

AUDITED FINANCIAL STATEMENTS

CLARENDON COUNTY

MANNING, SOUTH CAROLINA

JUNE 30, 2018

AUDITED FINANCIAL STATEMENTS

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MANNING, SOUTH CAROLINA

JUNE 30, 2018

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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, 2018, 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.

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

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INDEPENDENT AUDITOR'S REPORT
(continued)

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, 2018, 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.

Change in Accounting Principle

As described in Note 13 to the financial statements, in 2017-18 the County adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the County's proportionate share of the net OPEB liability and the schedule of the County's contributions, and the schedules of the County's proportionate share of the net pension liability and contributions (SCRS) and (PORS) on pages 7 through 14 and 90 through 93 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

INDEPENDENT AUDITOR'S REPORT
(continued)

The combining and individual fund schedules, the schedule of expenditures of federal awards, 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, the schedule of expenditures of federal awards, 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 29, 2019, 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 solely 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 the effectiveness of Clarendon County's 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.

McGregor & Co. LLP

Orangeburg, South Carolina
January 29, 2019

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2018**

Clarendon County's management'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, 2018. 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 liabilities exceeded its assets at June 30, 2018 by \$1.8 million (net position).
- The County's total net position decreased \$.08 million over the previous year.
- At June 30, 2018, the County's governmental fund balance sheet reported a combined ending fund balance of \$12.2 million, an increase of \$0.2 million over the previous fiscal year. Of the \$12.2 million, \$6.4 million remains in the various funds of the County as committed, assigned or unassigned.
- The General Fund reported a fund balance of \$2.8 million, reflecting a \$0.2 million increase from last fiscal year. This ending balance equates to 13.2% of General Fund expenditures for the year.
- Total bonded debt increased \$0.8 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, 2018**

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, agencies, 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, 2018**

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 13 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, 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 29 through 89 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 94 through 112 of this report.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2018**

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, liabilities exceeded assets by \$1.8 million at the close of the most recent fiscal year. The County's decrease in net position for this fiscal year amounts to \$.08 million, a decrease of 4.8%.

The largest portion of the County's net position (\$21.9 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	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 12,916	\$ 14,251	\$ 2,114	\$ 993	\$ 15,030	\$ 15,244
Capital assets	<u>36,605</u>	<u>35,881</u>	<u>11,557</u>	<u>11,220</u>	<u>48,162</u>	<u>47,101</u>
Total assets	<u>49,521</u>	<u>50,132</u>	<u>13,671</u>	<u>12,213</u>	<u>63,192</u>	<u>62,345</u>
Deferred outflows of resources	<u>4,391</u>	<u>3,513</u>	<u>141</u>	<u>55</u>	<u>4,532</u>	<u>3,568</u>
Long-term liabilities outstanding	54,661	44,881	8,255	7,941	62,916	52,822
Other liabilities	<u>737</u>	<u>1,687</u>	<u>3,428</u>	<u>1,814</u>	<u>4,165</u>	<u>3,501</u>
Total liabilities	<u>55,398</u>	<u>46,568</u>	<u>11,683</u>	<u>9,755</u>	<u>67,081</u>	<u>56,323</u>
Deferred inflows of resources	<u>2,365</u>	<u>349</u>	<u>45</u>	<u>5</u>	<u>2,410</u>	<u>354</u>
Net position						
Invested in capital assets, net of related debt	19,524	20,809	2,379	2,436	21,903	23,245
Restricted	3,550	3,024	770	735	4,320	3,759
Unrestricted	<u>(26,925)</u>	<u>(17,105)</u>	<u>(1,065)</u>	<u>(663)</u>	<u>(27,990)</u>	<u>(17,768)</u>
Total net position	<u>\$ (3,851)</u>	<u>\$ 6,728</u>	<u>\$ 2,084</u>	<u>\$ 2,508</u>	<u>\$ (1,767)</u>	<u>\$ 9,236</u>

An additional portion of the County's net position of the governmental activities (\$3.6 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

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2018**

Position was GASB Statement 75 change in accounting principle that resulted in a net reduction in Net Position of \$11.0 million.

The changes in net position displayed below shows the governmental and business-type activities during the fiscal year. Increases in property taxes and sale of assets (Other revenues) were not sufficient to offset a decrease in federal and state grants, charges for services or state shared funds, as well as completion of facility construction and improvements. Included below are unfunded OPEB expenditures of \$1.2 million in the current fiscal year negatively impacting changes in net position.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 2,651	\$ 3,160	\$ 778	\$ 808	\$ 3,429	\$ 3,968
Grants and Contributions	841	1,021	136	171	977	1,192
General revenues:						
Ad valorem taxes	18,169	18,077	-	-	18,169	18,077
Other taxes	3,131	3,143	-	-	3,131	3,143
State shared	3,690	4,475	-	-	3,690	4,475
Interest	44	39	5	1	49	40
Other	<u>582</u>	<u>367</u>	<u>-</u>	<u>-</u>	<u>582</u>	<u>367</u>
Total revenues	29,108	30,282	919	980	30,027	31,262
Expenses						
Program Activities:						
Government Activities:						
General government	7,684	11,206	-	-	7,684	11,206
Public safety	11,791	11,938	-	-	11,791	11,938
Physical environment	3,866	3,849	-	-	3,866	3,849
Transportation	298	254	-	-	298	254
Economic environment	663	698	-	-	663	698
Court related	2,018	1,937	-	-	2,018	1,937
Cultural and recreational	821	688	-	-	821	688
Agencies	918	939	-	-	918	939
Interest on long-term debt	655	670	-	-	655	670
Business-type Activities:						
Water and sewer fund	-	-	1,070	865	1,070	865
Weldon Auditorium	<u>-</u>	<u>-</u>	<u>379</u>	<u>469</u>	<u>379</u>	<u>469</u>
Total expenses	28,714	32,179	1,449	1,334	30,163	33,513
Transfers in (out)	<u>(185)</u>	<u>(226)</u>	<u>241</u>	<u>292</u>	<u>56</u>	<u>66</u>
Change in net position	<u>\$ 209</u>	<u>\$ (2,123)</u>	<u>\$ (289)</u>	<u>\$ (62)</u>	<u>\$ (80)</u>	<u>\$ (2,185)</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2018**

Primary Governmental Activities: Revenues for the County's governmental activities were \$29.1 million for fiscal year 2018 and \$0.9 million for its Business-type activities. Taxes constitute the largest source of County revenues, amounting to approximately \$21.5 million for the fiscal year 2018. Real property taxes (\$13.7 million) represent 63.7% of total taxes and 47.1% of all revenue combined. Lastly, intergovernmental revenues decreased to \$4.5 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, 2018, Clarendon County governmental funds reported combined fund balances of \$12.2 million, an increase of \$0.2 million from the prior year balances. This increase was primarily the result of a reduction in roadway improvements (state owned) and growth in debt service funds.

The General Fund is the chief operating fund of the County. At June 30, 2018, total fund balance in the General Fund was \$2.8 million, of which \$1.5 million was not restricted. As a measure of the General Fund's liquidity, the total unrestricted and nonspendable fund balances compared to total fund expenditures shows percentages of 13.2% and 7.2%, respectively. The fund balance of the General Fund showed an increase of 7.2%, 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 2018 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, 2018**

Capital Asset and Debt Administration

Capital assets: Clarendon County's investment in capital assets for its governmental type activities as of June 30, 2018 amounts to \$36.6 million (net of accumulated depreciation) and \$11.6 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 were completed to a facility being upgraded to house various governmental functions and continued expansions to the county's water system.

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

	<u>Government Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ 2,936	\$ 2,936	\$ 154	\$ 120	\$ 3,090	\$ 3,056
Infrastructure	4,682	5,264	-	-	4,682	5,264
Construction in progress	446	1,736	546	2,539	992	4,275
Buildings and improvements	24,664	22,197	2,794	2,880	27,458	25,077
Water distribution system	-	-	7,870	5,512	7,870	5,512
Machinery and equipment	<u>3,877</u>	<u>3,748</u>	<u>193</u>	<u>169</u>	<u>4,070</u>	<u>3,917</u>
Total	<u>\$ 36,605</u>	<u>\$ 35,881</u>	<u>\$11,557</u>	<u>\$11,220</u>	<u>\$ 48,162</u>	<u>\$ 47,101</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 and capital leases outstanding of \$25.9 million, of which \$5.8 million is backed by the full faith and credit of the County.

