Harvin Clarendon County Library**

As of June 30, 2017, the bank balance of the Library's deposits totaled \$158,193 and the bank balance totaled \$190,384. Of the bank balance, \$190,384 was covered by the Federal Depository Insurance Corporation (FDIC) insurance.

**Business Development Corporation of Clarendon County (BDC)**

As of June 30, 2017, the book balance of the BDC's deposits totaled \$1,387,640. The bank balance of \$1,077,434 and an additional \$310,206 in certificates of deposit were covered by the Federal Depository Insurance Corporation (FDIC) or collateralized by securities pledged by the bank in the Corporation's name.

**NOTE 4 - PROPERTY TAXES**

Property taxes are levied by the County at varying rates per one hundred dollars (\$100) of assessed valuation of real estate and personal property owned and used in the County except exempt property as provided by the constitution and laws of the State of South Carolina and attach an enforceable lien when levied.

In Clarendon County, taxes are collected for county and school purposes as a single tax bill which must be paid in full by the individual taxpayer. Taxes are collected on a calendar year basis. Real and personal taxes in the County are payable without penalty on or before January 15 of each year (except taxes on motor vehicles, which are payable on a monthly basis). If taxes are not paid on or before January 15, a penalty of 3% is added thereon. If taxes are not paid on or before February 1, an additional penalty of 7% is added. If taxes are not paid on or before March 16, an additional 5% thereon is added plus all costs incurred and the property goes into execution. In September, properties on which the taxes have not been paid are advertised for public sale in a local newspaper for three consecutive weeks. The first Monday in October the property is sold. The County Tax Collector is responsible for the collection of delinquent taxes and is empowered to sell so much of the defaulting taxpayer's estate - real, personal or both - as may be sufficient to satisfy the taxes. As collections are made, the delinquent tax revenue is remitted to the County Treasurer. Uncollectible property taxes are not material and have not been reported.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 4 - PROPERTY TAXES (continued)**

Property taxes at the fund level are recorded as receivables and unearned revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with generally accepted accounting principles have been recognized as revenue.

**NOTE 5 - NOTES RECEIVABLE AND LEASE AGREEMENTS**

The County has a receivable due from the Business Development Corporation in the amount of \$250,000. This represents the amount owed to the Central SC Alliance for a loan granted to the County for the construction of a Speculative Building in the Industrial Park. A liability is also shown by the County in this amount.

**Discretely Presented Component Units**

**Business Development Corporation of Clarendon County (BDC)**

The BDC has a note receivable from a local industry dated January 14, 2013. Loan amount is \$150,000 with no interest. Credit will be given at the rate of \$2,500 for each full time or full time equivalent job created by borrower, measured as of December 31, 2017. The entire outstanding principal balance of this Note shall be due and payable in full on the maturity date of January 1, 2018. Any principal unpaid after said date shall bear interest at a rate of 3% per annum, or the highest applicable lawful rate, whichever is less.

The Corporation has a note receivable from a local industry dated September 3, 2014. Loan amount is \$50,000 with no interest. Credit will be given at the rate of \$4,166 for each full time employee hired above the current 33 employees. The entire outstanding principal balance of this note shall be due and payable in full on the maturity date of September 3, 2019.

As of year end, the BDC had entered into lease agreements with the following companies who are leasing buildings owned by the BDC:

**Meritor Heavy Vehicle Systems, LLC**

The BDC leases a building to Meritor Heavy Vehicle Systems, LLC for \$12,162.50 per month. The BDC entered into a new five year lease agreement commencing on March 1, 2014 with two one year options to renew. Meritor also makes an annual payment in December to reimburse the BDC for the property taxes on the property. These payments are used by the BDC to pay the note payable on the property and the property taxes. This lease is classified as an operating lease. The cost of the building is \$1,800,000 and the accumulated depreciation is \$1,115,000. The future minimum lease payments are as follows:

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 - NOTES RECEIVABLE AND LEASE AGREEMENTS (continued)**

**Meritor Heavy Vehicle Systems, LLC (continued)**

**June 30,**

2018	\$ 145,950
2019	<u>85,138</u>
Total minimum lease payments	<u>\$ 231,088</u>

**Select Laboratories - SC, LLC**

The BDC leases a building to Select Laboratories-SC, LLC for \$3,711.19 per month. These payments are used by the BDC to pay the notes payable on the property. The original amount of the lease receivable was \$509,000. After the initial term expires, and every five years thereafter, the amount of rent will be renegotiated based on the recalculation of interest on the note and mortgage entered into between the corporation and the bank. At the end of the lease, the building reverts to Select Laboratories – SC, LLC. This lease is classified as a direct financing lease. The future minimum lease payments are as follows:

**June 30,**

2018	\$ 44,534
2019	<u>377,788</u>
Total minimum lease payments	422,322
Less amount representing interest	<u>(42,592)</u>
Present value of minimum lease payment	<u>\$ 379,730</u>
Current \$22,549 Long-term \$357,181	

**Agricultural Leases**

Farming agreements exist with various farmers to grow hay on unimproved and unleased BDC property.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Construction Completed</u>	<u>Additions</u>	<u>Retire- ments</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>					
Capital assets not being depreciated:					
Land	\$ 2,936,014	\$ -	\$ -	\$ -	\$ 2,936,014
Construction in progress	<u>1,690,026</u>	<u>(892,065)</u>	<u>937,975</u>	<u>-</u>	<u>1,735,936</u>
Total capital assets not being depreciated	<u>4,626,040</u>	<u>(892,065)</u>	<u>937,975</u>	<u>-</u>	<u>4,671,950</u>
Capital assets being depreciated:					
Buildings and improvements	28,687,795	-	42,571	-	28,730,366
Infrastructure	8,660,079	892,065	107,696	-	9,659,840
Equipment	<u>12,837,107</u>	<u>-</u>	<u>1,398,784</u>	<u>297,742</u>	<u>13,938,149</u>
Total capital assets being depreciated	<u>50,184,981</u>	<u>892,065</u>	<u>1,549,051</u>	<u>297,742</u>	<u>52,328,355</u>
Less accumulated depreciation for:					
Buildings and improvements	5,960,958	-	571,823	-	6,532,781
Infrastructure	3,960,357	-	435,636	-	4,395,993
Equipment	<u>9,629,597</u>	<u>-</u>	<u>819,781</u>	<u>258,915</u>	<u>10,190,463</u>
Total accumulated depreciation	<u>19,550,912</u>	<u>-</u>	<u>1,827,240</u>	<u>258,915</u>	<u>21,119,237</u>
Total capital assets being depreciated, net	<u>30,634,069</u>	<u>892,065</u>	<u>(278,189)</u>	<u>38,827</u>	<u>31,209,118</u>
Governmental activities capital assets, net	<u>\$ 35,260,1090</u>	<u>\$ -</u>	<u>\$ 659,786</u>	<u>\$ 38,827</u>	<u>\$ 35,881,068</u>

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

Governmental activities:	
General Government	\$ 869,711
Public Safety	761,848
Cultural/Recreation	76,578
Physical Environment	66,084
Transportation	33,429
Economic Environment	12,724
Court Related	<u>6,866</u>

Total depreciation expense-governmental activities \$ 1,827,240

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6 - CAPITAL ASSETS (continued)**

	<u>Beginning Balance</u>	<u>Construction Completed</u>	<u>Additions</u>	<u>Ending Balance</u>
<b>Business-Type Activities</b>				
<b>Water and Sewer</b>				
Capital assets not being depreciated:				
Land	\$ 119,981	\$ -	\$ -	\$ 119,981
Construction in Progress	<u>2,713,797</u>	<u>(698,676)</u>	<u>524,117</u>	<u>2,539,238</u>
Total capital assets not being depreciated	<u>2,833,778</u>	<u>( 698,676)</u>	<u>524,117</u>	<u>2,659,219</u>
Capital assets being depreciated:				
Buildings and improvements	1,978	-	-	1,978
Water system	5,419,783	698,676	176,112	6,294,571
Equipment	<u>324,368</u>	<u>-</u>	<u>-</u>	<u>324,368</u>
Total capital assets being depreciated	<u>5,746,129</u>	<u>698,676</u>	<u>176,112</u>	<u>6,620,917</u>
Less accumulated depreciation for:				
Buildings and improvements	1,501	-	198	1,699
Water system	621,652	-	161,186	782,838
Equipment	<u>124,611</u>	<u>-</u>	<u>30,363</u>	<u>154,974</u>
Total accumulated depreciation	<u>747,765</u>	<u>-</u>	<u>191,747</u>	<u>939,511</u>
Total capital assets being depreciated, net	<u>4,998,365</u>	<u>698,676</u>	<u>(15,635)</u>	<u>5,681,406</u>
Business-Type activities capital assets, net	<u>\$ 7,832,143</u>	<u>\$ -</u>	<u>\$ 508,482</u>	<u>\$ 8,340,625</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Ending Balance</u>
<b>Weldon Auditorium</b>			
Capital assets being depreciated:			
Buildings and improvements	\$ 3,438,173	\$ -	\$ 3,438,173
Total capital assets being depreciated	<u>3,438,173</u>	<u>-</u>	<u>3,438,173</u>
Less accumulated depreciation for:			
Buildings and improvements	<u>472,748</u>	<u>85,954</u>	<u>558,702</u>
Total accumulated depreciation	<u>472,748</u>	<u>85,954</u>	<u>558,702</u>
Total capital assets being depreciated, net	<u>2,965,425</u>	<u>(85,954)</u>	<u>2,879,471</u>
Business-Type activities capital assets, net	<u>\$ 2,965,425</u>	<u>\$ (85,954)</u>	<u>\$ 2,879,471</u>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6 - CAPITAL ASSETS (continued)**

**Component Units**

**Harvin Clarendon County Library**

Capital assets included in the financial statements consist of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 24,000	\$ -	\$ -	\$ 24,000
Capital assets being depreciated:				
Building	405,413	-	-	405,413
Equipment	397,112	-	-	397,112
Books	<u>216,299</u>	<u>-</u>	<u>14,570</u>	<u>201,729</u>
Total Capital Assets being depreciated	<u>1,018,824</u>	<u>-</u>	<u>14,570</u>	<u>1,004,254</u>
Less accumulated depreciation for:				
Building	317,918	10,740	-	328,658
Equipment	377,110	12,409	-	389,519
Books	<u>216,299</u>	<u>-</u>	<u>14,570</u>	<u>201,729</u>
Total accumulated depreciated	<u>911,327</u>	<u>23,149</u>	<u>14,570</u>	<u>919,906</u>
Total Capital Assets, being depreciated, net	<u>107,497</u>	<u>(23,149)</u>	<u>-</u>	<u>84,348</u>
Total Capital Assets, net	<u>\$ 131,497</u>	<u>\$ (23,149)</u>	<u>-</u>	<u>\$ 108,348</u>

Depreciation expense for the year ended June 30, 2017 was \$23,149.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6 - CAPITAL ASSETS (continued)**

**Component Units**

**Business Development Corporation of Clarendon County (BDC)**

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:			
Land restricted for I-95 Mega-site	\$ 961,855	\$ -	\$ 961,855
Land	2,541,151	-	2,541,151
Construction WIP	-	88,685	88,685
Easement	<u>3,291</u>	<u>-</u>	<u>3,291</u>
Total capital assets not being depreciated	<u>3,506,297</u>	<u>88,685</u>	<u>3,594,982</u>
Capital assets being depreciated:			
Buildings and improvements	3,933,768	-	3,933,768
Infrastructure	<u>254,911</u>	<u>-</u>	<u>254,911</u>
Total capital assets being depreciated	<u>4,188,679</u>	<u>-</u>	<u>4,188,679</u>
Less accumulated depreciation for:			
Buildings and improvements	1,108,344	131,125	1,239,469
Infrastructure	<u>77,181</u>	<u>8,497</u>	<u>85,678</u>
Total accumulated depreciation	<u>1,185,525</u>	<u>139,622</u>	<u>1,325,147</u>
Total capital assets being depreciated, net	<u>3,003,154</u>	<u>(139,622)</u>	<u>2,863,532</u>
Total capital assets, net	<u>\$ 6,509,451</u>	<u>\$ (50,937)</u>	<u>\$ 6,458,514</u>

The BDC uses the following estimated useful lives to compute depreciation:

Building and Improvements     30 years

Depreciation expense for the year ended June 30, 2017 was \$139,622.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 7 - INTERFUND BALANCES**

Individual fund interfund receivable and payable balances at June 30, 2017, were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<b>Governmental Funds</b>		
General Fund	\$ -	\$ 715,485
Debt Service Funds:		
General Obligations	<u>715,485</u>	<u>-</u>
Governmental Funds	<u>715,485</u>	<u>715,485</u>
<b>Enterprise Funds</b>		
General Fund	416,687	-
Capital Projects Fund	1,128,483	-
Weldon Auditorium	-	153,302
Water & Sewer Fund	<u>-</u>	<u>1,391,868</u>
Enterprise Fund	<u>1,545,170</u>	<u>1,545,170</u>
<b>Fiduciary Funds</b>		
General Fund	79,038	2,957
Fiduciary Fund types:		
Probate	-	3,418
Master in equity	-	1,210
Magistrates:		
General and Civil	-	51,275
Clerk of Court	-	23,135
School District Operating	<u>2,957</u>	<u>-</u>
Fiduciary Funds	<u>81,995</u>	<u>81,995</u>
	<u>\$ 2,342,650</u>	<u>\$ 2,342,650</u>

Interfund balances reflect amounts due for the last month's collections, amounts loaned for the water system purchase or other short term interfund arrangements.

<u>Operating Transfers</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 57,455	\$ 52,734
Fire Operating Fund	15,000	-
Water & Sewer	-	25,000
Weldon Auditorium	317,164	-
Non Major Funds	61,643	307,164
Fiduciary Funds	<u>-</u>	<u>66,364</u>
	<u>\$ 451,262</u>	<u>\$ 451,262</u>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 8 - SHORT-TERM OBLIGATIONS**

During the year ended June 30, 2017, the following transactions occurred in short-term liabilities:

	<u>Balance at June 30, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2017</u>
GBAN – Series 2015E	\$ 1,750,000	-	\$ 1,750,000	-
GBAN – Series 2016C	-	\$ 750,000	-	\$ 750,000

In November, 2015, the County issued a General Bond Anticipation Note (Series 2015E) for \$1,750,000 to be used for capital repairs and construction to county owned and maintained roads, as well as expansion to Class II landfill and acquisition of various vehicles. In November, 2016, this bond was paid off utilizing FEMA grant funds of \$1.0 million and proceeds from a \$750,000 GBAN (Series 2016C).

**NOTE 9 - LONG-TERM DEBT**

**A. Primary Government**

**Governmental Activities**

**General Obligation Bonds**

\$113,600 Bond issued February 13, 2013 (Series 2013A) to fund semi-annual installment lease purchase obligation on Courthouse Project. Due in annual installments beginning March 1, 2017 of \$80,482 and ending March 1, 2018 of \$33,118. Interest accrues at a rate of 1.82% and is payable semi-annually on March 1 and September 1 each year to maturity.

\$ 33,118

\$720,000 Bond issued September 6, 2013 (Series 2013B) to fund acquisition of self contained breathing apparati for the Fire service. Due in equal annual installments of \$62,518 (principal and interest) beginning September 6, 2014 and ending September 1, 2028. Interest accrues at a rate of 3.50%.

604,082

\$151,650 Bond issued August 13, 2013 (Series 2013C) to fund semi-annual installment lease purchase obligation on Courthouse Project. Due in annual installments beginning March 1, 2017 of \$120,241 and ending March 1, 2018 of \$31,409. Interest accrues at a rate of 2.17% and is payable semi-annually on March 1 and September 1 each year to maturity.