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

	<u>2018</u>	<u>2017</u>
General obligation bond(s)	\$ 5,825	\$ 6,262
Revenue bond(s)	19,548	20,046
Capital lease(s)	<u>481</u>	<u>348</u>
	<u>\$ 25,854</u>	<u>\$ 26,656</u>

The County's total debt decreased \$0.8 million as debt service requirements were slightly more 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, 2018, the County's general obligation debt and capital lease approximated one hundred eighty dollars (\$180) per capita.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2018**

Additional information on Clarendon County's long-term debt can be found in Note 9 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 5.1%, which represents a decrease from a year ago. This compares to the state's average unemployment rate of 3.6% and the national average rate of 4.2%.
- Assessed taxable property valuation increased to \$100.8 million in 2018, a slight increase of 0.22% over the prior year.
- While county-wide gross taxable sales increased from \$442 million in 2017 to \$474 million in 2018, net taxable sales decreased by 2.5% to \$158 million in 2018.

All of these factors were considered in preparing the County's budget for the 2019 fiscal year. Per the Fiscal Year 2019 Adopted Budget, disbursements are budgeted at \$21.3 million, a 1.4% increase from the fiscal year 2018 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, 2018

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Harvin Clarendon County Library	Business Development Corp.
ASSETS					
Current assets:					
Cash and cash equivalents - Note 3	\$ 8,358,594	\$ 1,136,557	\$ 9,495,151	\$ 167,060	\$ 1,343,143
Receivables:					
Delinquent taxes	1,883,698	-	1,883,698	-	-
Other	321,506	86,792	408,298	4,233	15,874
Due from fiduciary funds	65,894	-	65,894	-	-
Due from component unit	250,000	-	250,000	-	-
Prepaid expense	-	-	-	18,555	-
Due from other governments	1,966,998	120,911	2,087,909	-	-
Inventories	68,986	-	68,986	-	-
Promises to Give	-	-	-	-	61,000
Capital leases and notes receivable - Note 5	-	-	-	-	23,927
Total current assets	<u>12,915,676</u>	<u>1,344,260</u>	<u>14,259,936</u>	<u>189,848</u>	<u>1,443,944</u>
Non-current assets:					
Restricted cash and cash equivalents	-	769,875	769,875	-	-
Capital leases and notes receivable - Note 5	-	-	-	-	533,253
Promises to Give	-	-	-	-	41,012
Non-depreciable capital assets-net - Note 6	3,381,954	699,971	4,081,925	24,000	3,642,522
Depreciable capital assets-net - Note 6	33,223,031	10,856,787	44,079,818	66,868	2,723,910
Total non-current assets	<u>36,604,985</u>	<u>12,326,633</u>	<u>48,931,618</u>	<u>90,868</u>	<u>6,940,697</u>
Total assets	<u>49,520,661</u>	<u>13,670,893</u>	<u>63,191,554</u>	<u>280,716</u>	<u>8,384,641</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension Deferrals	3,705,704	132,416	3,838,120	104,110	-
OPEB Deferrals	685,516	8,467	693,983	-	-
Total deferred outflows of resources	<u>4,391,220</u>	<u>140,883</u>	<u>4,532,103</u>	<u>104,110</u>	<u>-</u>
LIABILITIES					
Current liabilities (payable from current assets):					
Accounts payable	802,871	20,665	823,536	4,546	48,750
Due to other governments	90,227	-	90,227	-	-
Internal balances	(3,178,440)	3,178,440	-	-	-
Due to fiduciary funds - Note 7	3,979	-	3,979	-	-
Unearned revenue	56,989	63,023	120,012	-	664,775
Note payable - Note 9	-	-	-	-	399,104
Other liabilities	555,245	-	555,245	-	-
Accrued compensated absences - Note 9	412,340	6,196	418,536	-	-
Closures and maintenance costs payable - Note 9	26,800	-	26,800	-	-
Capital lease - Note 9	145,715	-	145,715	-	-
BAN payable - Note 8	750,000	-	750,000	-	-
Bond payable - Note 9	1,071,413	160,067	1,231,480	-	-
Total current liabilities	<u>737,139</u>	<u>3,428,391</u>	<u>4,165,530</u>	<u>4,546</u>	<u>1,112,629</u>
Non-current liabilities:					
Accrued compensated absences - Note 9	108,916	-	108,916	11,337	-
Closures and maintenance costs payable - Note 9	480,700	-	480,700	-	-
Note payable	-	-	-	-	951,398
Net pension liability - Note 12	19,574,974	699,469	20,274,443	674,223	-
OPEB payable - Note 13	17,362,240	211,709	17,573,949	454,215	-
Capital lease - Note 9	335,672	-	335,672	-	-
Bond payable - Note 9	16,798,154	7,342,954	24,141,108	-	-
Total long-term liabilities	<u>54,660,656</u>	<u>8,254,132</u>	<u>62,914,788</u>	<u>1,139,775</u>	<u>951,398</u>
Total liabilities	<u>55,397,795</u>	<u>11,682,523</u>	<u>67,080,318</u>	<u>1,144,321</u>	<u>2,064,027</u>
DEFERRED INFLOWS OF RESOURCES					
Bond premium	187,670	-	187,670	-	-
Pension Deferrals	555,862	19,863	575,725	42,834	-
OPEB Deferrals	1,621,166	24,845	1,646,011	-	-
Total deferred inflows of resources	<u>2,364,698</u>	<u>44,708</u>	<u>2,409,406</u>	<u>42,834</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	19,524,102	2,379,638	21,903,740	90,868	-
Restricted:					
Debt service	2,357,016	769,875	3,126,891	-	-
Local option sales tax	1,149,106	-	1,149,106	-	-
I-95 Mega-site	43,985	-	43,985	-	1,307,123
Unrestricted	(26,924,821)	(1,064,968)	(27,989,789)	(893,197)	5,013,491
Total net position	<u>\$ (3,850,612)</u>	<u>\$ 2,084,545</u>	<u>\$ (1,766,067)</u>	<u>\$ (802,329)</u>	<u>\$ 6,320,614</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, 2018

Functions/Programs	Net (Expense) Revenue and Changes in Net Position								
	Expenses	Program Revenues			Primary Government			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Harvin Clarendon County Library	Business Development Corporation
Primary Government:									
Governmental activities:									
Public safety	\$ 11,790,839	\$ 350,491	\$ 151,489	\$ 120,324	\$ (11,168,535)	\$ -	\$ (11,168,535)		
General government	7,684,483	139,183	218,002	-	(7,327,298)	-	(7,327,298)		
Physical environment	3,866,049	1,355,380	344,571	-	(2,166,098)	-	(2,166,098)		
Court related	2,017,812	585,151	-	-	(1,432,661)	-	(1,432,661)		
Agencies	917,938	-	-	-	(917,938)	-	(917,938)		
Economic environment	662,887	93,497	-	-	(569,390)	-	(569,390)		
Culture/Recreation	820,685	81,733	-	6,968	(731,984)	-	(731,984)		
Transportation	298,355	45,151	-	-	(253,204)	-	(253,204)		
Interest	655,424	-	-	-	(655,424)	-	(655,424)		
Total governmental activities	<u>28,714,472</u>	<u>2,650,586</u>	<u>714,062</u>	<u>127,292</u>	<u>(25,222,532)</u>	<u>-</u>	<u>(25,222,532)</u>		
Business-Type Activities:									
Water & Sewer Utility	1,070,233	762,255	-	135,911	-	(172,067)	(172,067)		
Weldon Auditorium	379,445	15,836	-	-	-	(363,609)	(363,609)		
Total business-type activities	<u>1,449,678</u>	<u>778,091</u>	<u>-</u>	<u>135,911</u>	<u>-</u>	<u>(535,676)</u>	<u>(535,676)</u>		
Total Primary Government:	<u>\$ 30,164,150</u>	<u>\$ 3,428,677</u>	<u>\$ 714,062</u>	<u>\$ 263,203</u>	<u>(25,222,532)</u>	<u>(535,676)</u>	<u>(25,758,208)</u>		
Component Units:									
Harvin Clarendon County Library	\$ -	\$ -	\$ -	\$ -			\$ (370,575)	\$ -	
Business Development Corporation	-	-	-	-			-	(25,826)	
Total Component Units	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			<u>(370,575)</u>	<u>(25,826)</u>	
General Revenues:									
Taxes:									
Property taxes, levied for general purposes					16,277,593	-	16,277,593	-	
Property taxes, levied for debt services					1,891,752	-	1,891,752	-	
Sales and use taxes					3,131,082	-	3,131,082	-	
Franchise fees					98,293	-	98,293	-	
State shared revenues					3,690,290	-	3,690,290	-	
Interest earnings					44,169	5,046	49,215	24,421	
Gain on sale of capital assets					189,646	-	189,646	-	
Miscellaneous					293,831	-	293,831	-	
County appropriation					-	-	-	560,000	
Total general revenues					<u>25,616,656</u>	<u>5,046</u>	<u>25,621,702</u>	<u>560,000</u>	
Transfers					(184,830)	240,912	56,082	-	
Total general revenues, transfers and contributions					<u>25,431,826</u>	<u>245,958</u>	<u>25,677,784</u>	<u>560,000</u>	
Change in net position					209,294	(289,718)	(80,424)	189,425	
Net position - beginning - Note 18 - Restated					(4,059,906)	2,374,263	(1,685,643)	(991,754)	
Net position - ending					<u>\$ (3,850,612)</u>	<u>\$ 2,084,545</u>	<u>\$ (1,766,067)</u>	<u>\$ (802,329)</u>	

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

**CLARENDON COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018**

	GENERAL	CAPITAL PROJECTS	GENERAL COUNTY DEBT SVC	FIRE DEPARTMENT	C-PROGRAM ROADS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash and cash equivalents	\$ 1,026,607	\$ 268,839	\$ 1,368,732	\$ 1,309,218	\$ 1,971,723	\$ 2,413,475	\$ 8,358,594
Accounts receivable							
Property taxes	1,413,112	-	82,276	275,058	-	113,252	1,883,698
Other	204,885	-	-	1,835	-	114,786	321,506
Due from other funds	-	212,787	715,525	-	-	-	928,312
Due from fiduciary funds	65,894	-	-	-	-	-	65,894
Due from business enterprise	1,179,102	1,128,483	870,855	-	-	-	3,178,440
Due from component unit	250,000	-	-	-	-	-	250,000
Due from other governments	1,966,998	-	-	-	-	-	1,966,998
Supplies inventory	68,986	-	-	-	-	-	68,986
Total assets	<u>\$ 6,175,584</u>	<u>\$ 1,610,109</u>	<u>\$ 3,037,388</u>	<u>\$ 1,586,111</u>	<u>\$ 1,971,723</u>	<u>\$ 2,641,513</u>	<u>\$ 17,022,428</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 506,106	\$ 24,523	\$ -	\$ 30,454	\$ 215,462	\$ 26,326	\$ 802,871
Accrued payroll and withholdings	233,906	-	-	207	-	-	234,113
Due to other funds	928,312	-	-	-	-	-	928,312
Due to fiduciary funds	3,979	-	-	-	-	-	3,979
Due to other governments	90,227	-	-	-	-	-	90,227
Bonds payable	-	-	750,000	-	-	-	750,000
Unearned revenue	56,989	-	-	-	-	-	56,989
Advance mobile home revenue	4,397	-	-	-	-	-	4,397
Other liabilities	316,735	-	-	-	-	-	316,735
Total liabilities	<u>2,140,651</u>	<u>24,523</u>	<u>750,000</u>	<u>30,661</u>	<u>215,462</u>	<u>26,326</u>	<u>3,187,623</u>
Deferred Inflows of Resources							
Unavailable Revenue-Property Taxes	1,241,340	-	69,961	238,725	-	107,184	1,657,210
Total Deferred Inflows of Resources	<u>1,241,340</u>	<u>-</u>	<u>69,961</u>	<u>238,725</u>	<u>-</u>	<u>107,184</u>	<u>1,657,210</u>
Fund balances:							
Nonspendable	68,986	-	-	-	-	-	68,986
Restricted	1,193,091	-	2,217,427	-	-	2,279,730	5,690,248
Committed	-	399,112	-	-	-	-	399,112
Assigned	75,992	-	-	1,316,725	1,756,261	228,273	3,377,251
Unassigned	1,455,524	1,186,474	-	-	-	-	2,641,998
Total fund balances	<u>2,793,593</u>	<u>1,585,586</u>	<u>2,217,427</u>	<u>1,316,725</u>	<u>1,756,261</u>	<u>2,508,003</u>	<u>12,177,595</u>
Total Liabilities, Deferred Inflows of Resources, and Fund balances	<u>\$ 6,175,584</u>	<u>\$ 1,610,109</u>	<u>\$ 3,037,388</u>	<u>\$ 1,586,111</u>	<u>\$ 1,971,723</u>	<u>\$ 2,641,513</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.							36,604,985
Long-term liabilities, including bonds payable (\$17,869,567), capital lease (\$481,387), accrued compensated absences (\$521,256), closure and maintenances costs payable (\$507,500) and bond premium (\$187,670) are not reported in funds.							(19,567,380)
Other Post Employment Benefits (OPEB) liability represents the future unfunded costs associated with current benefits design.							(18,297,890)
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.							(16,425,132)
Delinquent taxes receivable are not financial resources in the current period and, therefore, are reported as unearned revenue in the funds.							1,657,210
Total net position - total governmental activities							<u>\$ (3,850,612)</u>

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

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

	GENERAL	CAPITAL PROJECTS	GENERAL COUNTY DEBT SVC	FIRE DEPARTMENT	C-PROGRAM ROADS	OTHER GOVERNMENTAL FUNDS	TOTAL
REVENUES							
Taxes	\$ 16,206,647	\$ -	\$ 1,805,170	\$ 2,913,915	\$ -	\$ 627,175	\$ 21,552,907
Licenses and permits	107,874	-	-	-	-	-	107,874
Intergovernmental	2,559,049	-	-	-	1,176,010	796,585	4,531,644
Charges for services	1,647,000	-	-	-	-	125,393	1,772,393
Fines and forfeitures	324,040	-	-	-	-	204,903	528,943
Interest	2,052	4,015	15,644	4,101	5,507	12,848	44,167
Miscellaneous	596,675	-	-	6,131	-	-	602,806
Total revenues	<u>21,443,337</u>	<u>4,015</u>	<u>1,820,814</u>	<u>2,924,147</u>	<u>1,181,517</u>	<u>1,766,904</u>	<u>29,140,734</u>
EXPENDITURES							
Current:							
General government	5,798,349	24,648	-	-	400,666	259,349	6,483,012
Public safety	7,332,738	30,591	-	2,402,823	-	566,711	10,332,863
Physical environment	3,743,361	-	-	-	-	-	3,743,361
Transportation	251,284	-	-	-	-	-	251,284
Economic environment	623,330	-	-	-	-	-	623,330
Agencies	910,736	-	-	-	-	-	910,736
Culture/Recreation	520,884	-	-	-	-	183,041	703,925
Court Related	1,633,397	-	-	-	-	264,081	1,897,478
Debt service:							
Principal	-	-	1,101,872	-	-	68,628	1,170,500
Interest and fiscal charges	-	-	637,389	-	-	36,535	673,924
Capital outlay	326,090	1,682,847	-	378,532	290,037	103,016	2,780,522
Total expenditures	<u>21,140,169</u>	<u>1,738,086</u>	<u>1,739,261</u>	<u>2,781,355</u>	<u>690,703</u>	<u>1,481,361</u>	<u>29,570,935</u>
Excess of revenues over (under) expenditures	303,168	(1,734,071)	81,553	142,792	490,814	285,543	(430,201)
OTHER FINANCING SOURCES (USES)							
Sale of assets	34,643	-	-	215,363	-	-	250,006
Bond proceeds	-	-	288,550	-	-	-	288,550
Lease proceeds	-	250,002	-	-	-	-	250,002
Transfers	(150,518)	446,600	-	(215,000)	-	(265,912)	(184,830)
Net other financing sources (uses)	<u>(115,875)</u>	<u>696,602</u>	<u>288,550</u>	<u>363</u>	<u>-</u>	<u>(265,912)</u>	<u>603,728</u>
Net changes in fund balances	<u>187,293</u>	<u>(1,037,469)</u>	<u>370,103</u>	<u>143,155</u>	<u>490,814</u>	<u>19,631</u>	<u>173,527</u>
Fund balances at beginning of year - re-stated	<u>2,606,300</u>	<u>2,623,055</u>	<u>1,847,324</u>	<u>1,173,570</u>	<u>1,265,447</u>	<u>2,488,372</u>	<u>12,004,068</u>
Fund balances at end of year	<u>\$ 2,793,593</u>	<u>\$ 1,585,586</u>	<u>\$ 2,217,427</u>	<u>\$ 1,316,725</u>	<u>\$ 1,756,261</u>	<u>\$ 2,508,003</u>	<u>\$ 12,177,595</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, 2018**