31,408

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9 - LONG-TERM DEBT (continued)**

**A. Primary Government**

**Governmental Activities**

**General Obligation Bonds**

<p>\$144,525 Bond issued February 12, 2014 (Series 2014A) to fund semi-annual installment lease purchase obligation on Courthouse Project. Due in annual installments beginning March 1, 2017 of \$86,315 and ending March 1, 2018 of \$58,210. Interest accrues at a rate of 1.51% and is payable semi-annually on March 1 and September 1 each year to maturity.</p>	58,210
<p>\$3,500,000 Bond issued April 10, 2014 (Series 2014B) to fund construction of new office building for Dept. of Social Services, State Probation and Parole and County Coroner office. Due in annual installments beginning March 1, 2017 of \$105,000 and ending March 1, 2039 of \$220,000. Interest accrues at a blended rate of 3.61% and is payable semi-annually on March 1 and September 1 each year to maturity.</p>	3,395,000
<p>\$155,025 Bond issued August 13, 2014 (Series 2014C) to fund semi-annual installment lease purchase obligation on Courthouse Project. Due in annual installments beginning March 1, 2017 of \$31,958 and ending March 1, 2018 of \$123,067. Interest accrues at a rate of 2.13% and is payable semi-annually on March 1 and September 1 each year to maturity.</p>	123,067
<p>\$141,400 Bond issued February 12, 2015 (Series 2015A) to fund semi-annual installment lease purchase obligation on Courthouse Project. Due in annual installments beginning March 1, 2017 of \$26,267 and ending March 1, 2019 of \$33,614. Interest accrues at a rate of 1.67% and is payable semi-annually on March 1 and September 1 each year to maturity.</p>	115,133
<p>\$500,000 Bond issued October 13, 2015 (Series 2015B) to fund acquisition of fire engine. Due in annual principal and interest installments beginning October 1, 2016 of \$42,645 and ending October 13, 2030. Interest accrues at a rate of 3.25%.</p>	473,605

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9 - LONG-TERM DEBT (continued)**

**A. Primary Government**

**Governmental Activities**

**General Obligation Bonds**

\$151,400 Bond issued August 13, 2015 (Series 2015C) to fund semi-annual installment lease purchase obligation on Courthouse Project. Due in annual installments beginning March 1, 2017 of \$29,690 and ending March 1, 2019 of \$69,863. Interest accrues at a rate of 1.71% and is payable semi-annually on March 1 and September 1 each year to maturity. 121,710

\$145,000 Bond issued February 12, 2016 (Series 2016A) to fund semi-annual installment lease purchase obligation on Courthouse Project. Due in annual installments beginning March 1, 2017 of \$25,912 and ending March 1, 2019 of \$92,863. Interest accrues at a rate of 1.58% and is payable semi-annually on March 1 and September 1 each year to maturity. 119,088

\$151,275 Bond issued August 12, 2016 (Series 2016B) to fund semi-annual installment lease purchase obligation on Courthouse Project. Due in annual installments beginning March 1, 2017 of \$13,735 and ending March 1, 2019 of \$105,892. Interest accrues at a rate of 1.59% and is payable semi-annually on March 1 and September 1 each year to maturity. 137,540

\$300,000 Bond issued February 10, 2017 (Series 2017A) to fund semi-annual installment lease purchase obligation on Courthouse Project. Due in annual installments beginning March 1, 2018 of \$39,563 and ending March 1, 2020 of \$126,249. Interest accrues at a rate of 1.59% and is payable semi-annually on March 1 and September 1 each year to maturity 300,000

\$750,000 Bond issued May 17, 2017 (Series 2017B) to fund renovations to office building for Dept. of Social Services, State Probation and Parole and County Coroner office. Due in annual installments beginning September 1, 2017 of \$36,998 and ending March 1, 2027 of \$41,601. Interest accrues at a rate of 2.35% and is payable semi-annually on March 1 and September 1 each year to maturity. 750,000

Total General Obligations Bonds Payable \$ 6,261,961

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9 - LONG-TERM DEBT (continued)**

**A. Primary Government**

**Governmental Activities**

**General Obligation Bonds**

The annual debt service payments for General Obligation bonds outstanding at June 30, 2017, are as follows:

**General Obligation Bonds**

<b>June 30,</b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2018	\$ 725,944	\$ 194,986
2019	686,000	181,961
2020	384,864	165,998
2021	267,770	154,873
2022	272,051	146,993
2023 – 2027	1,489,077	608,915
2028 – 2032	1,056,255	389,047
2033 – 2037	945,000	203,400
2038 – 2042	<u>435,000</u>	<u>26,200</u>
	<u>\$ 6,261,961</u>	<u>\$ 2,072,373</u>

**Blended Component Unit – Clarendon Facilities Corporation**

In October, 2012, the Clarendon Facilities Corporation (CFC) issued \$6,970,000 Installment Purchase Revenue Bonds (Courthouse Renovation Project) Series 2012 to mature September 1, 2042 pursuant to an Installment Purchase and Use Agreement (“Agreement”) between the County and the CFC. Proceeds were used to make improvements to and renovate the County Courthouse.

In July, 2015 the Clarendon Facilities Corporation (CFC) issued Installment Purchase Refunding Revenue Bonds (Series 2015) in the amount of \$5,460,000 to mature September 1, 2030 pursuant to an Installment Purchase and Use Agreement (“Agreement”) between the County and the CFC. Proceeds were to be used to defease Clarendon Facilities Corp IPRB (Series 2010), originally issued in the amount of \$6,500,000 in December, 2010 for the acquisition and construction of the County Administrative Complex.

The County will purchase the capital projects from CFC over twenty (20) years as required by the Agreements. The Agreements obligate the County to make payments to CFC in amounts calculated to be sufficient to enable CFC to pay the principal and interest on the outstanding bonds. The County’s obligations under the Agreements are from year to year only and do not constitute a mandatory payment obligation of the County in any fiscal year in which funds are not appropriated by the County to pay the installment payments of the purchase price due in such fiscal year. It is anticipated that the payments will be funded by the County with the future issuance of short-term general obligation bonds or restricted Fee-in-Lieu of revenue.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9 - LONG-TERM DEBT (continued)**

**A. Primary Government**

**Governmental Activities**

**Blended Component Unit – Clarendon Facilities Corporation (continued)**

The CFC bonds are not a debt of the County; however, as CFC is blended with the operations of the County, the debt of CFC is included with the County's other obligations as required by GAAP.

**June 30, 2017** \$ 12,390,000

The annual debt service payments for Clarendon Facilities Corporation Installment Purchase Revenue bonds outstanding at June 30, 2017, are as follows:

**Revenue Bonds**

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 345,000	\$ 403,440
2019	350,000	396,440
2020	355,000	389,340
2021	365,000	382,090
2022	375,000	374,640
2023 – 2027	1,990,000	1,736,233
2028 – 2032	2,300,000	1,379,972
2033 – 2037	2,560,000	939,789
2038 – 2042	3,065,000	424,221
2043	<u>685,000</u>	<u>12,838</u>
	<u>\$ 12,390,000</u>	<u>\$ 6,439,003</u>

On July 30, 2015, the Clarendon Facilities Corporation issued \$5.46 million installment purchase refunding revenue bonds with an average coupon rate of 3.18 percent (with a net interest cost of 3.01 percent) to advance refund \$6.5 million of outstanding 2010 Series bonds with an average coupon rate of 4.51 percent (with a NIC of 4.71 percent). The net proceeds of \$5.2 million (after payment of \$0.2 million in underwriting fees, insurance and other issuance costs) plus an additional \$1.9 million of 2011 Series sinking fund monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2010 Series bonds. As a result, the 2010 Series bonds are considered to be defeased and the liability of those bonds has been removed from the long-term debt.

The CFC advance funded the 2010 Series bonds to reduce its total debt service payments over the next 15 years by almost \$2.36 million and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$65,403.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9 - LONG-TERM DEBT (continued)**

**A. Primary Government**

**Governmental Activities**

**Capital Leases**

\$126,501 – Lease/purchase agreement to finance the purchase of one knuckleboom truck. Due in annual payments of \$20,260, including interest, due on March 1 of each year. First payment due March 1, 2015 and ending payment due March 1, 2021. The truck's gross cost is \$126,501 and the accumulated depreciation is \$29,517. \$ 73,472

\$200,000 – Lease/purchase agreement to finance the purchase of several motor vehicles. Due in semi-annual payments of \$21,277, including interest, due on April 15 and October 15 of each year. First payment due April 15, 2015 and ending payment due October 15, 2019. The vehicles' gross cost is \$217,538 and the accumulated depreciation is \$67,291. 102,907

\$190,271 – Lease/purchase agreement to finance the purchase of several motor vehicles. Due in monthly payments of \$3,323, including interest. First payment due January 1, 2017 and ending payment due December 1, 2021. The vehicles' gross cost is \$98,628 and the accumulated depreciation is \$16,438. 171,865

Total Capital Leases \$ 348,244

Future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 2017:

<b>Year Ending June 30,</b>	
2018	\$ 102,915
2019	103,842
2020	81,515
2021	60,138
2022	<u>19,939</u>
Total Minimum Lease Payment	368,349
Less Amount Representing Interest	<u>20,105</u>
Present Value of Net Minimum Lease Payment	<u>\$ 348,244</u>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9 - LONG-TERM DEBT (continued)**

**B. Business Type Activities**

**Enterprise Revenue Bond – Weldon Auditorium**

\$3,250,000 Enterprise Charge Limited Obligation Bond issued May 13, 2010 to finance a capital project. Due in annual installments beginning July 1, 2011 of \$45,000 and ending July 1, 2040 of \$190,000. Interest accrues at rates varying from 2.0% to 4.75% and is payable semi-annually on January 1 and July 1 each year until maturity. Revenue from County's Hospitality charge has been dedicated for required debt service.

\$ 2,870,000

The annual debt service payments for Weldon Auditorium Enterprise Charge Limited Obligation bonds outstanding at June 30, 2017, are as follows:

<u>Revenue Bonds</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 70,000	\$ 126,878
2019	75,000	124,424
2020	75,000	121,706
2021	80,000	118,896
2022	85,000	115,693
2023 – 2027	470,000	522,794
2028 – 2032	575,000	410,239
2033 – 2037	725,000	259,231
2038 – 2041	<u>715,000</u>	<u>69,944</u>
	<u>\$ 2,870,000</u>	<u>\$ 1,869,805</u>

**Enterprise Revenue Bonds – Water & Sewer**

\$2,533,000 Bond issued April 19, 2012 (Series 2012A) to fund water system expansion. Interest only, due April 19, 2013 and April 19, 2014. Due in equal monthly installments thereafter beginning May 1, 2014 of \$8,967 and ending April 19, 2052. Interest accrues at a rate of 2.75%.

\$ 2,408,029

\$1,007,800 Bond issued April 19, 2012 (Series 2012B) to fund water system expansion. Interest only, due April 19, 2013 and April 19, 2014. Due in equal monthly installments thereafter beginning May 1, 2014 of \$3,568 and ending April 19, 2052. Interest accrues at a rate of 2.75%.

958,084

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9 - LONG-TERM DEBT (continued)**

**B. Business Type Activities (continued)**

**Enterprise Revenue Bonds – Water & Sewer (continued)**

\$1,179,000 Bond issued October 28, 2016 (Series 2016A) to fund construction of elevated water tank and accompanying well. Due in equal monthly installments thereafter beginning November 28, 2016 of \$3,502 and ending October 28, 2056. Interest accrues at a rate of 1.875%.

1,165,762

\$257,000 Bond issued October 28, 2016 (Series 2016B) to fund construction of elevated water tank and accompanying well. Due in equal monthly installments thereafter beginning November 28, 2016 of \$764 and ending October 28, 2056. Interest accrues at a rate of 1.875%.

254,114

Balance at June 30, 2017

\$ 4,785,989

The annual debt service payments for Water and Sewer Enterprise Revenue bonds outstanding at June 30, 2017, are as follows:

<b>Revenue Bonds <u>June 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2018	\$ 82,969	\$ 118,643
2019	85,067	116,545
2020	87,220	114,392
2021	89,428	112,184
2022	91,695	109,917
2023 – 2027	494,567	513,493
2028 – 2032	560,737	447,323
2033 – 2037	635,986	372,074
2038 – 2042	721,606	286,454
2043 – 2047	819,031	189,029
2048 – 2052	904,846	78,144
2053 – 2056	<u>212,837</u>	<u>8,991</u>
	<u>\$ 4,785,989</u>	<u>\$ 2,467,189</u>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9 - LONG-TERM DEBT (continued)**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
General Obligation Bonds					
- Series 2012	\$ 32,700	\$ -	32,700	-	-
- Series 2012B	35,300	-	35,300	-	-
- Series 2013A	113,600	-	80,482	33,118	33,118
- Series 2013B	644,058	-	39,976	604,082	41,375
- Series 2013C	151,650	-	120,242	31,408	31,408
- Series 2014A	144,525	-	86,315	58,210	58,210
- Series 2014B	3,500,000	-	105,000	3,395,000	110,000
- Series 2014C	155,025	-	31,958	123,067	123,067
- Series 2015A	141,400	-	26,267	115,133	81,519
- Series 2015B	500,000	-	26,395	473,605	27,253
- Series 2015C	151,400	-	29,690	121,710	51,847
- Series 2016A	145,000	-	25,912	119,088	26,225
- Series 2016B	-	151,275	13,735	137,540	31,648
- Series 2017A	-	300,000	-	300,000	39,563
- Series 2017B	-	750,000	-	750,000	70,711
Revenue Bonds					
- IPRB (Admin) Refunding	5,460,000	-	-	5,460,000	335,000
- IPRB (Courthouse)	6,940,000	-	10,000	6,930,000	10,000
<b>Total Bonds</b>	<u>18,114,658</u>	<u>1,201,275</u>	<u>663,972</u>	<u>18,651,961</u>	<u>1,070,944</u>
Other Liabilities					
Compensated Absences	535,505	-	70,532	464,973	73,466
Closure & Maintenance	544,200	-	16,900	527,300	26,800
Capital Leases	266,410	190,271	108,437	348,244	94,666
<b>Total Other Liabilities</b>	<u>1,346,115</u>	<u>190,271</u>	<u>195,869</u>	<u>1,340,517</u>	<u>194,932</u>
<b>Governmental Activities Long Term Liabilities</b>	<u>19,460,773</u>	<u>1,391,546</u>	<u>859,841</u>	<u>19,992,478</u>	<u>1,265,876</u>
<b>Business Type Activities</b>					
Revenue Bonds					
Weldon 2010 Series	2,940,000	-	70,000	2,870,000	70,000
Water Expansion (2012A)	2,448,676	-	40,647	2,408,029	41,782
Water Expansion (2012B)	974,253	-	16,171	958,082	16,622
Water Expansion (2016A)	-	1,179,000	13,238	1,165,762	20,170
Water Expansion (2016B)	-	257,000	2,884	254,116	4,394
Water Expansion BAN	1,436,000	-	1,436,000	-	-
<b>Total Bonds</b>	<u>7,798,929</u>	<u>1,436,000</u>	<u>1,578,940</u>	<u>7,655,989</u>	<u>152,968</u>
Other Liabilities					
Compensated Absences	7,321	-	2,901	4,420	699
<b>Total Other Liabilities</b>	<u>7,321</u>	<u>-</u>	<u>2,901</u>	<u>4,420</u>	<u>699</u>
<b>Business Type Activities Long Term Liabilities</b>	<u>7,806,250</u>	<u>1,436,000</u>	<u>1,581,841</u>	<u>7,660,409</u>	<u>153,667</u>
<b>Total Combined</b>	<u>\$ 27,267,023</u>	<u>\$ 2,827,546</u>	<u>\$ 2,441,682</u>	<u>\$ 27,652,887</u>	<u>\$ 1,419,543</u>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9 - LONG-TERM DEBT (continued)**

**C. Discretely Presented Component Units**

**Business Development Corporation of Clarendon County (BDC)**

Note payable to bank, with monthly payments of \$11,500 including interest at 5%, final payment due April 10, 2019. Collateralized by real property leased by Meritor Heavy Vehicle Systems, LLC with a carrying value, net of accumulated depreciation of \$685,000. \$ 432,406

Note payable to bank with monthly payments of \$3,711.19, including interest at 5.95% due June 10, 2019. 379,729

Note payable to Santee Electric Co-operative Inc., with interest at 2%. Payments will be interest only for the first two years, in the amount of \$3,600 payable on or before December 1, 2015 and 2016. One half of the principal and interest (\$93,600) is due December 1, 2017. The balance of \$90,978 is due on or before December 1, 2018. If Spec Building #7 is sold during the four-year period, the debt shall be satisfied with proceeds from the sale. 180,000

Note payable to Farmers Telephone Co-operative with 0% interest payable upon sale of Spec Building #7. Note recorded at face value excluding imputed interest as the initial term is indefinite. 250,000

Note payable to Clarendon County with 0% interest (Central SC Alliance) due upon the sale, lease or donation of Spec Building #7 or June 30, 2018, whichever is earlier. Note recorded at face value excluding imputed interest as the initial term is indefinite. 250,000

Subtotal of notes payable 1,492,135

Less current portion (481,633)

Notes payable – noncurrent portion \$ 1,010,502

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9 - LONG-TERM DEBT (continued)**

**C. Discretely Presented Component Units (continued)**

**Business Development Corporation of Clarendon County (BDC) (continued)**

The maturities of long-term debt is as follows:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 481,633	\$ 44,501
2019	760,502	32,707
2020	<u>250,000</u>	<u>-</u>
	<u>\$ 1,492,135</u>	<u>\$ 77,208</u>

**NOTE 10 - OPERATING LEASES**

The County entered into an operating lease for its judicial building. The thirty (30) year lease term began October 1, 2004 and ends September 30, 2034. There is a renewal option for an additional ten years with a thirty-day notice. The rental amount is \$7,000 per month for a term of fifteen years. The remaining rental amount is \$3,000 plus the percentage of increase or decrease in the Consumer Price Index of all urban consumers for the next fifteen years. The lease does contain cancellation provisions and is subject to annual appropriations. The lease expense for 2016-17 is \$84,000.

The County entered into an operating lease for a 613C Caterpillar Scraper for use at its Landfill. The 60 month lease term began January 30, 2010 and ended December 30, 2015. Said lease was extended an additional 24 months to end December 30, 2017. Monthly lease payments are now \$3,552.

The County entered into an operating lease for a 670G John Deere motor grader. The 60 month lease term began September 25, 2012 and ends September 25, 2017. Annual lease payments are \$21,779.

The County entered into an operating lease for a D5K Caterpillar Dozer. The 60 month lease term began August 27, 2014 and ends August 27, 2019. Monthly lease payments are \$2,092.

The County entered into an operating lease for a 670G John Deere motor grader. The 60 month lease term began October 15, 2015 and ends October 15, 2020. Annual lease payments are \$25,920.

The County entered into an operating lease for a 410L John Deere loader backhoe. The 60 month lease term began December 1, 2016 and ends December 1, 2021. Annual lease payments are \$9,919.

The County entered into an operating lease for a 6105M John Deere tractor mower. The 60 month lease term began August 30, 2016 and ends August 30, 2021. Monthly lease payments are \$2,429.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 10 - OPERATING LEASES (continued)**

The future annual rental payments are as follows:

2018	\$ 217,180
2019	174,088
2020	119,260
2021	75,064
2022	38,429
2023 - 2027	180,000
2028 - 2032	180,000
2033 - 2035	<u>81,000</u>
	<u>\$ 1,065,021</u>

**NOTE 11 - PROVISION FOR CLOSURE COSTS**

State and federal laws and regulations as governed by Solid Waste management Regulation R.61-107.258, Subpart C, Section (c) and the South Carolina Solid Waste Policy and Management Act of 1991, Section 44-96-390 require that Clarendon County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. In August 1993, the GASB issued GASB-18, Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs, in order to reduce the diversity of acceptable accounting practices in this area. GASB-18 applies to all governmental municipal solid waste landfills irrespective of what type of accounting model is used to account for the activities of a landfill. As defined by GASB-18, the basic objective is to recognize all landfill costs by the time a landfill is closed. The costs to be identified for closure and postclosure care include (1) capital assets, (2) final cover and (3) monitoring and maintenance activities.

While Clarendon County's original landfill was closed and capped in 2002 to municipal waste, the construction demolition and land clearing debris (C&D) landfill is still open with a life expectancy of twenty five years. The municipal landfill's liability at June 30, 2017 is \$527,300. See Note 8.

The nature and source of landfill closure and postclosure care requirements are monitored by both federal and State of South Carolina environmental protection agencies. Levels of ground water pollutants are set by State agencies and the monitoring of these amounts have been reported to County officials to be in conformity with guidelines. The County annually obtains updated and revised estimates of total future closure and post-closure costs from its consulting engineers. The provision for closure costs reported in the financial statements as operating expense represents the portion of these estimated future outlays which are allocable to the current year based on the amount of capacity used. The estimated total current cost of the landfill closure and post-closure care is based on the amount that would be paid if all equipment, facilities and services required to close, monitor and maintain the landfill were acquired as of June 30, 2017. However, the actual cost of closure and post-closure care may be higher due to

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 11 - PROVISION FOR CLOSURE COSTS (continued)**

inflation, changes in technology, or changes in landfill laws and regulations. Clarendon County has not accumulated or segregated funds to meet this reserve.

**NOTE 12 - RETIREMENT PLANS**

***General Information about the Pension Plans***

The County participates in the South Carolina Retirement System (SCRS), and the South Carolina Police Officers Retirement System (PORS). The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (Systems) and serves as a co-trustee of the Systems in conducting that review. 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](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

***Plan Descriptions***

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.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 12 - RETIREMENT PLANS (continued)**

***Membership***

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

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

***Benefits***

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

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

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 12 - RETIREMENT PLANS (continued)**

***Benefits (continued)***

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

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

***Contributions***

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

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 12 - RETIREMENT PLANS (continued)**

***Contributions (continued)***

Required employee contribution rates<sup>1</sup> for fiscal year 2016-2017 are as follows:

**SCRS**

Employee Class Two	8.66%
Employee Class Three	8.66%

**PORS**

Employee Class Two	9.24%
Employee Class Three	9.24%

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

**SCRS**

Employer Class Two	11.41%
Employer Class Three	11.41%
Employer Incidental Death Benefit	0.15%

**PORS**

Employer Class Two	13.84%
Employer Class Three	13.84%
Employer Incidental Death Benefit	0.20%
Employer Accidental Death Program	0.20%

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

The County's and Harvin Clarendon County Library's contributions to the SCRS and PORS for the last three fiscal years were are follows:

**County:**

<b>SCRS</b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Employee Contributions	\$ 432,244	\$ 403,606	\$ 377,580
Employer Contributions	569,502	539,627	507,373
Employer Group Life Contributions	<u>7,487</u>	<u>7,419</u>	<u>7,080</u>
<b>Total</b>	<b><u>\$1,009,233</u></b>	<b><u>\$ 950,652</u></b>	<b><u>\$ 892,033</u></b>
<b>PORS</b>			
Employee Contributions	\$ 413,672	\$ 388,493	\$ 358,507
Employer Contributions	619,616	592,965	554,601
Employer Group Life Contributions	<u>17,908</u>	<u>17,780</u>	<u>17,051</u>
<b>Total</b>	<b><u>\$1,051,196</u></b>	<b><u>\$ 999,238</u></b>	<b><u>\$ 930,159</u></b>

**Harvin Clarendon County Library:**

<b>SCRS</b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Employee Contributions	\$ 26,167	\$ 23,703	\$ 25,770
Employer Contributions	34,477	31,719	34,629
Employer Group Life Contributions	<u>453</u>	<u>436</u>	<u>483</u>
<b>Total</b>	<b><u>\$ 61,097</u></b>	<b><u>\$ 55,858</u></b>	<b><u>\$ 60,882</u></b>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 12 - RETIREMENT PLANS (continued)**

***Contributions (continued)***

The County and the Library have contributed 100 percent of the required contributions for the current year and in each of the two preceding years.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2017, the County reported a liability of \$10,909,758 for its proportionate share of the net pension liability for SCRS and a liability of \$8,843,800 for its proportionate share of the net pension liability for PORS. Harvin Clarendon County Library reported a liability of \$641,223 for its proportionate share of the net pension liability for SCRS. The net pension liability of the defined benefit plan was determined based on the most recent actuarial valuation as of July 1, 2015, using membership as of that date projected forward to the end of the retirement plan's fiscal year, and financial information of the pension trust funds as of June 30, 2016. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental units, actuarially determined.

At the retirement plan's year end of June 30, 2016, the County's proportion was .051076 percent and .34866 percent for SCRS and PORS, respectively. The Library's proportion was .003002 percent.

For the year ended June 30, 2017, the County recognized pension expense of \$1,921,140, including \$941,475 for SCRS and \$979,665 for PORS, respectively. Harvin Clarendon County Library recognized pension expense of \$41,604.

At June 30, 2017, the County and the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**County:**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b><u>SCRS</u></b>		
Differences between Expected and Actual Experience	\$ 113,092	\$ 11,848
Net Difference between Projected and Actual Investment Earnings	917,861	-
Deferred Amounts from Changes in Proportionate Share and Differences between Employer Contributions and Proportionate Share of Total Plan Employer Contributions	102,921	136,085
Direct Contributions Subsequent to the Measurement Date	<u>576,989</u>	<u>-</u>
Total	<u>\$ 1,710,863</u>	<u>\$ 147,933</u>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 12 - RETIREMENT PLANS (continued)**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources  
and Deferred Inflows of Resources Related to Pensions (continued)***

**County:**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b><u>PORS</u></b>		
Differences between Expected and Actual Experience	\$ 131,225	\$ -
Net Difference between Projected and Actual Investment Earnings	1,002,809	-
Deferred Amounts from Changes in Proportionate Share and Differences between Employer Contributions and Proportionate Share of Total Plan Employer Contributions	85,985	-
Direct Contributions Subsequent to the Measurement Date	<u>637,521</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 1,857,540</u></b>	<b><u>\$ -</u></b>

**Harvin Clarendon County Library:**

<b><u>SCRS</u></b>		
Differences between Expected and Actual Experience	\$ 6,647	\$ 696
Net Difference between Projected and Actual Investment Earnings	53,947	-
Deferred Amounts from Changes in Proportionate Share and Differences between Employer Contributions and Proportionate Share of Total Plan Employer Contributions	3,863	60,935
Direct Contributions Subsequent to the Measurement Date	<u>34,930</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 99,387</u></b>	<b><u>\$ 61,631</u></b>

The amounts of \$576,989 for SCRS, \$637,521 for PORS, and \$34,930 for Harvin Clarendon County Library for SCRS reported as deferred outflows of resources related to pensions resulting from County and Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018.

As discussed in GASB 68, collective deferred outflows/inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and included as a net collective deferred outflow or inflow of resources related to pensions. The following schedules reflect the County's proportionate share of amortization of collective deferred outflows/(inflows) of resources related to pensions outstanding at June 30, 2016.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 12 - RETIREMENT PLANS (continued)**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources  
and Deferred Inflows of Resources Related to Pensions (continued)***

**County:**

	<b>Difference between expected and actual experience<sup>1</sup></b>	
	<b><u>SCRS</u></b>	<b><u>PORS</u></b>
	<b><u>June 30, 2016</u></b>	<b><u>June 30, 2016</u></b>
Initial Balance	\$ 327,307	\$ 288,304
Amortized <sup>2</sup> period ending June 30,		
2014	\$ (77,072)	\$ (46,193)
2015	(71,597)	(51,116)
2016	(77,394)	(59,770)
2017	(77,394)	(59,770)
2018	(18,279)	(53,120)
2019	(4,899)	(12,574)
2020	(672)	(5,761)

	<b>Difference between projected and actual investment earnings<sup>3</sup></b>	
	<b><u>SCRS</u></b>	<b><u>PORS</u></b>
	<b><u>June 30, 2016</u></b>	<b><u>June 30, 2016</u></b>
Initial Balance	\$ 877,993	\$ 977,785
Amortized <sup>2</sup> period ending June 30,		
2014	\$ 185,341	\$ 193,082
2015	30,125	27,484
2016	(175,598)	(195,542)
2017	(175,598)	(195,557)
2018	(175,598)	(195,557)
2019	(360,940)	(388,636)
2020	(205,725)	(223,059)

**Library:**

	<b>Difference between expected and actual experience<sup>1</sup></b>	
	<b><u>SCRS</u></b>	
	<b><u>June 30, 2016</u></b>	
Initial Balance	\$	19,238
Amortized <sup>2</sup> period Ending June 30,		
2014	\$	(4,530)
2015		(4,208)
2016		(4,549)
2017		(4,549)
2018		(1,074)
2019		(288)
2020		(40)

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 12 - RETIREMENT PLAN (continued)**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources  
and Deferred Inflows of Resources Related to Pensions (continued)***

**Library:**

<b>Difference between projected and actual investment earnings<sup>3</sup></b>	
<b>SCRS</b>	
<b>June 30, 2016</b>	
Initial Balance	\$ 51,604
Amortized <sup>2</sup> period	
Ending June 30,	
2014	\$ 10,893
2015	1,771
2016	(10,321)
2017	(10,321)
2018	(10,321)
2019	(21,214)
2020	(12,091)

<sup>1</sup> In accordance with GASB 68, the difference between each year's expected and actual experience is required to be amortized over the average remaining service lives of all employees provided with pensions through the plan at June 30. The service periods used for amortization periods are 4.233 years for 6/30/14; 4.164 years for 6/30/15; and 4.116 years for 6/30/16 for SCRS and are 4.856 for 6/30/14; 4.796 for 6/30/15; and 4.665 for 6/30/16 for PORS.

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

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

**Actuarial Assumptions**

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Actuarial assumptions and methods used during the annual valuation process are subject to periodic revision, typically with an experience study, as actual results over an extended period of time are compared with past expectations and new estimates are made about the future.

South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued as of July 1, 2015. The June 30, 2016, total pension liability, net pension liability, and sensitivity information were determined by the Systems' consulting actuary and are based on the July 1, 2015, actuarial valuations, as adopted by the PEBA Board and SFAA which utilized membership data as of July 1, 2015. The total pension liability was rolled-forward from the valuation date to the System's fiscal year ended June 30, 2016, using generally accepted actuarial principles. Information included in the following schedules is provided by PEBA to participating employers based on the certification provided by the Systems' actuary.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 12 - RETIREMENT PLAN (continued)**

***Actuarial Assumptions (continued)***

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

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

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

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

***Net Pension Liability***

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2016, for SCRS and PORS are presented below (amounts expressed in thousands).

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability(Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
SCRS	\$45,356,214	\$23,996,362	\$21,359,852	52.9%
PORS	6,412,511	3,876,036	2,536,475	60.4%

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 12 - RETIREMENT PLAN (continued)**

***Net Pension Liability (continued)***

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

***Long-term Expected Rate of Return***

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

The expected returns, along with the expected inflation rate, form the basis for the revised target asset allocation adopted beginning January 1, 2016. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentages and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.50 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 12 - RETIREMENT PLAN (continued)**

***Long-term Expected Rate of Return (continued)***

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
<b>Global Equity</b>	<b>43.0%</b>		
Global Public Equity	34.0%	6.52%	2.22%
Private Equity	9.0%	9.30%	0.84%
<b>Real Assets</b>	<b>8.0%</b>		
Real Estate	5.0%	4.32%	0.22%
Commodities	3.0%	4.53%	0.13%
<b>Opportunistic</b>	<b>20.0%</b>		
GTAA/Risk Parity	10.0%	3.90%	0.39%
HF (Low Beta)	10.0%	3.87%	0.39%
<b>Diversified Credit</b>	<b>17.0%</b>		
Mixed Credit	5.0%	3.52%	0.17%
Emerging Markets Debt	5.0%	4.91%	0.25%
Private Debt	7.0%	4.47%	0.31%
<b>Conservative Fixed Income</b>	<b>12.0%</b>		
Core Fixed Income	10.0%	1.72%	0.17%
Cash and Short Duration (Net)	2.0%	.71%	0.01%
<b>Total Expected Real Return</b>	<b>100.0%</b>		5.10%
Inflation for Actuarial Purposes			2.75%
<b>Total Expected Nominal Return</b>			<b>7.85%</b>

***Discount Rate***

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

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 12 - RETIREMENT PLAN (continued)**

***Sensitivity Analysis***

The following table presents the County's and Harvin Clarendon County Library's proportionate share of the collective net pension liability calculated using the discount rate of 7.50 percent, as well as what the County's proportionate share of the employers' net pension liability would be if it were calculated using a discount rate that is 1.00 percent lower (6.50 percent) or 1.00 percent higher (8.50 percent) than the current rate:

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

<u>System</u>	<u>1.00% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1.00% Increase (8.50%)</u>
<b>County:</b>			
SCRS	\$ 3,609,624	\$ 10,909,758	\$ 8,662,221
PORS	\$ 11,590,391	\$ 8,843,800	\$ 6,375,232
<b>Harvin Clarendon County Library:</b>			
SCRS	\$ 799,908	\$ 641,223	\$ 509,123

***Additional Financial and Actuarial Information***

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' separately issued Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for SCRS and PORS. Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2016.