Net Changes in fund balances - total governmental funds		\$ 173,527
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	2,780,522	
Adjustments of capital assets	(144,210)	
Less current year depreciation	<u>(1,852,036)</u>	784,276
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 fixed assets	<u>(60,360)</u>	(60,360)
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	(288,550)	
Lease proceeds	(250,000)	
Bond principal payment	1,070,944	
Bond premium	18,500	
Capital lease payment	<u>116,857</u>	667,751
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	(56,283)	
Change in OPEB liability	(704,619)	
Change in Pension liability	(393,012)	
Change in closure and maintenance costs payable	<u>19,800</u>	(1,134,114)
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>(221,786)</u>
Change in net position of governmental activities.		<u>\$ 209,294</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, 2018

	<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>		
REVENUES				
Taxes	\$ 16,601,000	\$ 16,601,000	\$ 16,206,647	\$ (394,353)
Licenses and permits	102,500	102,500	107,874	5,374
Intergovernmental	1,670,550	1,670,550	2,559,049	888,499
Charges for services	1,528,600	1,528,600	1,647,000	118,400
Fines and forfeitures	445,500	445,500	324,040	(121,460)
Interest	2,100	2,100	2,052	(48)
Miscellaneous	559,800	559,800	596,675	36,875
Total revenues	<u>20,910,050</u>	<u>20,910,050</u>	<u>21,443,337</u>	<u>533,287</u>
EXPENDITURES				
Current:				
General government	5,432,110	5,411,252	5,798,176	(386,924)
Public safety	7,857,751	7,878,609	7,629,761	248,848
Physical environment	3,713,354	3,713,354	3,769,088	(55,734)
Transportation	225,344	225,344	256,078	(30,734)
Economic environment	644,237	644,237	623,330	20,907
Culture/Recreation	578,503	578,503	562,222	16,281
Court related	1,640,015	1,640,015	1,633,397	6,618
Agencies	913,736	913,736	910,736	3,000
Total expenditures	<u>21,005,050</u>	<u>21,005,050</u>	<u>21,182,788</u>	<u>(177,738)</u>
Excess of revenues over (under) expenditures	(95,000)	(95,000)	260,549	355,549
OTHER FINANCING SOURCES (USES)				
Sale of assets	40,000	40,000	34,643	(5,357)
Transfers In/(Out)	55,000	55,000	(150,518)	(205,518)
Net other financing sources (uses)	<u>95,000</u>	<u>95,000</u>	<u>(115,875)</u>	<u>(210,875)</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	144,674	<u>\$ 144,674</u>
Fund balance at beginning of year as restated			<u>2,585,343</u>	
Fund balance at end of year			<u>\$ 2,730,017</u>	

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

CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				
	WATER UTILITY	SEWER UTILITY	TOTAL UTILITY	WELDON AUDITORIUM	TOTAL ENTERPRISE FUNDS
ASSETS					
Current Assets					
Cash and cash equivalents	\$ (11,456)	\$ 237,047	\$ 225,591	\$ 910,966	\$ 1,136,557
Accounts receivable, net of allowance	68,972	17,820	86,792	-	86,792
Due from other governments	120,911	-	120,911	-	120,911
Total current assets	178,427	254,867	433,294	910,966	1,344,260
Noncurrent Assets					
Restricted cash and cash equivalents	102,676	-	102,676	667,199	769,875
Capital assets:					
Land	114,764	38,771	153,535	-	153,535
Buildings and improvements	1,978	-	1,978	3,438,173	3,440,151
Machinery and equipment	355,993	28,026	384,019	-	384,019
Water and sewer system	8,506,863	313,184	8,820,047	-	8,820,047
Construction in Progress	546,436	-	546,436	-	546,436
Less: Accumulated Depreciation	(1,007,928)	(134,846)	(1,142,774)	(644,656)	(1,787,430)
Total noncurrent assets	8,620,782	245,135	8,865,917	3,460,716	12,326,633
TOTAL ASSETS	8,799,209	500,002	9,299,211	4,371,682	13,670,893
DEFERRED OUTFLOWS OF RESOURCES					
Pension difference between expected and actual funding	56,120	6,236	62,356	21,027	83,383
Employer contributions subsequent to measurement date	33,001	3,667	36,668	12,365	49,033
OPEB difference between expected and actual funding	4,303	486	4,789	3,678	8,467
Total deferred outflows of resources	93,424	10,389	103,813	37,070	140,883
LIABILITIES					
Current Liabilities:					
Accounts payable	12,119	2,874	14,993	5,499	20,492
Accrued payroll and withholdings	41	5	46	127	173
Due to other funds	1,984,670	96,591	2,081,261	1,097,179	3,178,440
Unearned revenue	62,406	617	63,023	-	63,023
Accrued compensated absences	4,202	467	4,669	1,527	6,196
Bond payable	85,067	-	85,067	75,000	160,067
Total current liabilities	2,148,505	100,554	2,249,059	1,179,332	3,428,391
Noncurrent Liabilities:					
Bond payable	4,617,954	-	4,617,954	2,725,000	7,342,954
Pension liability - Note 11	470,773	52,308	523,081	176,388	699,469
Net OPEB liability - Note 12	105,247	11,900	117,147	94,562	211,709
Total noncurrent liabilities	5,193,974	64,208	5,258,182	2,995,950	8,254,132
TOTAL LIABILITIES	7,342,479	164,762	7,507,241	4,175,282	11,682,523
DEFERRED INFLOWS OF RESOURCES					
Net difference between projected and actual earnings on pension plan investments	13,369	1,485	14,854	5,009	19,863
OPEB change in assumptions	16,770	1,864	18,634	6,211	24,845
Total deferred inflows of resources	30,139	3,349	33,488	11,220	44,708
NET POSITION					
Net investment in capital assets	2,236,757	149,364	2,386,121	(6,483)	2,379,638
Restricted:					
Debt service	102,676	-	102,676	667,199	769,875
Unrestricted	(819,418)	192,916	(626,502)	(438,466)	(1,064,968)
TOTAL NET POSITION	\$ 1,520,015	\$ 342,280	\$ 1,862,295	\$ 222,250	\$ 2,084,545

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, 2018**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				
	WATER UTILITY	SEWER UTILITY	TOTAL UTILITY	WELDON AUDITORIUM	TOTAL ENTERPRISE FUNDS
OPERATING REVENUES					
Charges for services	\$ 596,966	\$ 165,289	\$ 762,255	\$ 15,836	\$ 778,091
Total operating revenues	<u>596,966</u>	<u>165,289</u>	<u>762,255</u>	<u>15,836</u>	<u>778,091</u>
OPERATING EXPENSES					
Cost of sales & services	190,158	77,425	267,583	-	267,583
Production expense	-	-	-	4,584	4,584
Personnel & benefits	400,973	44,553	445,526	93,610	539,136
Administration	26,414	8,804	35,218	64,000	99,218
Depreciation	188,704	14,558	203,262	85,954	289,216
Total operating expenses	<u>806,249</u>	<u>145,340</u>	<u>951,589</u>	<u>248,148</u>	<u>1,199,737</u>
OPERATING INCOME (LOSS)	<u>(209,283)</u>	<u>19,949</u>	<u>(189,334)</u>	<u>(232,312)</u>	<u>(421,646)</u>
NON-OPERATING REVENUE (EXPENSES)					
Investment income	259	-	259	4,787	5,046
Interest and fiscal charges	(118,644)	-	(118,644)	(131,297)	(249,941)
Total non-operating revenue (expenses)	<u>(118,385)</u>	<u>-</u>	<u>(118,385)</u>	<u>(126,510)</u>	<u>(244,895)</u>
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(327,668)</u>	<u>19,949</u>	<u>(307,719)</u>	<u>(358,822)</u>	<u>(666,541)</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital contributions	135,911	-	135,911	-	135,911
Transfers	(17,500)	(2,500)	(20,000)	260,912	240,912
Net other financing sources (uses)	<u>118,411</u>	<u>(2,500)</u>	<u>115,911</u>	<u>260,912</u>	<u>376,823</u>
CHANGE IN NET POSITION	<u>(209,257)</u>	<u>17,449</u>	<u>(191,808)</u>	<u>(97,910)</u>	<u>(289,718)</u>
Net position at beginning of year - Restated - Note 18	<u>1,729,272</u>	<u>324,831</u>	<u>2,054,103</u>	<u>320,160</u>	<u>2,374,263</u>
NET POSITION AT END OF YEAR	<u>\$ 1,520,015</u>	<u>\$ 342,280</u>	<u>\$ 1,862,295</u>	<u>\$ 222,250</u>	<u>\$ 2,084,545</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, 2018