***Payables to the Pension Plan***

As of June 30, 2017, the County had \$165,913 in payables outstanding to the pension plans for its legally required contributions. The Library had \$5,088 in payables outstanding to the pension plan for its legally required contributions.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS**

**Background**

Beginning in the fiscal year ending June 30, 2009, Clarendon County implemented Governmental Accounting Standards Board (GASB) Statement No. 45 for other postemployment benefits (OPEB) offered to retirees. This standard addresses how local governments should account for and report their costs related to postemployment health care and other non-pension benefits, such as the County's retiree health benefit subsidy. Historically, the County's subsidy was funded on a pay-as-you-go basis but GASB 45 requires that the County accrue the cost of the retiree health subsidy and other postemployment benefits during the period of employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability in order to accurately account for the total future cost of postemployment benefits and the financial impact on the County. This funding methodology mirrors the funding approach used for pension benefits.

**Plan Description**

Other postemployment benefits provided by the County include a retiree health insurance premium contribution plan that covers retirees.

Some retirees, who are referred to as "non-funded retirees," are eligible for insurance but must pay the full premium, which includes the retiree share plus the employer contribution. These retirees worked in an insurance-eligible position prior to May 2, 2008, with an employer participating in the state insurance program and include:

- Employees who are eligible to retire and have at least five years, but fewer than 10 years, of earned SCRS service credit with a participating state insurance program employer.
- Former County Council members who served on Council for at least 12 years and were covered under the state's plan when they left the Council. It is up to the County Council to decide whether to allow former members to have this coverage.

Whether you are a funded or a non-funded retiree, the following types of service do not count toward your earned service credit requirement for insurance eligibility: non-qualified, federal, military, out-of-state employment, educational service, leave of absence, unused sick leave or service with employers that do not participate in the state insurance program.

Retirees under the retiree health plan prior to July 1, 2005 will be grandfathered into the system, with their (retiree) monthly premiums paid by the County. A retiree who has elected to cover their spouse and/or eligible dependent children will continue to be responsible for paying the entire cost of the dependent's monthly insurance premium as set by the State Employee Insurance Program.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)**

**Employees Hired Before May 2, 2008**

If you worked in an insurance-eligible position prior to May 2, 2008, with an employer participating in the state insurance program, your health insurance benefits in retirement are eligible for funding if you fall into one of these categories:

- Employees who leave employment when they are eligible to retire and have at least 10 years of earned service credit with an employer that participates in the state insurance program.
- Employees who leave employment before they are eligible to retire and who have at least 20 years of earned SCRS service credit with an employer that participates in the state insurance program. These employees are not eligible for insurance coverage until age 60 when they are eligible to receive a retirement check. Employees who qualify under the Police Officers Retirement System (PORS) become eligible at age 55.
- Employees who left employment before 1990 and who were not eligible to retire, but who had 18 years of earned SCRS service credit and returned to work with a participating group, enrolled in a state health and dental plan, and worked for at least two consecutive years in a full-time, permanent position.

**Employees Hired on or After May 2, 2008**

New retiree insurance provisions were created by Act 195 of 2008 that apply to new employees hired on or after May 2, 2008. At retirement, you must meet established insurance eligibility rules, and funding for your health insurance will be determined by calculating the number of years of earned service with an employer participating in the state insurance program.

These new funding provisions apply to SCRS and PORS participants, as follows:

- a) If the retiree's earned service credit in a state retirement system is five or more years, but fewer than fifteen years with a state-covered entity, then the retiree shall pay the full premium for the Plan. (There will be no employer contribution for individuals in this category, and they will be obligated to pay the entire premium.)
- b) If the retiree's earned service credit in a state retirement system is fifteen or more years, but fewer than twenty-five years with a state-covered entity, then the retiree is eligible for fifty percent County paid premiums and the retiree shall pay the remainder of the premiums cost. (Individuals in this category will receive an employer contribution equal to half of the "regular" State contribution, and will be obligated to pay the difference of the total premium and partial State contribution.)

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)**

**Employees Hired on or After May 2, 2008 (continued)**

- c) If the retiree's earned service credit in a state retirement system is twenty-five or more years with a state-covered entity, then the retiree pays the full premium. There is no county contribution.

**Funding Policy**

The County has elected not to pre-fund OPEB liabilities and to fund healthcare benefits on a pay-as-you-go basis.

**Annual OPEB Cost and Net OPEB Obligation**

The annual cost of other postemployment benefits (OPEB) under GASB 45 is called the annual required contribution or ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current employer contribution rates for the County are 0 percent.

The County's annual OPEB cost and the net OPEB obligation is based on a 3.75% discount rate, including an inflation component of 2.25%, and amortizing the initial unfunded actuarial liability over 30 years based on a level percent of payroll method for 2017 is as follows:

Annual required contribution	\$ 1,288,881
Interest on net OPEB obligation	227,289
Adjustment to annual required contribution	<u>(228,152)</u>
Annual OPEB cost (expense)	1,288,018
Contributions made	<u>(514,134)</u>
Increase (decrease) in net OPEB obligation	773,884
Net OPEB obligation, beginning of year	<u>6,061,010</u>
Net OPEB obligation, end of year	<u>\$ 6,834,894</u>

**Actuarial Methods and Assumptions**

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

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)**

**Actuarial Methods and Assumptions (continued)**

The Projected Unit Credit, Level Percent of Payroll actuarial cost method has been used to calculate the GASB ARC for this valuation. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability. If experience is in accordance with the assumptions used, the ARC will increase at approximately the same rate as active member payroll, and the ARC as a percentage of payroll will remain basically level on a year to year basis. This is both an accepted and reasonable cost method.

**Trend Information:**

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Employer Amount Contributed</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2015	\$ 1,152,490	\$ 373,479	32.4%	\$ 5,294,757
June 30, 2016	\$ 1,189,194	\$ 422,941	35.6%	\$ 6,061,010
June 30, 2017	\$ 1,288,017	\$ 514,134	39.9%	\$ 6,834,894

**Funded Status and Funding Progress:**

As of July 1, 2016, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$16,091,323, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$16,091,323. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the County's retiree health care plan are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)**

**Harvin Clarendon County Library**

**Background**

Beginning in fiscal year ended June 30, 2010, Harvin Clarendon County Library implemented Governmental Accounting Standards Board (GASB) Statement No. 45 for other post-employment benefits (OPEB) offered to retirees.

**Plan Description**

Other postemployment benefits provided by the Library include a retiree health insurance premium contribution plan that covers retirees with the same benefits provided by the County as described above.

**Funding Policy**

The Library has elected not to pre-fund OPEB liabilities and to fund healthcare benefits on a pay as you go basis.

**Annual OPEB Cost and Net OPEB Obligation**

The Library has elected to calculate the annual required contribution of the Library (ARC) and related information using the Alternative Measurement Method permitted by GASB Statement No. 45 for employers in plans with fewer than one hundred total plan members. The Library's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 25 years.

The Library's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

**Schedule of Employer Contributions**

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Amount Contributed</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2015	\$ 34,248	\$ 6,434	18.8%	\$ 171,336
June 30, 2016	\$ 63,932	\$18,333	28.7%	\$ 216,935
June 30, 2017	\$ 65,575	\$25,621	39.07%	\$ 257,890

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)**

**Funded Status and Funding Progress**

As of June 30, 2017, the plan assets were \$-0-, the actuarial accrued liability for benefits was \$642,445, the total unfunded actuarial liability is \$642,445, and the actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio) is 0%. The covered payroll (annual payroll of active employees covered by the plan) was \$302,167, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 213%.

Annual required contribution	\$ 65,661
Interest on net OPEB obligation	9,762
Adjustment to annual required contribution	<u>(8,847)</u>
Annual OPEB cost (expense)	66,576
Estimated contributions made	<u>(25,621)</u>
Increase (decrease) in net OPEB obligation	40,955
Net OPEB obligation, beginning of year	<u>216,935</u>
Net OPEB obligation, end of year	<u>\$ 257,890</u>

**Methods and Assumptions**

These are detailed in the Library's separate notes to the financial statements.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 14 - FUND BALANCE REPORTING**

The County and Library have classified their fund balances with the following hierarchy: Nonspendable, Restricted, Committed, Assigned and Unassigned according to GASB Statement 54.

The County fund balance as of June 30, 2017 was classified as follows:

<u>Description</u>	<u>General Fund</u>	<u>Capital Projects</u>	<u>General County Debt Svc</u>	<u>Fire Depart.</u>	<u>C-Program Roads</u>	<u>E-911</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
<b>Nonspendable:</b>								
Inventory	\$ 70,186	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,186
<b>Restricted:</b>								
LOST Reserve	1,020,804	-	-	-	-	-	-	1,020,804
Local drug interdiction	-	-	-	-	-	-	814,026	814,026
Solicitor's office	-	-	-	-	-	-	252,803	252,803
Debt service	-	-	1,847,324	-	-	-	155,960	2,003,284
911 Center improvements	-	-	-	-	-	1,011,907	-	1,011,907
<b>Committed:</b>								
DSS bldg. project	-	1,493,739	-	-	-	-	-	1,493,739
<b>Assigned:</b>								
Other capital projects	-	1,128,483	-	-	-	-	-	1,128,483
Encumbrances	20,956	-	-	364,482	-	-	-	385,438
Fire protection	-	-	-	807,806	-	-	-	807,806
Local law enforcement	2,463	-	-	-	-	-	-	2,463
Road improvements	-	-	-	-	1,265,447	-	-	1,265,447
I-95 Mega-site	45,836	-	-	-	-	-	-	45,836
Vocational school appropriation	-	-	-	-	-	-	4,803	4,803
Tourism related efforts	-	-	-	-	-	-	248,670	248,670
Clerk of Court discretionary	6,794	-	-	-	-	-	-	6,794
Archives collection	320	-	-	-	-	-	-	320
<b>Unassigned:</b>	<u>1,387,414</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,387,414</u>
<b>Total fund balances</b>	<u>\$ 2,554,773</u>	<u>\$ 2,622,222</u>	<u>\$ 1,847,324</u>	<u>\$ 1,172,288</u>	<u>\$ 1,265,447</u>	<u>\$ 1,011,907</u>	<u>\$ 1,476,262</u>	<u>\$ 11,950,223</u>

**Discretely Presented Component Units:**

The fund balances as of June 30, 2017 was classified as follows:

<u>Description</u>	<u>Harvin Clarendon County Library</u>	<u>Business Development Commission</u>
Non-spendable	\$ 23,626	\$ -
Restricted	-	1,321,154
<b>Committed:</b>		
Capital building fund	95,000	-
Assigned	-	-
Unassigned	<u>68,886</u>	<u>34,487</u>
<b>Total fund balances</b>	<u>\$ 187,512</u>	<u>\$ 1,355,641</u>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 15 - RISK MANAGEMENT**

The County is exposed to various risks of loss and maintains elements of both self-insurance and purchased insurance policies divided into coverage for worker's compensation, property and casualty and employee health insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. The County also pays insurance premiums to certain other commercial insurers to cover risks that may occur in normal operations. The insurers promise to pay to or on behalf of the insured for covered economic losses sustained during the policy in accordance with insurance policy and benefit program limits. State funds accumulate assets and the State itself assumes substantially all risks for the following:

- 1) Claims of covered public employees for health and dental insurance benefits (Office of Insurance Services) and
- 2) Claims of covered public employees for long-term disability and group-life insurance benefits (Retirement System).

The County assumes the risk for unemployment compensation benefits by paying directly to the Employment Security Commission actual claims filed against the County.

Employees elect health coverage of either a health maintenance organization or through the State's self-insured plan. All other insurance coverages listed above are through the applicable State self-insured plan except dependent and optional life premiums which are remitted to commercial carriers.

The County has recorded insurance premium expenditures in the applicable functional expenditure categories of the unrestricted current funds. These expenditures do not include estimated claim losses and estimable premium adjustments.

The County has not reported a supplemental premium assessment expenditure, and the related liability at June 30, 2017, because the requirements of GASB Statement No. 10, which state that a liability for supplemental assessments must be reported if information prior to issuance of the financial statements indicates that it is probable that an asset has been impaired or a liability has been incurred on or before June 30, 2017, and that the amount of the premium is reasonably estimable, have not been satisfied.

In management's opinion, supplemental premium assessments, if any, would not be significant enough to have a material adverse effect on the financial position of the County.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 16 - CONTINGENCIES AND COMMITMENTS**

**Grants:**

The County participates in a number of federally assisted grant programs and state funded grant programs. These programs are subject to financial compliance audits by the County's auditors and by auditors of the federal or state grantor agencies. Upon audit, should it be determined that the County has failed to comply with applicable requirements of the grants, then some or all of the grant expenditures may be disallowed and a portion of the grant expenditures may become reimbursable to the grantor.

**Construction Commitments:**

In February, 2017, the County entered into a contract with a builder in the amount of \$2,114,563 (includes change-orders) for renovations and improvements to facility for the purpose of housing the new County Coroner's office, State Department of Social Services office and State Probation and Parole office. As of June 30, 2017, the County had incurred \$937,975 in costs. The project is anticipated to be completed December, 2017.

**Other Matters**

On January 8, 2017 the South Carolina Department of Revenue (*Agency*) entered into an agreement with Farmers Telephone Cooperative Corp. (FTC), FTC Communications, LLC and FTC Diversified Services, LLC (*Taxpayers*) exempting taxpayers from any local property tax on real and personal property located outside of a municipality. The exemption was granted pursuant to SC Code 12-37-220(B)(10), as interpreted by Agency. Additionally, the exemption shall be retroactive to tax year 2010 and all taxes paid (net) are to be refunded/returned to Taxpayers. The County has brought an action before the SC Administrative Court requesting that said agreement be found null and void. A hearing is anticipated at some point in calendar year 2018. Lastly, no determination has been made by the Agency as to the specific amount(s) involved, either in terms of future ad valorem revenue or refunds owed. County Auditor and Treasurer have estimated the potential impact to be as follows within its Governmental funds:

Governmental Fund	Annual revenue (net) tax year 2015	Total potential refund
General Fund	\$ 82,760	\$ 408,371
General County Debt	4,056	18,893
Fire Operating	18,742	83,585
Fire Debt	369	3,666
Other	<u>1,966</u>	<u>11,843</u>
Total	\$ 107,893	\$ 526,358

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 17 - TAX ABATEMENT DISCLOSURES**

As of June 30, 2017, the County provides tax incentives under two programs: Fee in Lieu of Tax Agreements (FILO) and Special Source Revenue Credits (SSRCs). The purpose of both programs is the retention of jobs, job growth and/or capital investment. The County has entered into fee in lieu of tax agreements pursuant to the authority granted by Title 12, Chapter 44, Title 4, Chapter 29, and/or Title 4, Chapter 12 of the Code of Laws of South Carolina, 1976, as amended. Property subject to a fee in lieu of tax agreement is exempt from ad valorem property tax and is instead subject to a fee in lieu of tax equal to the product of the value of the property, an assessment ratio that is generally no lower than 6% (but may be as low as 4% for extraordinary projects that satisfy the statutory definition of an "enhanced investment"), and a millage rate that is either fixed for the life of the agreement or is adjusted every five years based on the trailing five-year average. Generally, the taxpayer must invest at least \$2.5 million within a 5-6 year period, beginning with the date the property is placed in service and ending five years after the last day of the property tax year in which the property is initially placed in service. For the fiscal year ended June 30, 2017, the County abated property taxes totaling \$6,232,456 under its various fee in lieu of tax agreements.

In addition, the County provides special source revenue credits, generally in conjunction with fee in lieu of tax agreements, pursuant to the authority granted by Sections 4-29-68 and 4-1-170 of the Code of Laws of South Carolina, 1976, as amended. Special source revenue credits, often referred to as SSRCs or "Infrastructure Credits", are reductions to a taxpayer's payments in lieu of taxes. Generally, property that receives SSRCs is added to a "multi-county industrial park" pursuant to Sections 4-1-170 – 4-1-175 of the Code of Laws of South Carolina, 1976, as amended. Most multi-county industrial park agreements allocate 1% of property tax (or fee in lieu of tax) revenue to the partner county. Generally, the SSRCs are utilized to offset costs of design, acquiring, construction, improving, or expanding improved or unimproved real estate and personal property used in the operation of a manufacturing or commercial enterprise, or infrastructure serving the project. For the fiscal year ended June 30, 2017, the County abated property taxes totaling \$11,697 under its special source revenue credits.

**NOTE 18 - PENDING IMPLEMENTATION OF GASB STATEMENT ON OPEB**

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB #75), which was issued by the Governmental Accounting Standards Board (GASB) in June 2015, is required to be implemented by the County for the year ended June 30, 2018. The primary objective of this GASB #75 is to improve accounting and financial reporting by state and local governments for OPEB. It also improves information provided by state and local government employers about financial support for OPEB that are provided by other entities. It is GASB's intention that GASB #75 will provide citizens and other users of the financial statements with a clearer picture of the size and nature of the County's financial obligations to current and former employees for past services rendered.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 18 - PENDING IMPLEMENTATION OF GASB STATEMENT ON OPEB (continued)**

In particular, GASB #75 will require the County to recognize a net OPEB liability (and related deferred outflows and inflows of resources) for its participation in the State Health Plan on financial statements prepared on the economic resources measurement focus and accrual basis of accounting (i.e., the Statement of Net Position) and present more extensive note disclosures. It is anticipated that its implementation will not have a significant impact on the County's governmental funds.

The County has been in communications with its actuary on the effect of implementing this GASB #75. Based on recent information provided by the actuary, it is anticipated that the County's net OPEB liability for its OPEB plan and its proportionate share of the net OPEB liability associated with the State Health Plan will decrease its governmental and business-type activities beginning net position for the year ended June 30, 2018 by a material amount, although the exact amount has yet to be determined.

**NOTE 19 - SUBSEQUENT EVENTS**

In September, 2011, the County received a Letter of Conditions from the US Department of Agriculture for a \$4,000,000 expansion project of its water system. The project will be primarily financed through a \$1,481,000 RDA grant and an RDA loan of \$2,501,000, at 3.375% amortized over 40 years. The expansion project is pending final approval from the US Department of Agriculture prior to going out for bid in the beginning of calendar year 2018.

In August, 2017 the County issued \$250,000 Capital Lease (lease/purchase agreement) to purchase and equip multiple motor vehicles. Due in monthly instalments of \$4,432, including interest, the first payment is due January 1, 2018 and ending on December 1, 2022.

In November, 2017, the County issued General Obligation Bond Anticipation Note (Series 2017C) in the amount of \$750,000 to mature November 9, 2018. This issuance represents the balance outstanding of General Obligation Bond Anticipation Note (Series 2016C) originally in the amount of \$750,000 which matured November 10, 2017. General Obligation Bond Anticipation Note (Series 2016C) represented the balance outstanding of General Obligation Bond Anticipation Note (Series 2015E), originally in the amount of \$1,750,000; proceeds were used primarily for capital repairs and construction to county owned and maintained roads; as well as expansion to Class II landfill and acquisition of various vehicles.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2017**

	(1)	(2)	(3)	(4)	(5)	(6)	
	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (2)-(1)	Funded Ratio (1)/(2)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll ((2)-(1))/(5)
Clarendon County	6/30/2008	\$ -	\$ 9,405,998	\$ 9,405,998	0.00%	\$ 6,918,209	135.96%
	6/30/2010	\$ -	\$ 9,541,664	\$ 9,541,664	0.00%	\$ 7,490,632	127.38%
	6/30/2012	\$ -	\$ 11,805,065	\$ 11,805,065	0.00%	\$ 7,352,588	160.56%
	6/30/2014	\$ -	\$ 11,751,540	\$ 11,751,540	0.00%	\$ 8,982,634	130.83%
	6/30/2016	\$ -	\$ 16,091,323	\$ 16,091,323	0.00%	\$ 9,468,229	169.95%

The County implemented GASB 45 in Fiscal Year 2009; therefore, six years of data is not available, but will be accumulated over time. The valuation has been calculated using the Projected Unit Credit Actuarial Cost Method, discount rates of 4.5%, and the initial unfunded actuarial liability is amortized over 30 years based on a level percent of payroll method. It should be noted that an actuarial cost method determines a contribution or expense by assigning portions of the present value of projected benefits to various years with the general goal of accruing the cost of benefits over the working lifetime of the employees.

**Schedules of Required Supplementary Information**  
**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (SCRS) and (PORS)**  
 Last 10 Fiscal Years

<b>SCRS</b>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
County's proportion of the net pension liability (asset)	0.051076%	0.050338%	0.051777%	0.051777%	NA*	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset)	\$ 10,909,758	\$ 9,546,844	\$ 8,914,283	\$ 9,286,947	NA*	NA*	NA*	NA*	NA*	NA*
County's covered-employee payroll	\$ 4,991,257	\$ 4,946,164	\$ 4,719,753	\$ 4,700,195	NA*	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	218.58%	193.02%	188.87%	197.59%	NA*	NA*	NA*	NA*	NA*	NA*
Plan fiduciary net position as a percentage of the total pension liability	52.90%	57.00%	59.90%	56.40%	NA*	NA*	NA*	NA*	NA*	NA*
<b>PORS</b>										
County's proportion of the net pension liability (asset)	0.348660%	0.344100%	0.343190%	0.343190%	NA*	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset)	\$ 8,843,800	\$ 7,499,560	\$ 6,570,219	\$ 7,114,338	NA*	NA*	NA*	NA*	NA*	NA*
County's covered-employee payroll	\$ 4,476,972	\$ 4,445,013	\$ 4,262,881	\$ 4,127,257	NA*	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	197.54%	168.72%	154.13%	172.37%	NA*	NA*	NA*	NA*	NA*	NA*
Plan fiduciary net position as a percentage of the total pension liability	60.40%	64.60%	67.50%	63.00%	NA*	NA*	NA*	NA*	NA*	NA*

NA\* - Not Available

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Source: Audit report on the schedules of employer allocations, schedules of pension amounts by employer, and related notes of the South Carolina Retirement Systems, as administered by the SC Public Employee Benefits Authority for the year ended June 20, 2016.

**SCHEDULE OF COUNTY CONTRIBUTIONS (SCRS) and (PORS)**

Last 10 Fiscal Years

**SCRS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually required contribution	\$ 576,989	\$ 547,030	\$ 514,453	\$ 498,271	NA*	NA*	NA*	NA*	NA*	NA*
Contributions in relation to the contractually required contribution	\$ (576,989)	\$ (547,030)	(514,453)	\$ (498,271)	NA*	NA*	NA*	NA*	NA*	NA*
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 4,991,257	\$ 4,946,164	\$ 4,719,753	\$ 4,700,195	NA*	NA*	NA*	NA*	NA*	NA*
Contributions as a percentage of covered-employee payroll	11.56%	11.06%	10.90%	10.60%	NA*	NA*	NA*	NA*	NA*	NA*

**PORS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually required contribution	\$ 637,524	\$ 610,745	\$ 571,651	\$ 530,004	NA*	NA*	NA*	NA*	NA*	NA*
Contributions in relation to the contractually required contribution	(637,524)	\$ (610,745)	(571,651)	\$ (530,004)	NA*	NA*	NA*	NA*	NA*	NA*
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 4,476,972	\$ 4,445,013	\$ 4,262,881	\$ 4,127,257	NA*	NA*	NA*	NA*	NA*	NA*
Contributions as a percentage of covered-employee payroll	14.24%	13.74%	13.41%	NA*	NA*	NA*	NA*	NA*	NA*	NA*

NA\* - Not Available

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Source: Town quarterly retirement contribution reports.

## **COMBINING AND INDIVIDUAL FUND SCHEDULES**

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Disaster Relief	To account for restricted revenues received after flood of October, 2015 for disaster relief efforts within the county.
Bureau of Tourism Accommodations	To account for the County's portion of accommodations taxes.
Hospitality Tax	To account for the County's collection of hospitality taxes.
Drug Enforcement and Other Sheriff's Funds	To account for restricted revenues received by the Sheriff.
Special Purpose District	To account for ad valorem taxes collected to be used for F. E. DuBose Career Center (vocational training)
Victims Advocate	To account for state assessments and surcharges on fines to be used for victim services.
Third Circuit Drug Court	To account for restricted revenue for operation of drug court

### DEBT SERVICE FUNDS

Fire Protection	To account for the accumulation of ad valorem taxes to pay the principal, interest, and fiscal charges.
-----------------	---

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

	<u>Special Revenue</u>			
	Bureau of Tourism Accommodation Fund	Hospitality Tax Fund	Drug Enforcement and Other Sheriff's Fund	Special Purpose District
<b>ASSETS</b>				
Cash and cash equivalents	\$ 54,610	\$ 169,776	\$ 814,026	\$ -
Accounts receivable	-	26,988	-	-
Delinquent taxes receivable	-	-	-	131,128
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 54,610</u>	<u>\$ 196,764</u>	<u>\$ 814,026</u>	<u>\$ 131,128</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY</b>				
Liabilities:				
Accounts payable	\$ 2,704	\$ -	\$ -	\$ -
Total Liabilities	<u>2,704</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable Revenue - Property Taxes	-	-	-	126,325
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,325</u>
Fund Equity:				
Fund balances:				
Restricted	-	-	814,026	-
Assigned	51,906	196,764	-	4,803
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Equity	<u>51,906</u>	<u>196,764</u>	<u>814,026</u>	<u>4,803</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Equity	<u>\$ 54,610</u>	<u>\$ 196,764</u>	<u>\$ 814,026</u>	<u>\$ 131,128</u>

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

	<u>Special Revenue</u>		<u>Debt Service</u>		<b>Total Nonmajor Governmental Funds</b>
	<b>Victims Advocate Fund</b>	<b>Third Circuit Drug Court</b>	<b>Fire Protection</b>		
<b>ASSETS</b>					
Cash and cash equivalents	\$ (684)	\$ 252,900	\$ 154,706		\$ 1,445,334
Accounts receivable	1,000	-	-		27,988
Delinquent taxes receivable	-	-	10,454		141,582
	<u>-</u>	<u>-</u>	<u>10,454</u>		<u>141,582</u>
Total Assets	<u>\$ 316</u>	<u>\$ 252,900</u>	<u>\$ 165,160</u>		<u>\$ 1,614,904</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY</b>					
Liabilities:					
Accounts payable	\$ 316	\$ 97	-		\$ 3,117
Total Liabilities	<u>316</u>	<u>97</u>	<u>-</u>		<u>3,117</u>
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes	-	-	9,200		135,525
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>9,200</u>		<u>135,525</u>
Fund Equity:					
Fund balances:					
Restricted	-	252,803	155,960		1,222,789
Assigned	-	-	-		253,473
	<u>-</u>	<u>-</u>	<u>-</u>		<u>253,473</u>
Total Fund Equity	<u>-</u>	<u>252,803</u>	<u>155,960</u>		<u>1,476,262</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Equity	<u>\$ 316</u>	<u>\$ 252,900</u>	<u>\$ 165,160</u>		<u>\$ 1,614,904</u>

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

	Special Revenue				
	Disaster Relief Fund	Bureau of Tourism Accommodation Fund	Hospitality Tax Fund	Drug Enforcement and Other Sheriff's Fund	Special Purpose District
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ 309,642	\$ -	\$ 371,896
Intergovernmental	-	132,252	-	-	-
Fines and forfeitures	-	-	-	689,328	-
Interest	-	19	66	185	-
Total Revenues	<u>-</u>	<u>132,271</u>	<u>309,708</u>	<u>689,513</u>	<u>371,896</u>
<b>EXPENDITURES</b>					
Current:					
General government	22,324	-	7,597	-	395,076
Public safety	-	-	-	157,318	-
Culture/Recreation	-	137,748	-	-	-
Court related	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fees	-	-	-	-	-
Capital outlay	-	-	-	36,043	-
Total Expenditures	<u>22,324</u>	<u>137,748</u>	<u>7,597</u>	<u>193,361</u>	<u>395,076</u>
Excess of revenues over (under) expenditures	<u>(22,324)</u>	<u>(5,477)</u>	<u>302,111</u>	<u>496,152</u>	<u>(23,180)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (out)	-	(10,000)	(292,164)	37,734	23,909
Total Other Financing Sources (Uses)	<u>-</u>	<u>(10,000)</u>	<u>(292,164)</u>	<u>37,734</u>	<u>23,909</u>
Net change in fund balances	<u>(22,324)</u>	<u>(15,477)</u>	<u>9,947</u>	<u>533,886</u>	<u>729</u>
Fund balances at beginning of year	<u>22,324</u>	<u>67,383</u>	<u>186,817</u>	<u>280,140</u>	<u>4,074</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 51,906</u>	<u>\$ 196,764</u>	<u>\$ 814,026</u>	<u>\$ 4,803</u>

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

	Special Revenue		Debt Service	
	Victims Advocate Fund	Third Circuit Drug Court	Fire Protection	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 83,557	\$ 765,095
Intergovernmental	24,000	280,000	-	436,252
Fines and forfeitures	44,361	-	-	733,689
Interest	-	222	794	1,286
Total Revenues	68,361	280,222	84,351	1,936,322
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	424,997
Public safety	68,361	-	-	225,679
Culture/Recreation	-	-	-	137,748
Court related	-	222,431	-	222,431
Debt service:				
Principal	-	-	66,371	66,371
Interest and fees	-	-	38,792	38,792
Capital outlay	-	-	-	36,043
Total Expenditures	68,361	222,431	105,163	1,152,061
Excess of revenues over (under) expenditures	-	57,791	(20,812)	784,261
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)	-	(5,000)	-	(245,521)
Total Other Financing Sources (Uses)	-	(5,000)	-	(245,521)
Net change in fund balances	-	52,791	(20,812)	538,740
Fund balances at beginning of year	-	200,012	176,772	937,522
Fund balances at end of year	\$ -	\$ 252,803	\$ 155,960	\$ 1,476,262