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	WATER & SEWER UTILITY	WELDON AUDITORIUM	TOTAL ENTERPRISE FUNDS
Cash Flows From Operating Activities:			
Cash received from customers	\$ 659,211	\$ 15,866	\$ 675,077
Cash paid to suppliers for goods and services	(350,369)	(64,090)	(414,459)
Cash paid to employees for services	(180,679)	(60,180)	(240,859)
Internal activity-payments to other funds	689,393	943,877	1,633,270
Net Cash Provided (Used) By Operating Activities	<u>817,556</u>	<u>835,473</u>	<u>1,653,029</u>
Cash Flows from Noncapital Financing Activities			
Transfers	(20,000)	260,912	240,912
Cash Flows From Capital and Related Financing Activities:			
Principal payments	(82,968)	(70,000)	(152,968)
Interest paid on debt	(118,644)	(131,297)	(249,941)
Capital contributions	135,911	-	135,911
Purchase of capital assets	(625,878)	-	(625,878)
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(691,579)</u>	<u>(201,297)</u>	<u>(892,876)</u>
Cash Flow From Investing Activities:			
Interest income	259	4,787	5,046
Net Cash Provided (Used) By Investing Activities	<u>259</u>	<u>4,787</u>	<u>5,046</u>
Net Increase (Decrease) in Cash and Cash Equivalents	106,236	899,875	1,006,111
Cash and Cash Equivalents at Beginning of Year	222,031	678,290	900,321
Cash and Cash Equivalents at End of Year	<u>\$ 328,267</u>	<u>\$ 1,578,165</u>	<u>\$ 1,906,432</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by operating Activities			
Operating income (loss)	\$ (189,334)	\$ (232,312)	\$ (421,646)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation expense	203,262	85,954	289,216
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(115,047)	30	(115,017)
Increase (decrease) in accounts payable	(47,568)	4,493	(43,075)
Increase (decrease) in due to other funds	689,393	943,877	1,633,270
Increase (decrease) in accrued compensated absences	1,969	(438)	1,531
Increase (decrease) in Pension liability	254,779	31,169	285,948
Increase (decrease) in OPEB liability	8,099	2,700	10,799
Increase (decrease) in deferred revenue	12,003	-	12,003
Net Cash Provided by (Used for) Operating Activities	<u>\$ 817,556</u>	<u>\$ 835,473</u>	<u>\$ 1,653,029</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, 2018

ASSETS

Cash	\$ 4,372,678
Delinquent taxes receivable	1,590,770
Due from other funds	3,979
Due from other magistrates	122
Total Assets	<u>\$ 5,967,549</u>

LIABILITIES

Due to trust fund holders	\$ 5,875,564
Due to Treasurer - cash overage (shortage)	20,194
Due to other funds	65,894
Due to other	5,775
Due to other magistrates	122
Total Liabilities	<u>\$ 5,967,549</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, 2018

	GOVERNMENTAL FUNDS		
	HARVIN CLARENDON COUNTY LIBRARY	BUSINESS DEVELOPMENT CORPORATION	TOTAL
ASSETS			
Cash	\$ 167,060	\$ 1,343,143	\$ 1,510,203
Prepaid items	18,555	-	18,555
Notes and interest receivable	-	200,000	200,000
Capital and operating lease receivable	-	373,054	373,054
Grants and miscellaneous receivable	4,233	102,012	106,245
TOTAL ASSETS	\$ 189,848	\$ 2,018,209	\$ 2,208,057
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts and payroll withholdings payable	\$ 4,546	\$ 48,750	\$ 53,296
Unearned revenue	-	664,775	664,775
Total Liabilities	4,546	713,525	718,071
Fund Balances			
Nonspendable	18,555	-	18,555
Restricted	-	1,307,123	1,307,123
Committed	95,000	-	95,000
Unassigned	71,747	(2,439)	69,308
Total Fund Balances	185,302	1,304,684	1,489,986
TOTAL LIABILITIES AND FUND BALANCES	\$ 189,848	\$ 2,018,209	\$ 2,208,057
Amounts reported for governmental activities in the statement of net position are different because:			
Total fund balance	\$ 185,302	\$ 1,304,684	\$ 1,489,986
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	90,868	6,366,432	6,457,300
Deferred outflows (inflows) resulting from recognition of the employer's share of the state's net pension are not current resources	61,276	-	61,276
Liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
Accrued compensated absences	(11,337)	-	(11,337)
Notes payable	-	(1,350,502)	(1,350,502)
Net OPEB liability	(454,215)	-	(454,215)
Net Pension liability	(674,223)	-	(674,223)
Total net position	\$ (802,329)	\$ 6,320,614	\$ 5,518,285

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, 2018**

	<u>GOVERNMENTAL FUNDS</u>		TOTAL
	HARVIN CLARENDON COUNTY LIBRARY	BUSINESS DEVELOPMENT CORPORATION	
REVENUES			
Federal	\$ 1,658	\$ -	\$ 1,658
State	93,930	315,805	409,735
Local	584,910	202,980	787,890
TOTAL REVENUES	<u>680,498</u>	<u>518,785</u>	<u>1,199,283</u>
EXPENDITURES			
General operations	682,708	339,667	1,022,375
Capital outlay	-	47,540	47,540
Debt service	-	182,535	182,535
TOTAL EXPENDITURES	<u>682,708</u>	<u>569,742</u>	<u>1,252,450</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,210)</u>	<u>(50,957)</u>	<u>(53,167)</u>
NET CHANGE IN FUND BALANCES	(2,210)	(50,957)	(53,167)
FUND BALANCES, BEGINNING OF YEAR	<u>187,512</u>	<u>1,355,641</u>	<u>1,543,153</u>
FUND BALANCES, END OF YEAR	<u>\$ 185,302</u>	<u>\$ 1,304,684</u>	<u>\$ 1,489,986</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, 2018**

	HARVIN CLARENDON COUNTY LIBRARY	BUSINESS DEVELOPMENT CORPORATION	TOTAL
Net change in fund balances - total governmental funds	\$ (2,210)	\$ (50,957)	\$ (53,167)
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	-	47,540	47,540
Less current year depreciation	(17,481)	(139,622)	(157,103)
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	2,840	-	2,840
Change in net OPEB liability	215,755	-	215,755
Change in net pension costs	(9,479)	-	(9,479)
Incurring debt increases long-term liabilities in the statement of activities			
Principal payments	-	141,634	141,634
Change in net position of governmental activities	<u>\$ 189,425</u>	<u>\$ (1,405)</u>	<u>\$ 188,020</u>

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

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

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**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 (continued)

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)

Governmental Funds (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.

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 Equivalents

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. Tax Abatements

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 \$(1,766,067) of which \$1,149,106 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.

12. Other Postemployment Benefits (OPEB)

The Governmental Accounting Standards Board (GASB) issued Statement No. 75 entitled *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in June 2015 and is effective for fiscal years commencing after June 15, 2017.

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Trusts, and additions to and deductions from the OPEB Trusts' fiduciary net position have been determined on the same basis as they are reported by the OPEB Trusts. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. 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.

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

Budgets and Budgetary Accounting (continued)

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.

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, 2018:

	<u>General Fund</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - budgetary basis	\$ 144,674
Timing differences:	
Net change in encumbrances	<u>42,619</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - GAAP basis	<u>\$ 187,293</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 \$177,738 because grant expenditures are not budgeted (as grant revenues are not budgeted).

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

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS

Primary Government

At June 30, 2018, the carrying amount of the County's deposits and investments was \$14,635,224 and the bank balances and investment pool balances were \$15,969,853. To reconcile this information to the financial statements, we include the following:

Cash and investments	\$ 14,635,224
Cash on hand	<u>2,480</u>
Total cash	<u>\$ 14,637,704</u>
Proprietary fund	\$ 1,906,432
Fiduciary funds	4,372,678
Governmental funds	<u>8,358,594</u>
Total all funds	<u>\$ 14,637,704</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 2018, none of the County's bank balance of \$5,844,142 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	\$ 7,415,960
Treasury money market	12 day weighted average	<u>2,709,751</u>
		<u>\$ 10,125,711</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, 2018, the underlying security ratings of the County's investment in the Local

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

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Credit Risk: (continued)

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

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, 2018, the book balance of the Library's deposits totaled \$167,060 and the bank balance totaled \$193,295. Of the bank balance, \$193,295 was covered by the Federal Depository Insurance Corporation (FDIC) insurance.

Business Development Corporation of Clarendon County (BDC)

As of June 30, 2018, the book balance of the BDC's deposits totaled \$1,343,143. The bank balance of \$1,031,850 and an additional \$311,883 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

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

NOTE 4 – PROPERTY TAXES (continued)

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 Treasurer 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.

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. The maturity date of this loan is June 30, 2019.

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. Upon satisfying a minimum investment threshold of \$3,500,000, 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, 2018. The Board has approved extending the maturity date until January 8, 2020. Any principal unpaid after said date will be due in full. As of the extension date of January 8, 2019, the company had satisfied the minimum investment threshold and created 37 full-time equivalent jobs, therefore the note receivable will be reduced to \$57,500. The reduction will be recorded as a grant of \$92,500 in fiscal year June 30, 2019.

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.

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

NOTE 5 – NOTES RECEIVABLE AND LEASE AGREEMENTS (continued)

Discretely Presented Component Units (continued)

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

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 \$1,175,000. The future minimum lease payments are as follows:

June 30,

2019	\$ <u>85,138</u>
Total minimum lease payments	\$ <u>85,138</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. The Corporation received a letter of intent from the bank to renew the note payable at maturity which it intends to exercise. The current portion is calculated as if renewed, using the term, payment and interest rate of the existing note. 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,

2019	\$ 44,534
2020	44,534
2021	44,534
2022	44,534
2023	44,534
2024	<u>234,330</u>
Total minimum lease payments	457,000
Less amount representing interest	<u>(99,820)</u>
Present value of minimum lease payment	<u>\$ 357,180</u>
Current \$23,927 Long-term \$333,253	

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

NOTE 5 – NOTES RECEIVABLE AND LEASE AGREEMENTS (continued)

Discretely Presented Component Units (continued)

Agricultural Leases

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

NOTE 6 – CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Construction Completed</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Retire- ments</u>	<u>Ending Balance</u>
Governmental Activities						
Capital assets not being depreciated:						
Land	\$ 2,936,014	\$ -	\$ -	\$ -	\$ -	\$ 2,936,014
Construction in progress	<u>1,735,936</u>	<u>(1,729,914)</u>	<u>-</u>	<u>439,918</u>	<u>-</u>	<u>445,940</u>
Total capital assets not being depreciated	<u>4,671,950</u>	<u>(1,729,914)</u>	<u>-</u>	<u>439,918</u>	<u>-</u>	<u>3,381,954</u>
Capital assets being depreciated:						
Buildings and improvements	28,730,366	1,729,914	(250,000)	1,376,194	68,850	31,517,624
Infrastructure	9,659,840	-	-	-	-	9,659,840
Equipment	<u>13,938,149</u>	<u>-</u>	<u>-</u>	<u>964,410</u>	<u>277,791</u>	<u>14,624,768</u>
Total capital assets being depreciated	<u>52,328,355</u>	<u>1,729,914</u>	<u>(250,000)</u>	<u>2,340,604</u>	<u>346,641</u>	<u>55,802,232</u>
Less accumulated depreciation for:						
Buildings and improvements	6,532,781	-	(100,000)	439,791	18,934	6,853,638
Infrastructure	4,395,993	-	-	581,854	-	4,977,847
Equipment	<u>10,190,462</u>	<u>-</u>	<u>(5,790)</u>	<u>830,391</u>	<u>267,347</u>	<u>10,747,716</u>
Total accumulated depreciation	<u>21,119,236</u>	<u>-</u>	<u>(105,790)</u>	<u>1,852,036</u>	<u>286,281</u>	<u>22,579,201</u>
Total capital assets being depreciated, net	<u>31,209,119</u>	<u>1,729,914</u>	<u>(144,210)</u>	<u>488,568</u>	<u>60,360</u>	<u>33,223,031</u>
Governmental activities capital assets, net	<u>\$ 35,881,069</u>	<u>\$ -</u>	<u>\$ (144,210)</u>	<u>\$ 928,486</u>	<u>\$ 60,360</u>	<u>\$ 36,604,985</u>

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

Governmental activities:	
General Government	\$ 871,174
Public Safety	783,668
Cultural/Recreation	84,760
Physical Environment	59,331
Transportation	33,512
Economic Environment	12,724
Court Related	<u>6,867</u>
Total depreciation expense-governmental activities	<u>\$ 1,852,036</u>

**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>
Business-Type Activities				
Water and Sewer				
Capital assets not being depreciated:				
Land	\$ 119,981	\$ -	\$ 33,554	\$ 153,535
Construction in Progress	<u>2,539,238</u>	<u>(2,154,514)</u>	<u>161,712</u>	<u>546,436</u>
Total capital assets not being depreciated	<u>2,659,219</u>	<u>(2,154,514)</u>	<u>195,266</u>	<u>699,971</u>
Capital assets being depreciated:				
Buildings and improvements	1,978	-	-	1,978
Water system	6,294,571	2,154,514	370,962	8,820,047
Equipment	<u>324,368</u>	<u>-</u>	<u>59,651</u>	<u>384,019</u>
Total capital assets being depreciated	<u>6,620,917</u>	<u>2,154,514</u>	<u>430,613</u>	<u>9,206,044</u>
Less accumulated depreciation for:				
Buildings and improvements	1,699	-	198	1,897
Water system	782,838	-	166,779	949,617
Equipment	<u>154,975</u>	<u>-</u>	<u>36,285</u>	<u>191,260</u>
Total accumulated depreciation	<u>939,512</u>	<u>-</u>	<u>203,262</u>	<u>1,142,774</u>
Total capital assets being depreciated, net	<u>5,681,405</u>	<u>2,154,514</u>	<u>227,351</u>	<u>8,063,270</u>
Business-Type activities capital assets, net	<u>\$ 8,340,624</u>	<u>\$ -</u>	<u>\$ 422,617</u>	<u>\$ 8,763,241</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Ending Balance</u>
Weldon Auditorium			
Capital assets being depreciated:			
Buildings and improvements	<u>\$ 3,438,173</u>	<u>\$ -</u>	<u>\$ 3,438,173</u>
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>558,702</u>	<u>85,954</u>	<u>644,656</u>
Total accumulated depreciation	<u>558,702</u>	<u>85,954</u>	<u>644,656</u>
Total capital assets being depreciated, net	<u>2,879,471</u>	<u>(85,954)</u>	<u>2,793,517</u>
Business-Type activities capital assets, net	<u>\$ 2,879,471</u>	<u>\$ (85,954)</u>	<u>\$ 2,793,517</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	397,113	-	-	397,113
Books	<u>201,729</u>	<u>-</u>	<u>14,840</u>	<u>186,889</u>
Total Capital Assets being depreciated	<u>1,004,255</u>	<u>-</u>	<u>14,840</u>	<u>989,415</u>
Less accumulated depreciation for:				
Building	328,658	10,741	-	339,399
Equipment	389,519	6,740	-	396,259
Books	<u>201,729</u>	<u>-</u>	<u>(14,840)</u>	<u>186,889</u>
Total accumulated depreciated	<u>919,906</u>	<u>17,481</u>	<u>(14,840)</u>	<u>922,547</u>
Total Capital Assets, being depreciated, net	<u>84,349</u>	<u>(17,481)</u>	<u>-</u>	<u>66,868</u>
Total Capital Assets, net	<u>\$ 108,349</u>	<u>\$ (17,481)</u>	<u>-</u>	<u>\$ 90,868</u>

Depreciation expense for the year ended June 30, 2018 was \$17,481.