**CLARENDON COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
<b>REVENUES</b>						
<b>Taxes</b>						
Real estate taxes	\$ 10,212,000	\$ 10,212,000	\$ 10,005,286	\$ -	\$ 10,005,286	\$ (206,714)
Local option sales tax	2,400,000	2,400,000	2,613,922	-	2,613,922	213,922
Vehicle taxes	1,642,410	1,642,410	1,638,667	-	1,638,667	(3,743)
Delinquent taxes	1,570,000	1,570,000	1,153,955	-	1,153,955	(416,045)
Local accommodations	215,000	215,000	219,807	-	219,807	4,807
Payment in lieu of taxes	110,000	110,000	45,406	-	45,406	(64,594)
Treasurer's cost to cities	25,000	25,000	31,027	-	31,027	6,027
Payment in lieu - motor carrier	160,000	160,000	190,386	-	190,386	30,386
Total taxes	16,334,410	16,334,410	15,898,456	-	15,898,456	(435,954)
<b>Licenses and permits</b>						
Moving permits	2,000	2,000	2,900	-	2,900	900
Building permits	100,000	100,000	110,586	-	110,586	10,586
Total licenses and permits	102,000	102,000	113,486	-	113,486	11,486
<b>Charges for services</b>						
Assessors fees	3,500	3,500	3,355	-	3,355	(145)
Master in Equity fees	10,000	10,000	8,875	-	8,875	(1,125)
Probate fees	65,000	65,000	38,198	-	38,198	(26,802)
Planning and public service fees	7,000	7,000	8,530	-	8,530	1,530
ROD fees and charges	150,000	150,000	165,211	-	165,211	15,211
Animal control fees	2,000	2,000	1,090	-	1,090	(910)
Landfill fees	195,000	195,000	316,446	-	316,446	121,446
County road user fee	1,043,000	1,043,000	995,723	-	995,723	(47,277)
Municipal inmate housing	23,500	23,500	21,135	-	21,135	(2,365)
Total charges for services	1,499,000	1,499,000	1,558,563	-	1,558,563	59,563
<b>Fines and forfeitures</b>						
Clerk of court fines and fees	127,000	127,000	119,104	-	119,104	(7,896)
Magistrate fines and fees	310,000	310,000	266,911	-	266,911	(43,089)
Sheriff's fines and fees	500	500	1,110	-	1,110	610
	437,500	437,500	387,125	-	387,125	(50,375)
<b>Investment income</b>						
	-5,200	5,200	1,664	-	1,664	(3,536)
<b>Miscellaneous</b>						
Hangar rent	44,000	44,000	45,250	-	45,250	1,250
Multi-County Industrial Park	85,000	85,000	86,874	-	86,874	1,874
Miscellaneous revenue	195,375	195,375	224,512	-	224,512	29,137
Recreation Programs	79,000	79,000	60,739	-	60,739	(18,261)
Franchise fees	125,000	125,000	117,679	-	117,679	(7,321)
Contributions	15,000	15,000	3,289	-	3,289	(11,711)
	543,375	543,375	538,343	-	538,343	(5,032)

CLARENDON COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
<b>Intergovernmental</b>						
<b>State</b>						
Accommodations tax	32,500	32,500	31,961	-	31,961	(539)
Merchant's inventory tax	48,900	48,900	48,909	-	48,909	9
Solid waste tire fees	14,000	14,000	15,218	-	15,218	1,218
State aid and allocations	1,361,700	1,361,700	1,389,646	-	1,389,646	27,946
Election commission	69,500	69,500	33,676	-	33,676	(35,824)
Clerk/Sheriff/Probate Judge supplements	7,900	7,900	7,875	-	7,875	(25)
Parks and Recreation	-	-	56,250	-	56,250	56,250
EMS Grant in aid	-	-	7,858	-	7,858	7,858
Waste oil grant(s)	-	-	6,453	-	6,453	6,453
Waste tire grant(s)	-	-	18,774	-	18,774	18,774
Solid waste grant(s)	-	-	3,000	-	3,000	3,000
State Proviso - Hurricane Matthew	-	-	25,451	-	25,451	25,451
Law Enforcement Body Cameras	-	-	20,127	-	20,127	20,127
DHEC Coroner Preparedness	-	-	11,231	-	11,231	11,231
Economic Development grant(s)	-	-	197,707	-	197,707	197,707
<b>Federal</b>						
Veterans affairs	4,500	4,500	4,704	-	4,704	204
Title IV-D Clerk of Court	100,000	100,000	110,998	-	110,998	10,998
Title IV-D Sheriff	5,000	5,000	4,373	-	4,373	(627)
DSS - Revenue	35,000	35,000	42,277	-	42,277	7,277
USDA NRCS grant(s)	-	-	34,490	-	34,490	34,490
Emergency management grants	-	-	65,086	-	65,086	65,086
FEMA Flood 2015	-	-	347,271	-	347,271	347,271
FEMA Hurricane Matthew	-	-	89,146	-	89,146	89,146
FEMA 2015 HMGP	-	-	9,162	-	9,162	9,162
FEMA Safer grants	-	-	108,362	-	108,362	108,362
Airport improvement program	-	-	20,702	-	20,702	20,702
Justice Assistance grants	-	-	282	-	282	282
	<u>1,679,000</u>	<u>1,679,000</u>	<u>2,710,989</u>	<u>-</u>	<u>2,710,989</u>	<u>1,031,989</u>
<b>TOTAL REVENUES</b>	<b>\$ 20,600,485</b>	<b>\$ 20,600,485</b>	<b>\$ 21,208,626</b>	<b>\$ -</b>	<b>\$ 21,208,626</b>	<b>\$ 608,141</b>

CLARENDON COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
<b>General Government and Administration:</b>						
Administration:						
Salaries and related Operations	\$ 256,708	\$ 256,708	\$ 257,261	\$ -	\$ 257,261	\$ (553)
	18,800	18,800	13,124	-	13,124	5,676
	<u>275,508</u>	<u>275,508</u>	<u>270,385</u>	<u>-</u>	<u>270,385</u>	<u>5,123</u>
County Council:						
Salaries and related Operations	116,421	116,421	115,915	-	115,915	506
	8,050	8,050	8,176	-	8,176	(126)
	<u>124,471</u>	<u>124,471</u>	<u>124,091</u>	<u>-</u>	<u>124,091</u>	<u>380</u>
Assessor:						
Salaries and related Operations	460,444	460,444	419,716	-	419,716	40,728
	47,580	47,580	36,997	-	36,997	10,583
	<u>508,024</u>	<u>508,024</u>	<u>456,713</u>	<u>-</u>	<u>456,713</u>	<u>51,311</u>
Auditor:						
Salaries and related Operations	199,507	199,507	185,817	-	185,817	13,690
	15,129	15,129	12,907	1,320	14,227	902
	<u>214,636</u>	<u>214,636</u>	<u>198,724</u>	<u>1,320</u>	<u>200,044</u>	<u>14,592</u>
Treasurer:						
Salaries and related Operations	197,693	197,693	194,230	-	194,230	3,463
	11,688	11,688	7,588	-	7,588	4,100
	<u>209,381</u>	<u>209,381</u>	<u>201,818</u>	<u>-</u>	<u>201,818</u>	<u>7,563</u>
Finance:						
Salaries and related Operations	320,788	320,788	310,666	-	310,666	10,122
	8,850	8,850	8,421	-	8,421	429
	<u>329,638</u>	<u>329,638</u>	<u>319,087</u>	<u>-</u>	<u>319,087</u>	<u>10,551</u>
Human Resources:						
Salaries and related Operations	171,794	171,794	181,043	-	181,043	(9,249)
	16,660	16,660	10,568	-	10,568	6,092
	<u>188,454</u>	<u>188,454</u>	<u>191,611</u>	<u>-</u>	<u>191,611</u>	<u>(3,157)</u>
Grants Administration						
Salaries and related Operations	114,422	114,422	114,271	-	114,271	151
	6,750	6,750	4,092	-	4,092	2,658
	<u>121,172</u>	<u>121,172</u>	<u>118,363</u>	<u>-</u>	<u>118,363</u>	<u>2,809</u>
Procurement						
Salaries and related Operations	120,295	120,295	119,780	-	119,780	515
	6,781	6,781	5,430	-	5,430	1,351
	<u>127,076</u>	<u>127,076</u>	<u>125,210</u>	<u>-</u>	<u>125,210</u>	<u>1,866</u>
Tax Collector:						
Salaries and related Operations	141,416	141,416	141,058	-	141,058	358
	77,815	77,815	58,130	-	58,130	19,685
	<u>219,231</u>	<u>219,231</u>	<u>199,188</u>	<u>-</u>	<u>199,188</u>	<u>20,043</u>
Voter Registration:						
Salaries and related Operations	172,536	172,536	170,629	-	170,629	1,907
	52,638	52,638	57,262	(3,559)	53,703	(1,065)
	<u>225,174</u>	<u>225,174</u>	<u>227,891</u>	<u>(3,559)</u>	<u>224,332</u>	<u>842</u>
Information Technology:						
Salaries and related Operations	112,311	112,311	112,196	-	112,196	115
	306,056	306,056	267,814	-	267,814	38,242
	<u>418,367</u>	<u>418,367</u>	<u>380,010</u>	<u>-</u>	<u>380,010</u>	<u>38,357</u>
Veterans Affairs:						
Salaries and related Operations	64,099	64,099	63,826	-	63,826	273
	5,370	5,370	6,231	-	6,231	(861)
	<u>69,469</u>	<u>69,469</u>	<u>70,057</u>	<u>-</u>	<u>70,057</u>	<u>(588)</u>

CLARENDON COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Nondepartmental Expenditures:						
Special Projects	261,789	261,789	122,068	-	122,068	139,721
Legal Assistance	22,500	22,500	10,849	-	10,849	11,651
Rent - Judicial Annex	108,000	108,000	104,157	-	104,157	3,843
Workmen's compensation	250,000	250,000	223,604	-	223,604	26,396
Audit fee	35,000	35,000	36,930	-	36,930	(1,930)
Unemployment	4,000	4,000	2,828	-	2,828	1,172
Electricity	380,000	380,000	402,011	-	402,011	(22,011)
Printing and postage	110,000	110,000	91,049	-	91,049	18,951
Christmas bonus	39,650	39,650	41,599	-	41,599	(1,949)
Property and liability insurance	316,450	316,450	316,665	-	316,665	(215)
Drug screening	5,000	5,000	6,731	-	6,731	(1,731)
Water	35,000	35,000	48,870	-	48,870	(13,870)
Retirees' insurance	500,000	500,000	491,213	-	491,213	8,787
Telephone	140,000	140,000	162,929	-	162,929	(22,929)
Holiday compensation	68,000	68,000	64,715	-	64,715	3,285
Retirement expense	1,800	1,800	2,055	-	2,055	(255)
FICA expense	9,800	9,800	8,375	-	8,375	1,425
Police retirement	7,300	7,300	6,629	-	6,629	671
Bank fees and charges	15,000	15,000	32,429	-	32,429	(17,429)
	<u>2,309,289</u>	<u>2,309,289</u>	<u>2,175,706</u>	<u>-</u>	<u>2,175,706</u>	<u>133,583</u>
Grant Expense:						
Santee Cooper airport improvement	-	-	133,755	-	133,755	(133,755)
Palmetto Pride	-	-	-	-	-	-
SC Parks and Recreation	-	-	70,312	-	70,312	(70,312)
SC Aeronautics commission	-	-	-	-	-	-
Emergency watershed	-	-	-	-	-	-
Emergency management plan(s)	-	-	49,096	-	49,096	(49,096)
EMS Grant in aid	-	-	8,386	-	8,386	(8,386)
EMS Trauma grant	-	-	-	-	-	-
Waste oil grant(s)	-	-	7,178	-	7,178	(7,178)
Waste tire grant(s)	-	-	56,416	-	56,416	(56,416)
Solid waste grant(s)	-	-	3,000	-	3,000	(3,000)
SC Law Enforcement body cameras	-	-	20,363	-	20,363	(20,363)
Central SC Alliance	-	-	-	-	-	-
FEMA Safer grant	-	-	108,362	-	108,362	(108,362)
V-Safe	-	-	1,693	-	1,693	(1,693)
DHEC Coroner preparedness	-	-	11,231	-	11,231	(11,231)
FEMA - Hurricane Matthew	-	-	95,545	-	95,545	(95,545)
FEMA HMPG	-	-	12,217	-	12,217	(12,217)
Justice Assistance grant(s)	-	-	-	-	-	-
Economic Development grant(s)	-	-	207,464	-	207,464	(207,464)
USDA Watershed grant	-	-	40,912	-	40,912	(40,912)
	<u>-</u>	<u>-</u>	<u>825,930</u>	<u>-</u>	<u>825,930</u>	<u>(825,930)</u>
Total General Government and Administration	<u>5,339,890</u>	<u>5,339,890</u>	<u>5,884,784</u>	<u>(2,239)</u>	<u>5,882,545</u>	<u>(542,655)</u>

CLARENDON COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
<b>Court Related:</b>						
Clerk of Court:						
Salaries and related Operations	179,547	179,547	179,701	-	179,701	(154)
	43,125	43,125	30,705	-	30,705	12,420
	<u>222,672</u>	<u>222,672</u>	<u>210,406</u>	<u>-</u>	<u>210,406</u>	<u>12,266</u>
Magistrates:						
Salaries and related Operations	528,864	528,864	516,501	-	516,501	12,363
	22,150	22,150	17,308	-	17,308	4,842
	<u>551,014</u>	<u>551,014</u>	<u>533,809</u>	<u>-</u>	<u>533,809</u>	<u>17,205</u>
Probate Judge:						
Salaries and related Operations	151,559	151,559	154,260	-	154,260	(2,701)
	9,165	9,165	7,222	-	7,222	1,943
	<u>160,724</u>	<u>160,724</u>	<u>161,482</u>	<u>-</u>	<u>161,482</u>	<u>(758)</u>
Family Court:						
Salaries and related Operations	143,812	143,812	143,996	-	143,996	(184)
	6,700	6,700	10,401	-	10,401	(3,701)
	<u>150,512</u>	<u>150,512</u>	<u>154,397</u>	<u>-</u>	<u>154,397</u>	<u>(3,885)</u>
Register of Deeds:						
Salaries and related Operations	85,832	85,832	85,711	-	85,711	121
	22,996	22,996	18,611	-	18,611	4,385
	<u>108,828</u>	<u>108,828</u>	<u>104,322</u>	<u>-</u>	<u>104,322</u>	<u>4,506</u>
Master in Equity:						
Salaries and related Operations	33,765	33,765	33,762	-	33,762	3
	10,020	10,020	9,819	-	9,819	201
	<u>43,785</u>	<u>43,785</u>	<u>43,581</u>	<u>-</u>	<u>43,581</u>	<u>204</u>
Title IV-D Funds - Clerk of Court:						
Salaries and related Operations	113,096	113,096	112,312	-	112,312	784
	12,000	12,000	11,427	-	11,427	573
	<u>125,096</u>	<u>125,096</u>	<u>123,739</u>	<u>-</u>	<u>123,739</u>	<u>1,357</u>
Circuit Court Judges:						
Allowance	1,000	1,000	292	-	292	708
Solicitor:						
Allowance	158,813	158,813	158,813	-	158,813	-
Public Defender:						
Allowance	75,000	75,000	75,000	-	75,000	-
	<u>234,813</u>	<u>234,813</u>	<u>234,105</u>	<u>-</u>	<u>234,105</u>	<u>708</u>
Total Court Related	<u>1,597,444</u>	<u>1,597,444</u>	<u>1,565,841</u>	<u>-</u>	<u>1,565,841</u>	<u>31,603</u>
<b>Public Safety:</b>						
Sheriff:						
Salaries and related Operations	2,784,667	2,784,667	2,643,063	-	2,643,063	141,604
	614,638	614,638	723,478	(44,586)	678,892	(64,254)
	<u>3,399,305</u>	<u>3,399,305</u>	<u>3,366,541</u>	<u>(44,586)</u>	<u>3,321,955</u>	<u>77,350</u>
Courthouse Security:						
Salaries and related Operations	223,697	223,697	167,763	-	167,763	55,934
	<u>223,697</u>	<u>223,697</u>	<u>167,763</u>	<u>-</u>	<u>167,763</u>	<u>55,934</u>
Emergency Preparedness:						
Salaries and related Operations	72,057	72,057	71,934	-	71,934	123
	14,135	14,135	9,999	1,629	11,628	2,507
	<u>86,192</u>	<u>86,192</u>	<u>81,933</u>	<u>1,629</u>	<u>83,562</u>	<u>2,630</u>
Correctional Center:						
Salaries and related Operations	1,676,178	1,676,178	1,595,880	-	1,595,880	80,298
	412,217	412,217	406,558	5,239	411,797	420
	<u>2,088,395</u>	<u>2,088,395</u>	<u>2,002,438</u>	<u>5,239</u>	<u>2,007,677</u>	<u>80,718</u>