**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, 2018 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	47,540	136,225
Easement	<u>3,291</u>	<u>-</u>	<u>3,291</u>
Total capital assets not being depreciated	<u>3,594,982</u>	<u>47,540</u>	<u>3,642,522</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	1,239,469	131,125	1,370,594
Infrastructure	<u>85,678</u>	<u>8,497</u>	<u>94,175</u>
Total accumulated depreciation	<u>1,325,147</u>	<u>139,622</u>	<u>1,464,769</u>
Total capital assets being depreciated, net	<u>2,863,532</u>	<u>(139,622)</u>	<u>2,723,910</u>
Total capital assets, net	<u>\$ 6,458,514</u>	<u>\$ (92,082)</u>	<u>\$ 6,366,432</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, 2018 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, 2018, were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Funds		
General Fund	\$ -	\$ 928,312
Capital Projects Fund	212,787	-
Debt Service Funds:		
General Obligations	<u>715,525</u>	<u>-</u>
Governmental Funds	<u>928,312</u>	<u>928,312</u>
Enterprise Funds		
General Fund	1,179,102	-
Capital Projects Fund	1,128,483	-
Debt Service Funds:		
General Obligations	870,855	-
Weldon Auditorium	-	1,097,179
Water & Sewer Fund	<u>-</u>	<u>2,081,261</u>
Enterprise Fund	<u>3,178,440</u>	<u>3,178,440</u>
Fiduciary Funds		
General Fund	65,894	3,979
Fiduciary Fund types:		
Probate	-	5,817
Magistrates:		
General and Civil	-	37,543
Clerk of Court	-	22,534
Forfeited Lands	17	-
School Districts	<u>3,962</u>	<u>-</u>
Fiduciary Funds	<u>69,873</u>	<u>69,873</u>
	<u>\$ 4,176,625</u>	<u>\$ 4,176,625</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>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 71,082	\$ 221,600
Capital Projects	446,600	-
Fire Operating Fund	10,000	225,000
Water & Sewer	-	20,000
Weldon Auditorium	260,912	-
Non Major Funds	-	265,912
Fiduciary Funds	<u>-</u>	<u>56,082</u>
	<u>\$ 788,594</u>	<u>\$ 788,594</u>

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

NOTE 8 – SHORT-TERM OBLIGATIONS

During the year ended June 30, 2018, the following transactions occurred in short-term liabilities:

	<u>Balance at June 30, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2018</u>
GBAN – Series 2016C	\$ 750,000	-	\$ 750,000	-
GBAN – Series 2017C	-	\$ 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). In November, 2017, GBAN Series 2016C was paid off utilizing proceeds from a \$750,000 GBAN (Series 2017C).

NOTE 9 – LONG-TERM DEBT

A. Primary Government

Governmental Activities

General Obligation Bonds

\$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%.

\$ 562,707

\$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.

3,285,000

\$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.

33,614

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

NOTE 9 – LONG-TERM DEBT (continued)

A. Primary Government (continued)

Governmental Activities (continued)

General Obligation Bonds (continued)

\$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%.

446,352

\$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.

69,863

\$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.

92,863

\$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.

105,892

\$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.

260,437

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

NOTE 9 – LONG-TERM DEBT (continued)

A. Primary Government (continued)

Governmental Activities (continued)

General Obligation Bonds (continued)

\$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.

679,289

\$288,550 Bond issued February 13, 2018 (Series 2018A) to fund semi-annual installment lease purchase obligation on Courthouse Project. Due in annual installments beginning March 1, 2018 of \$35,413 and ending March 1, 2020 of \$253,137. Interest accrues at a rate of 3.45% and is payable semi-annually on March 1 and September 1 each year to maturity

288,550

Total General Obligations Bonds Payable

\$ 5,824,567

The annual debt service payments for General Obligation bonds outstanding at June 30, 2018, are as follows:

General Obligation Bonds

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 721,413	\$ 192,414
2020	638,001	174,731
2021	267,770	154,873
2022	272,051	146,993
2023	281,459	138,984
2024 – 2028	1,448,506	564,130
2029 – 2033	990,367	350,047
2034 – 2038	985,000	165,600
2039 – 2043	<u>220,000</u>	<u>8,800</u>
	<u>\$ 5,824,567</u>	<u>\$1,896,572</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.

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

NOTE 9 – LONG-TERM DEBT (continued)

A. Primary Government (continued)

Governmental Activities (continued)

Blended Component Unit – Clarendon Facilities Corporation (continued)

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.

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, 2018 \$ 12,045,000

The annual debt service payments for Clarendon Facilities Corporation Installment Purchase Revenue bonds outstanding at June 30, 2018, are as follows:

Revenue Bonds

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 350,000	\$ 396,440
2020	355,000	389,340
2021	365,000	382,090
2022	375,000	374,640
2023	380,000	366,578
2024 – 2028	2,045,000	1,681,783
2029 – 2033	2,340,000	1,291,132
2034 – 2038	2,655,000	846,439
2039 – 2043	<u>3,180,000</u>	<u>307,121</u>
	<u>\$ 12,045,000</u>	<u>\$ 6,035,563</u>

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

NOTE 9 – LONG-TERM DEBT (continued)

A. Primary Government (continued)

Governmental Activities (continued)

Blended Component Unit – Clarendon Facilities Corporation (continued)

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.

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 \$42,167. \$ 56,170

\$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 \$92,007. 62,489

\$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 \$36,164. 134,931

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

NOTE 9 – LONG-TERM DEBT (continued)

A. Primary Government (continued)

Governmental Activities (continued)

Capital Leases (continued)

\$250,000 – Lease/purchase agreement to finance the purchase of several motor vehicles. Due in monthly payments of \$4,432, including interest. First payment due January 1, 2018 and ending payment due December 1, 2022. The vehicles' gross cost is \$219,528 and the accumulated depreciation is \$43,506.

227,793

Total Capital Leases

\$ 481,387

Future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 2018:

**Year Ending
June 30,**

2019	\$ 155,870
2020	134,932
2021	113,317
2022	73,117
2023	<u>26,589</u>

Total Minimum Lease Payment

503,825

Less Amount Representing Interest

22,438

Present Value of Net Minimum Lease Payment

\$ 481,387

**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.

\$ 2,800,000

The annual debt service payments for Weldon Auditorium Enterprise Charge Limited Obligation bonds outstanding at June 30, 2018, are as follows:

Revenue Bonds <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 75,000	\$ 124,424
2020	75,000	121,706
2021	80,000	118,896
2022	85,000	115,693
2023	85,000	112,187
2024 – 2028	490,000	502,727
2029 – 2033	600,000	383,431
2034 – 2038	760,000	223,963
2039 – 2041	<u>550,000</u>	<u>39,900</u>
	<u>\$ 2,800,000</u>	<u>\$ 1,742,927</u>

**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

\$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%.

\$ 2,366,247

\$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%.

941,462

\$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%.

1,145,592

\$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%.

249,720

Balance at June 30, 2018 \$ 4,703,021

The annual debt service payments for Water and Sewer Enterprise Revenue bonds outstanding at June 30, 2018, are as follows:

Revenue Bonds		
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 85,067	\$ 116,545
2020	87,220	114,392
2021	89,428	112,184
2022	91,695	109,917
2023	94,017	107,595
2024 – 2028	507,130	500,930
2029 – 2033	575,024	433,036
2034 – 2038	652,234	355,826
2039 – 2043	740,097	267,963
2044 – 2048	840,074	167,986
2049 – 2053	775,779	56,791
2054 – 2056	<u>165,256</u>	<u>5,384</u>
	<u>\$ 4,703,021</u>	<u>\$ 2,348,549</u>

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

NOTE 9 – LONG-TERM DEBT (continued)