CLARENDON COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Coroner:						
Salaries and related	50,544	50,544	51,730	-	51,730	(1,186)
Operations	92,900	92,900	123,369	-	123,369	(30,469)
	<u>143,444</u>	<u>143,444</u>	<u>175,099</u>	<u>-</u>	<u>175,099</u>	<u>(31,655)</u>
Communications:						
Salaries and related	802,545	802,545	800,466	-	800,466	2,079
Operations	5,100	5,100	4,219	-	4,219	881
	<u>807,645</u>	<u>807,645</u>	<u>804,685</u>	<u>-</u>	<u>804,685</u>	<u>2,960</u>
EMS:						
Contract	791,037	791,037	791,037	-	791,037	-
Animal Control:						
Salaries and related	57,428	57,428	55,252	-	55,252	2,176
Operations	165,750	165,750	161,858	-	161,858	3,892
	<u>223,178</u>	<u>223,178</u>	<u>217,110</u>	<u>-</u>	<u>217,110</u>	<u>6,068</u>
Total Public Safety	<u>7,762,893</u>	<u>7,762,893</u>	<u>7,606,606</u>	<u>(37,718)</u>	<u>7,568,888</u>	<u>194,005</u>
Physical Environment:						
Facilities Management:						
Salaries and related	416,265	416,265	401,871	-	401,871	14,394
Operations	165,444	165,444	188,025	269	188,294	(22,850)
	<u>581,709</u>	<u>581,709</u>	<u>589,896</u>	<u>269</u>	<u>590,165</u>	<u>(8,456)</u>
Landfill:						
Salaries and related	174,180	174,180	170,887	-	170,887	3,293
Operations	1,613,600	1,613,600	1,663,605	-	1,663,605	(50,005)
	<u>1,787,780</u>	<u>1,787,780</u>	<u>1,834,492</u>	<u>-</u>	<u>1,834,492</u>	<u>(46,712)</u>
County Engineer:						
Salaries and related	155,747	155,747	159,040	-	159,040	(3,293)
Operations	176,850	176,850	125,072	-	125,072	51,778
	<u>332,597</u>	<u>332,597</u>	<u>284,112</u>	<u>-</u>	<u>284,112</u>	<u>48,485</u>
Public Works:						
Salaries and related	635,504	635,504	629,677	-	629,677	5,827
Operations	388,500	388,500	369,428	-	369,428	19,072
	<u>1,024,004</u>	<u>1,024,004</u>	<u>999,105</u>	<u>-</u>	<u>999,105</u>	<u>24,899</u>
Total Physical Environment	<u>3,726,090</u>	<u>3,726,090</u>	<u>3,707,605</u>	<u>269</u>	<u>3,707,874</u>	<u>18,216</u>
Economic Environment:						
Planning and Public Service Commission:						
Salaries and related	301,275	301,275	302,152	-	302,152	(877)
Operations	29,675	29,675	27,876	-	27,876	1,799
	<u>330,950</u>	<u>330,950</u>	<u>330,028</u>	<u>-</u>	<u>330,028</u>	<u>922</u>
Development Board:						
Salaries and related	181,386	181,386	181,004	-	181,004	382
Operations	139,200	139,200	128,909	-	128,909	10,291
	<u>320,586</u>	<u>320,586</u>	<u>309,913</u>	<u>-</u>	<u>309,913</u>	<u>10,673</u>
Total Economic Environment	<u>651,536</u>	<u>651,536</u>	<u>639,941</u>	<u>-</u>	<u>639,941</u>	<u>11,595</u>

CLARENDON COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
<b>Transportation:</b>						
<b>Fleet Maintenance:</b>						
Salaries and related	186,755	186,755	168,307	-	168,307	18,448
Operations	9,600	9,600	6,732	-	6,732	2,868
	<u>196,355</u>	<u>196,355</u>	<u>175,039</u>	<u>-</u>	<u>175,039</u>	<u>21,316</u>
<b>Airport Commission:</b>						
Operations	24,365	24,365	28,488	206	28,694	(4,329)
	<u>24,365</u>	<u>24,365</u>	<u>28,488</u>	<u>206</u>	<u>28,694</u>	<u>(4,329)</u>
<b>Total Transportation</b>	<u>220,720</u>	<u>220,720</u>	<u>203,527</u>	<u>206</u>	<u>203,733</u>	<u>16,987</u>
<b>Recreation and Culture:</b>						
<b>Recreation:</b>						
Salaries and related	308,026	308,026	295,920	-	295,920	12,106
Operations	152,150	152,150	174,478	(3,800)	170,678	(18,528)
	<u>460,176</u>	<u>460,176</u>	<u>470,398</u>	<u>(3,800)</u>	<u>466,598</u>	<u>(6,422)</u>
<b>County Archives:</b>						
Salaries and related	55,820	55,820	54,521	-	54,521	1,299
Operations	5,258	5,258	4,255	-	4,255	1,003
	<u>61,078</u>	<u>61,078</u>	<u>58,776</u>	<u>-</u>	<u>58,776</u>	<u>2,302</u>
<b>Total Recreation and Culture</b>	<u>521,254</u>	<u>521,254</u>	<u>529,174</u>	<u>(3,800)</u>	<u>525,374</u>	<u>(4,120)</u>
<b>Miscellaneous:</b>						
<b>Agencies:</b>						
Santee-Lynches Council of Government	28,723	28,723	28,723	-	28,723	-
Clarendon Soil and Water Conservation	30,000	30,000	30,000	-	30,000	-
Clemson Extension	35,185	35,185	35,185	-	35,185	-
SC Association of Counties	8,672	8,672	8,672	-	8,672	-
Delegation allowance	14,000	14,000	14,000	-	14,000	-
Behavioral Services	17,500	17,500	17,500	-	17,500	-
Clarendon County Library	540,000	540,000	540,000	-	540,000	-
Clarendon Historical Society	10,000	10,000	10,000	-	10,000	-
SC DHEC	30,000	30,000	30,000	-	30,000	-
Indigent care	46,105	46,105	46,105	-	46,105	-
County Board of Education	11,473	11,473	11,473	-	11,473	-
Clarendon Business Development Corp	11,000	11,000	11,000	-	11,000	-
County Adult Education	28,000	28,000	28,000	-	28,000	-
Central Carolina Scholarship Program	20,000	20,000	20,000	-	20,000	-
Central Carolina Technical College	100,000	100,000	100,000	-	100,000	-
	<u>930,658</u>	<u>930,658</u>	<u>930,658</u>	<u>-</u>	<u>930,658</u>	<u>-</u>
<b>Total Miscellaneous</b>	<u>930,658</u>	<u>930,658</u>	<u>930,658</u>	<u>-</u>	<u>930,658</u>	<u>-</u>
<b>Total Expenditures</b>	<u>\$ 20,750,485</u>	<u>\$ 20,750,485</u>	<u>21,068,136</u>	<u>\$ (43,282)</u>	<u>\$ 21,024,854</u>	<u>\$ (274,369)</u>
<b>Other Financing Sources (Uses)</b>						
Sale of Assets	\$ 25,000	\$ 25,000	\$ 4,800	\$ -	\$ 4,800	\$ (20,200)
Transfers In (Out)	25,000	25,000	4,721	-	4,721	(20,279)
	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 9,521</u>	<u>\$ -</u>	<u>\$ 9,521</u>	<u>\$ (40,479)</u>

## **FIDUCIARY FUND**

### **AGENCY FUNDS**

To account for assets held solely in a custodial capacity by the County.

**CLARENDON COUNTY, SOUTH CAROLINA  
 COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 JUNE 30, 2017**

	School Districts Debt Service	School Districts Operations	Hospital Debt Service	Probate Judge	Master-In Equity	Municipalities
<b>ASSETS</b>						
Cash	\$ 2,220,117	\$ -	\$ -	\$ 4,158	\$ 1,192	\$ -
Delinquent taxes receivable	152,071	1,754,889	-	-	-	-
Due from credit card	-	-	-	-	-	-
Due from General Fund	-	2,957	-	-	-	-
Due from others	-	-	-	-	18	-
Due from other magistrates	-	-	-	-	-	-
Total assets	<u>\$ 2,372,188</u>	<u>\$ 1,757,846</u>	<u>\$ -</u>	<u>\$ 4,158</u>	<u>\$ 1,210</u>	<u>\$ -</u>
<b>LIABILITIES</b>						
Due to trust fund holders	\$ 2,372,188	\$ 1,757,846	\$ -	\$ 740	\$ -	\$ -
Due to Treasurer	-	-	-	3,418	1,210	-
Due to Treasurer - cash overage (shortage)	-	-	-	-	-	-
Due to others	-	-	-	-	-	-
Due to other magistrates	-	-	-	-	-	-
Total liabilities	<u>\$ 2,372,188</u>	<u>\$ 1,757,846</u>	<u>\$ -</u>	<u>\$ 4,158</u>	<u>\$ 1,210</u>	<u>\$ -</u>

**CLARENDON COUNTY, SOUTH CAROLINA**  
**COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**JUNE 30, 2017**

	<u>Magistrates</u>			Clerk of Court	Tax Collector	Total
	General Account	Civil Account	Part- Time			
<b>ASSETS</b>						
Cash	\$ 54,115	\$ 6,040	\$ 105	\$ 491,704	\$ 1,184,835	\$ 3,962,266
Delinquent taxes receivable	-	-	-	-	-	1,906,960
Due from credit card	309	-	-	-	-	309
Due from General Fund	-	-	-	-	-	2,957
Due from others	-	-	-	-	-	18
Due from other magistrates	105	-	-	-	-	105
Total assets	<u>\$ 54,529</u>	<u>\$ 6,040</u>	<u>\$ 105</u>	<u>\$ 491,704</u>	<u>\$ 1,184,835</u>	<u>\$ 5,872,615</u>
<b>LIABILITIES</b>						
Due to trust fund holders	\$ 8,082	\$ -	\$ -	\$ 448,233	\$ 1,184,835	\$ 5,771,924
Due to Treasurer	45,235	6,040	-	23,135	-	79,038
Due to Treasurer - cash overage (shortage)	1,212	-	-	19,361	-	20,573
Due to others	-	-	-	975	-	975
Due to other magistrates	-	-	105	-	-	105
Total liabilities	<u>\$ 54,529</u>	<u>\$ 6,040</u>	<u>\$ 105</u>	<u>\$ 491,704</u>	<u>\$ 1,184,835</u>	<u>\$ 5,872,615</u>

**CLARENDON COUNTY, SOUTH CAROLINA  
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
JUNE 30, 2017**

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<b>Municipalities</b>				
<b>Assets</b>				
Due from General Fund	\$ -	\$ 1,863,078	\$ 1,863,078	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 1,863,078</u>	<u>\$ 1,863,078</u>	<u>\$ -</u>
<b>Liabilities</b>				
Due to trust fund holders	\$ (517)	\$ 1,829,117	\$ 1,828,600	\$ -
Due to general fund	517	-	517	-
Total Liabilities	<u>\$ -</u>	<u>\$ 1,829,117</u>	<u>\$ 1,829,117</u>	<u>\$ -</u>
<b>School Districts Debt Service</b>				
<b>Assets</b>				
Cash and investments	\$ 1,887,900	\$ 7,954,575	\$ 7,622,358	\$ 2,220,117
Due from General Fund	-	2,432,046	2,432,046	-
Delinquent taxes receivable	158,776	3,463	10,168	152,071
Total Assets	<u>\$ 2,046,676</u>	<u>\$ 10,390,084</u>	<u>\$ 10,064,572</u>	<u>\$ 2,372,188</u>
<b>Liabilities</b>				
Due to trust fund holders	\$ 2,046,676	\$ 6,315,436	\$ 5,989,924	\$ 2,372,188
Total Liabilities	<u>\$ 2,046,676</u>	<u>\$ 6,315,436</u>	<u>\$ 5,989,924</u>	<u>\$ 2,372,188</u>
<b>School District Operations</b>				
<b>Assets</b>				
Delinquent taxes receivable	\$ 1,723,974	\$ 30,915	\$ -	\$ 1,754,889
Due from General Fund	-	10,112,750	10,109,793	2,957
Total Assets	<u>\$ 1,723,974</u>	<u>\$ 10,143,665</u>	<u>\$ 10,109,793</u>	<u>\$ 1,757,846</u>
<b>Liabilities</b>				
Due to trust fund holders	\$ 1,723,974	\$ 48,758,534	\$ 48,724,662	\$ 1,757,846
Total Liabilities	<u>\$ 1,723,974</u>	<u>\$ 48,758,534</u>	<u>\$ 48,724,662</u>	<u>\$ 1,757,846</u>

**CLARENDON COUNTY, SOUTH CAROLINA  
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
JUNE 30, 2017**

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<b>Hospital Debt Service</b>				
<b>Assets</b>				
Cash and investments	\$ 514,398	\$ -	\$ 514,398	\$ -
Due from General Fund	-	-	-	-
Delinquent taxes receivable	161,660	-	161,660	-
Total Assets	<u>\$ 676,058</u>	<u>\$ -</u>	<u>\$ 676,058</u>	<u>\$ -</u>
<b>Liabilities</b>				
Due to trust fund holders	\$ 676,058	\$ -	\$ 676,058	\$ -
Total Liabilities	<u>\$ 676,058</u>	<u>\$ -</u>	<u>\$ 676,058</u>	<u>\$ -</u>
<b>Probate Judge</b>				
<b>Assets</b>				
Cash	\$ 480	\$ 44,353	\$ 40,675	\$ 4,158
Due from trust fund holders	-	-	-	-
Total Assets	<u>\$ 480</u>	<u>\$ 44,353</u>	<u>\$ 40,675</u>	<u>\$ 4,158</u>
<b>Liabilities</b>				
Due to Treasurer	-	\$ 3,418	-	\$ 3,418
Due to trust fund holders	\$ 480	260	\$ -	740
Total Liabilities	<u>\$ 480</u>	<u>\$ 3,678</u>	<u>\$ -</u>	<u>\$ 4,158</u>
<b>Master In Equity</b>				
<b>Assets</b>				
Cash	\$ -	\$ 246,976	\$ 245,784	\$ 1,192
Due from trust fund holders	-	18	-	18
Total Assets	<u>\$ -</u>	<u>\$ 246,994</u>	<u>\$ 245,784</u>	<u>\$ 1,210</u>
<b>Liabilities</b>				
Due to Treasurer	\$ -	\$ 1,210	\$ -	\$ 1,210
Due to trust fund holders	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ 1,210</u>	<u>\$ -</u>	<u>\$ 1,210</u>

CLARENDON COUNTY, SOUTH CAROLINA  
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 JUNE 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<b>Magistrate: General Account</b>				
<b>Assets</b>				
Cash	\$ 82,610	\$ 552,425	\$ 580,920	\$ 54,115
Due from credit card	1,046	309	1,046	309
Due from other magistrates	122	-	17	105
Total Assets	<u>\$ 83,778</u>	<u>\$ 552,734</u>	<u>\$ 581,983</u>	<u>\$ 54,529</u>
<b>Liabilities</b>				
Due to Treasurer	\$ 67,062	\$ 45,235	\$ 67,062	\$ 45,235
Due to trust fund holders	16,496	8,082	16,496	8,082
Due to Treasurer - cash overage/(shortage)	220	1,212	220	1,212
Total Liabilities	<u>\$ 83,778</u>	<u>\$ 54,529</u>	<u>\$ 83,778</u>	<u>\$ 54,529</u>
<b>Magistrate: Civil Account</b>				
<b>Assets</b>				
Cash	\$ 11,055	\$ 76,146	\$ 81,161	\$ 6,040
Total Assets	<u>\$ 11,055</u>	<u>\$ 76,146</u>	<u>\$ 81,161</u>	<u>\$ 6,040</u>
<b>Liabilities</b>				
Due to Treasurer	\$ 6,505	\$ 6,040	\$ 6,505	\$ 6,040
Due to trust fund holders	4,550	-	4,550	-
Total Liabilities	<u>\$ 11,055</u>	<u>\$ 6,040</u>	<u>\$ 11,055</u>	<u>\$ 6,040</u>
<b>Magistrate: Part-time</b>				
<b>Assets</b>				
Cash	\$ 122	\$ 64,687	\$ 64,704	\$ 105
Total Assets	<u>\$ 122</u>	<u>\$ 64,687</u>	<u>\$ 64,704</u>	<u>\$ 105</u>
<b>Liabilities</b>				
Due to other magistrates	\$ 122	\$ -	\$ 17	\$ 105
Total Liabilities	<u>\$ 122</u>	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ 105</u>

**CLARENDON COUNTY, SOUTH CAROLINA**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**JUNE 30, 2017**

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<b>Clerk of Court</b>				
<b>Assets</b>				
Cash	\$ 552,782	\$ 597	\$ 61,675	\$ 491,704
Total Assets	<u>\$ 552,782</u>	<u>\$ 597</u>	<u>\$ 61,675</u>	<u>\$ 491,704</u>
<b>Liabilities</b>				
Due to Treasurer	\$ 32,457	\$ 2,455	\$ 11,777	\$ 23,135
Due to trust fund holders	505,802	-	57,569	448,233
Due to others	2,225	-	1,250	975
Due to Treasurer - cash overage/(shortage)	12,298	7,067	4	19,361
Total Liabilities	<u>\$ 552,782</u>	<u>\$ 9,522</u>	<u>\$ 70,600</u>	<u>\$ 491,704</u>
<b>Tax Collector</b>				
<b>Assets</b>				
Cash	\$ 865,770	\$ 3,256,855	\$ 2,937,790	\$ 1,184,835
Total Assets	<u>\$ 865,770</u>	<u>\$ 3,256,855</u>	<u>\$ 2,937,790</u>	<u>\$ 1,184,835</u>
<b>Liabilities</b>				
Due to Treasurer	\$ 36	\$ -	\$ 36	\$ -
Due to trust fund holders	865,734	1,875,454	1,556,353	1,184,835
Total Liabilities	<u>\$ 865,770</u>	<u>\$ 1,875,454</u>	<u>\$ 1,556,389</u>	<u>\$ 1,184,835</u>
<b>Total All Agency Funds</b>				
<b>Assets</b>				
Cash and Investments	\$ 3,915,117	\$ 12,196,614	\$ 12,149,465	\$ 3,962,266
Delinquent taxes receivable	2,044,410	34,378	171,828	1,906,960
Due from trust fund holders	-	18	-	18
Due from credit card	1,046	309	1,046	309
Due from General Fund	-	14,407,874	14,404,917	2,957
Due from other magistrates	122	-	17	105
Total Assets	<u>\$ 5,960,695</u>	<u>\$ 26,639,193</u>	<u>\$ 26,727,273</u>	<u>\$ 5,872,615</u>
<b>Liabilities</b>				
Due to Treasurer	\$ 106,060	\$ 58,358	\$ 85,380	\$ 79,038
Due to Treasurer - cash overage/(shortage)	12,518	8,279	224	20,573
Due to trust fund holders	5,839,253	58,786,883	58,854,212	5,771,924
Due to others	2,225	-	1,250	975
Due to general fund	517	-	517	-
Due to other magistrates	122	-	17	105
Total Liabilities	<u>\$ 5,960,695</u>	<u>\$ 58,853,520</u>	<u>\$ 58,941,600</u>	<u>\$ 5,872,615</u>

**CLARENDON COUNTY, SOUTH CAROLINA  
SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES  
SPECIAL REVENUE FUND - VICTIMS RIGHTS FUND  
JUNE 30, 2017**

	Clerk of Court	Magistrates	Total
<b>Court Fines</b>			
Court fines collected	\$ 13,250	\$ 285,786	\$ 299,036
Court fines retained by County	<u>5,869</u>	<u>267,146</u>	<u>273,015</u>
Court fines remitted to State Treasurer	<u>\$ 7,381</u>	<u>\$ 18,640</u>	<u>\$ 26,021</u>
<b>Court Assessments</b>			
Court assessments collected	\$ 5,741	\$ 227,994	\$ 233,735
Court assessments retained by County	<u>1,922</u>	<u>23,779</u>	<u>25,701</u>
Court assessments remitted to State Treasurer	<u>\$ 3,819</u>	<u>\$ 204,215</u>	<u>\$ 208,034</u>
<b>Court Surcharges</b>			
Court surcharges collected	\$ 14,497	\$ 101,138	\$ 115,635
Court surcharges retained by County	<u>7,665</u>	<u>10,995</u>	<u>18,660</u>
Court assessments remitted to State Treasurer	<u>\$ 6,832</u>	<u>\$ 90,143</u>	<u>\$ 96,975</u>
<b>Victims Services</b>			
Court assessments allocated to Victim Services	\$ 1,922	\$ 23,779	\$ 25,701
Court surcharges allocated to Victim Services	<u>7,665</u>	<u>10,995</u>	<u>18,660</u>
<b>Funds allocated to Victim Services</b>	<u>\$ 9,587</u>	<u>\$ 34,774</u>	<b>44,361</b>
Interest Income			-
Contributions received from Victim Assistance contracts:			
Town of Summerton			12,000
Town of Turbeville			<u>12,000</u>
<b>Total Funds Allocated to Victim's Assistance</b>			<b>68,361</b>
Expenditures for victim assistance program			
Salaries and benefits			<u>(68,361)</u>
<b>Carryforward Funds End of Year</b>			<u>\$ -</u>

**CLARENDON COUNTY, SOUTH CAROLINA  
COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30, 2017**

Real and Other Personal Property Assessed Value	\$ 72,845,470
Vehicles Assessed Value	12,585,500
Public Utilities and Railroads	7,151,750
Fee-in-Lieu-of Taxes	4,751,983
Other Business Personal Property	179,290
Manufacturer's Assessed Value	2,355,865
Merchants Inventory Value	<u>688,290</u>
Total Taxable Assessed Value	<u>100,558,148</u>
Debt Limit - Eight Percent (8%) of Total Taxable Assessed Value	8,044,652
Amount of Debt Applicable to Debt Limit:	<u>6,261,961</u>
LEGAL DEBT MARGIN	<u><u>\$ 1,782,691</u></u>

	PARTNERS			ASSOCIATES		
C.C. McGregor, CPA 1906-1968	W.C. Stevenson, CPA	D.L. Richardson, CPA	D.K. Strickland, CPA	V.K. Laroche, CPA	G.P. Davis, CPA	H.S. Mims, CPA
	B.T. Kight, CPA	E.C. Inabinet, CPA	J.P. McGuire, CPA	G.N. Mundy, CPA	H.J. Darver, CPA	T. Solorzano, CPA
	G.D. Skipper, CPA	S.S. Luoma, CPA	L.H. Kelly, CPA	M.L. Layman, CPA	D.M. Herpel, CPA	C.W. Bolen, CPA
	L.R. Leaphart, Jr, CPA	T.M. McCall, CPA	J.R. Matthews II, CPA	P.A. Betette, Jr, CPA	H.O. Crider, Jr, CPA	L.T. Hewitt, CPA
	M.J. Binnicker, CPA	H.D. Brown, Jr, CPA		S. Wo, CPA	F.C. Gillam, Jr, CPA	
	W.W. Francis, CPA	L.B. Salley, CPA		C.D. Hinchee, CPA	M.L. Goode, CPA	

## 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

To the Members of the  
Clarendon County Council  
Manning, South Carolina

We have audited, in accordance with the 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clarendon County, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Clarendon County's basic financial statements and have issued our report thereon dated January 25, 2018.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Clarendon 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 Clarendon County's internal control. Accordingly, we do not express an opinion on the effectiveness of Clarendon 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.

**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**  
(continued)

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 Clarendon 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.

McGregor & Co. LLP  
Orangeburg, South Carolina  
January 25, 2018

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
STATISTICAL SECTION**

The information in this section is not covered by the Independent Auditor's Report, but is presented as supplemental data for the benefit of the readers of the annual financial report. The objective of the statistical section information is to provide financial statement users with additional detailed information as a context for understanding what the information in the basic financial statements, notes to the basic financial statements, required supplementary information and other supplementary data says about the County's overall financial health.

**Five Year Summary of the General Fund**

The following is a summary of the General Fund revenues and expenditures for the fiscal year ended June 30, 2013 through 2017 (audited) and the budget for fiscal year 2018.

(000's omitted)	2013	2014	2015	2016	2017	2018 Budget
<b>REVENUES</b>						
Taxes	\$ 13,817	\$ 14,499	\$ 15,244	\$ 16,047	\$ 15,898	\$ 16,601
Licenses and permits	96	105	100	90	114	102
Intergovernmental	2,373	3,559	2,877	3,315	2,711	1,671
Charges for service	1,161	1,138	1,219	1,226	1,559	1,529
Fine and forfeitures	449	448	456	474	387	445
Investment income	2	2	5	2	2	2
Miscellaneous	458	527	551	516	538	560
Total revenue	<u>18,356</u>	<u>20,278</u>	<u>20,452</u>	<u>21,670</u>	<u>21,209</u>	<u>20,910</u>
<b>EXPENDITURES</b>						
General government	5,097	6,291	5,488	8,114	5,885	5,432
Public safety	6,794	6,881	6,854	7,534	7,607	7,858
Physical environment	3,082	3,271	3,453	3,582	3,707	3,713
Transportation	219	199	454	209	204	225
Economic environment	726	632	617	627	640	644
Agencies	1,023	906	899	843	931	914
Culture and recreation	488	503	530	529	529	579
Court related	1,516	1,529	1,586	1,535	1,566	1,640
Total expenditures	<u>18,945</u>	<u>20,212</u>	<u>19,881</u>	<u>22,973</u>	<u>21,069</u>	<u>21,005</u>
Excess of revenues over/(under) expenditures	(589)	66	571	(1,303)	140	(95)
<b>OTHER SOURCES (USES)</b>						
Sale of assets	192	2	49	76	5	40
Transfers	(18)	(29)	(9)	60	5	55
Net other financing sources	<u>174</u>	<u>(27)</u>	<u>40</u>	<u>136</u>	<u>10</u>	<u>95</u>
Net change in fund balance	<u>(415)</u>	<u>39</u>	<u>611</u>	<u>(1,167)</u>	<u>150</u>	<u>-</u>
Fund balance at beginning of year	<u>3,337</u>	<u>2,922</u>	<u>2,961</u>	<u>3,572</u>	<u>2,405</u>	<u>2,555</u>
Fund balance at end of year	<u>\$ 2,922</u>	<u>\$ 2,961</u>	<u>\$ 3,572</u>	<u>\$ 2,405</u>	<u>\$ 2,555</u>	<u>\$2,555</u>
Ending fund balance as % of total expenditures	15.4%	14.6%	18.0%	10.5%	12.1%	12.2%

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
STATISTICAL SECTION**

**Assessed Values of the County**

The assessed value of all taxable property in the County for the last ten (10) years for which data is available is set forth below:

(000's omitted)

<u>Tax Year</u>	<u>Real Property</u>	<u>Personal</u>	<u>SCTC</u>	<u>Manu- facturing</u>	<u>Vehicles</u>	<u>Fee-in-Lieu Taxes</u>	<u>Total Taxable Property*</u>
2007	56,282	1,575	7,953	1,492	11,284	1,362	79,948
2008	65,487	1,623	8,298	1,416	10,228	987	88,039
2009	69,143	1,635	9,004	1,530	9,485	578	91,375
2010	69,747	1,308	9,197	1,812	8,047	768	90,879
2011	73,678	1,399	9,249	870	9,557	458	95,211
2012	73,084	1,312	9,395	1,132	10,260	3,866	99,049
2013	74,211	1,259	9,274	1,119	11,276	4,129	101,268
2014	75,097	1,325	9,920	712	11,542	4,305	102,901
2015	75,725	1,297	9,863	353	12,699	4,806	104,743
2016	71,342	1,504	9,508	179	12,585	4,752	99,870

Source: Clarendon County Auditor

\* The assessed value of Merchant's Inventory (\$688,290) is not included in this table

Note that the assessed values are established by the County Assessor and the South Carolina Department of Revenue at various rates between 4 and 10.5 percent of the estimated market value.

**Largest Taxpayers**

The ten (10) largest taxpayers in the County, the total amount of County taxes paid with ranking and percentage of total assessed value of the taxable property of each for the fiscal year 2017 (tax year 2016) and the prior year are reflected below:

(000's omitted)

<u>Taxpayer</u>	<u>Fiscal Year 2017 (Tax Year 2016)</u>			<u>Fiscal Year 2016 (Tax Year 2015)</u>		
	<u>Total Taxes Paid</u>	<u>Rank *</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Total Taxes Paid</u>	<u>Rank *</u>	<u>Percentage of Total Taxable Assessed Value</u>
Georgia Pacific Clarendon LP	\$ 876	1	3.39%	\$ 875	1	3.25%
Santee Electric Co-op, Inc.	845	2	2.32%	854	2	2.30%
Duke Energy Progress, Inc.	730	3	1.98%	744	3	1.76%
Black River Electric Co-op	284	4	0.81%	269	4	0.75%
CSX Transport	200	5	0.59%	195	7	0.56%
Central Electric Power Co-op, Inc.	182	6	0.47%	170	8	0.43%
Wal-Mart Real Estate	152	7	0.54%	233	6	0.52%
Starflo Corp.	109	8	0.29%	-	-	-
ACM Investment Co., LLC	105	9	0.32%	101	10	0.30%
SC Public Service Authority	86	10	0.28%	-	-	-
FTC Communications	-	-	-	237	5	0.59%
FTC Diversified Services, Inc.	-	-	-	119	9	0.25%
<b>Totals</b>	<b>\$ 3,569</b>		<b>10.99%</b>	<b>\$ 3,797</b>		<b>10.71%</b>

Source: Clarendon County Treasurer

\*Ranking based on total taxes paid and not taxable assessed value

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
STATISTICAL SECTION**

**Tax Collection Record**

The following table shows all of the County's property taxes levied for governmental services as of June 30 of the year following the year in which the levy was made, and the amount of delinquent taxes collected for the fiscal years shown. Delinquent taxes include taxes levied in prior years but collected in the year shown.

(000's omitted)

Fiscal Year Ended <u>June 30th</u>	Budgeted Tax <u>Collections</u>	Budgeted Delinquent Tax <u>Collections</u>	Budgeted Total <u>Collections</u>	Current Tax <u>Collections</u>	Delinquent Tax <u>Collections</u>	Total Tax <u>Collections</u>
2009	\$ 11,221	\$ 980	\$ 12,201	\$ 10,899	\$ 1,671	\$ 12,570
2010	12,162	1,055	13,217	12,356	1,521	13,877
2011	12,929	1,330	14,259	12,086	1,717	13,803
2012	12,735	1,399	14,134	11,761	1,743	13,504
2013	13,049	1,540	14,589	12,494	1,601	14,095
2014	13,238	1,300	14,538	13,209	1,667	14,876
2015	13,814	1,640	15,454	14,476	1,686	16,162
2016	14,951	1,860	16,811	14,989	1,713	16,702
2017	15,595	1,780	17,375	15,406	1,442	16,848

**Hospitality Fee Collections**

The following table shows the County's collection of its Hospitality fee levied on prepared foods and beverages for the last five fiscal years.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
July	\$ 23,088	\$ 25,312	\$ 18,928	\$ 27,412	\$ 26,740
August	22,192	20,781	27,812	28,660	21,680
September	25,044	30,687	27,815	25,430	23,917
October	18,876	27,162	20,200	23,338	18,227
November	19,241	21,481	16,447	19,508	27,413
December	22,203	23,175	34,205	7,612	41,939
January	22,813	22,128	26,609	29,685	24,976
February	24,440	25,594	27,791	34,647	22,292
March	24,643	27,096	26,089	25,261	27,062
April	20,006	23,850	28,919	23,014	24,645
May	21,502	25,696	24,902	26,957	23,763
June	<u>21,663</u>	<u>28,040</u>	<u>31,487</u>	<u>26,186</u>	<u>26,988</u>
<b>Total</b>	<b>\$ 265,711</b>	<b>\$ 301,002</b>	<b>\$ 311,204</b>	<b>\$ 297,710</b>	<b>\$ 309,642</b>