B. Business Type Activities (continued)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
General Obligation Bonds					
- Series 2013A	\$ 33,118	\$ -	\$ 33,118	\$ -	\$ -
- Series 2013B	604,082	-	41,375	562,707	42,823
- Series 2013C	31,408	-	31,408	-	-
- Series 2014A	58,210	-	58,210	-	-
- Series 2014B	3,395,000	-	110,000	3,285,000	110,000
- Series 2014C	123,067	-	123,067	-	-
- Series 2015A	115,133	-	81,519	33,614	33,614
- Series 2015B	473,605	-	27,253	446,352	28,139
- Series 2015C	121,710	-	51,847	69,863	69,863
- Series 2016A	119,088	-	26,225	92,863	92,863
- Series 2016B	137,540	-	31,648	105,892	105,892
- Series 2017A	300,000	-	39,563	260,437	134,188
- Series 2017B	750,000	-	70,711	679,289	68,618
- Series 2018A	-	288,550	-	288,550	35,413
Revenue Bonds					
- IPRB (Admin) Refunding	5,460,000	-	335,000	5,125,000	340,000
- IPRB (Courthouse)	6,930,000	-	10,000	6,920,000	10,000
Total Bonds	<u>18,651,961</u>	<u>288,550</u>	<u>1,070,944</u>	<u>17,869,567</u>	<u>1,071,413</u>
Other Liabilities					
Compensated Absences	464,973	56,283	-	521,256	412,340
Closure & Maintenance	527,300	-	19,800	507,500	26,800
Capital Leases	348,244	250,000	116,857	481,387	145,715
Total Other Liabilities	<u>1,340,517</u>	<u>306,283</u>	<u>136,657</u>	<u>1,510,143</u>	<u>584,855</u>
Governmental Activities Long Term Liabilities	<u>19,992,478</u>	<u>594,833</u>	<u>1,207,601</u>	<u>19,379,710</u>	<u>1,656,268</u>
Business Type Activities					
Revenue Bonds					
Weldon 2010 Series	2,870,000	-	70,000	2,800,000	75,000
Water Expansion (2012A)	2,408,029	-	41,782	2,366,247	42,947
Water Expansion (2012B)	958,084	-	16,622	941,462	17,086
Water Expansion (2016A)	1,165,762	-	20,170	1,145,592	20,555
Water Expansion (2016B)	254,115	-	4,395	249,720	4,479
Total Bonds	<u>7,655,990</u>	<u>-</u>	<u>152,969</u>	<u>7,503,021</u>	<u>160,067</u>
Other Liabilities					
Compensated Absences	4,420	1,776	-	6,196	6,196
Total Other Liabilities	<u>4,420</u>	<u>1,776</u>	<u>-</u>	<u>6,196</u>	<u>6,196</u>
Business Type Activities Long Term Liabilities	<u>7,660,410</u>	<u>1,776</u>	<u>152,969</u>	<u>7,509,217</u>	<u>166,263</u>
Total Combined	<u>\$ 27,652,888</u>	<u>\$ 596,609</u>	<u>\$ 1,360,570</u>	<u>\$ 26,888,927</u>	<u>\$ 1,822,531</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)

<p>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 \$625,000. The Corporation has received a letter of intent from the bank to renew the loan at terms similar to the existing loan with interest rates based upon market rates at the time of renewal. Current maturities were calculated using the terms, payments and interest rate of the existing loan.</p>	\$ 313,321
<p>Note payable to bank with monthly payments of \$3,711.19, including interest at 5.95% due June 10, 2019. The Corporation has received a letter of intent from the bank to renew the loan at terms similar to the existing loan with interest rates based upon market rates at the time of renewal. Current maturities were calculated using the terms, payments and interest rate of the existing loan.</p>	357,181
<p>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, 2016, and 2017. The loan was extended on February 1, 2018. One half of the principal and interest (\$93,600) is due December 1, 2018. The balance of \$91,800 is due on or before December 1, 2020. If Spec Building #7 is sold during the period, the debt shall be satisfied with proceeds from the sale.</p>	180,000
<p>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.</p>	250,000
<p>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, 2019, whichever is earlier. Note recorded at face value excluding imputed interest as the initial term is indefinite.</p>	<u>250,000</u>
<p>Subtotal of notes payable</p>	1,350,502
<p>Less current portion</p>	<u>(399,104)</u>
<p>Notes payable – noncurrent portion</p>	<u>\$ 951,398</u>

**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>
2019	\$ 399,104	\$ 33,430
2020	496,472	29,163
2021	173,507	20,098
2022	28,591	15,943
2023	30,339	14,195
Thereafter	<u>221,989</u>	<u>13,281</u>
	<u>\$ 1,350,502</u>	<u>\$ 126,110</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 2017-18 is \$84,000.

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.

The County entered into an operating lease for a 670G John Deere motor grader. The 60 month lease term began October 19, 2017 and ends September 15, 2022. Monthly lease payments are \$2,147.

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

NOTE 10 – OPERATING LEASES (continued)

The future annual rental payments are as follows:

2019	\$ 199,854
2020	145,027
2021	100,831
2022	64,195
2023	42,442
2024 - 2028	180,000
2029 - 2033	180,000
2034 - 2035	<u>45,000</u>
	<u>\$ 957,349</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 one years. The municipal landfill's liability at June 30, 2018 is \$507,500. See Note 9.

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, 2018. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Clarendon County has not accumulated or segregated funds to meet this reserve.

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

NOTE 12 – RETIREMENT PLANS

Description of the Entity

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the 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. Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 assigned the PEBA Board of Directors as the Custodian of the Retirement Trust Funds and assigned SC PEBA and the Retirement Systems Investment Commission (RSIC) as co-trustees of the Retirement Trust Funds.

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

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

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 a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of the benefit terms for each system is presented below.

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

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

NOTE 12 – RETIREMENT PLANS (continued)

Benefits (continued)

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

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

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA board may increase the percentage rate in SCRS and PORS employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and 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 and employer contributions provided in statute or the rates last adopted by the board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; this increase is not limited to one-half of one percent per year.

If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than ninety percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than ninety percent. Any decrease in contribution rates must maintain the 2.9 and 5 percent differentials between the SCRS and PORS employer and employee contribution rates respectively. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than ninety percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 90 percent.

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

NOTE 12 – RETIREMENT PLANS (continued)

Contributions (continued)

The Retirement System Funding and Administration Act increases employer contribution rates to 13.56 percent for SCRS and 16.24 percent for PORS, effective July 1, 2017. It also removes the 2.9 percent and 5 percent differential and increases and establishes a ceiling on employee contribution rates at 9 percent and 9.75 percent for SCRS and PORS respectively. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56 percent for SCRS and 21.24 percent for PORS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a twenty year amortization schedule. The recent pension reform legislation also changes the long term funded ratio requirement from ninety to eighty-five.

Required **employee** contribution rates¹ for fiscal year 2017-2018 are as follows:

SCRS

Employee Class Two	9.00%
Employee Class Three	9.00%

PORS

Employee Class Two	9.75%
Employee Class Three	9.75%

Required **employer** contribution rates¹ are as follows:

SCRS

Employer Class Two	13.41%
Employer Class Three	13.41%
Employer Incidental Death Benefit	0.15%

PORS

Employer Class Two	15.84%
Employer Class Three	15.84%
Employer Incidental Death Benefit	0.20%
Employer Accidental Death Program	0.20%

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

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

NOTE 12 – RETIREMENT PLANS (continued)

Contributions (continued)

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

County:

SCRS	<u>2018</u>	<u>2017</u>	<u>2016</u>
Employee Contributions	\$ 459,773	\$ 432,244	\$ 403,606
Employer Contributions	685,064	569,502	539,627
Employer Group Life Contributions	<u>7,663</u>	<u>7,487</u>	<u>7,419</u>
Total	<u>\$1,152,500</u>	<u>\$1,009,233</u>	<u>\$ 950,652</u>
PORS			
Employee Contributions	\$ 437,370	\$ 413,672	\$ 388,493
Employer Contributions	710,554	619,616	592,965
Employer Group Life Contributions	<u>17,943</u>	<u>17,908</u>	<u>17,780</u>
Total	<u>\$1,165,867</u>	<u>\$1,051,196</u>	<u>\$ 999,238</u>

Harvin Clarendon County Library:

SCRS	<u>2018</u>	<u>2017</u>	<u>2016</u>
Employee Contributions	\$ 27,033	\$ 26,167	\$ 23,703
Employer Contributions	40,280	34,477	31,719
Employer Group Life Contributions	<u>456</u>	<u>453</u>	<u>436</u>
Total	<u>\$ 67,769</u>	<u>\$ 61,097</u>	<u>\$ 55,858</u>

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, 2018, the County reported a liability of \$11,166,883 for its proportionate share of the net pension liability for SCRS and a liability of \$9,107,560 for its proportionate share of the net pension liability for PORS. Harvin Clarendon County Library reported a liability of \$674,223 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, 2017, 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, 2017, the County's proportion was .049605 percent and .33245 percent for SCRS and PORS, respectively. The Library's proportion was .002995 percent.

**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)

For the year ended June 30, 2018, the County recognized pension expense of \$2,101,769, including \$1,031,774 for SCRS and \$1,069,995 for PORS, respectively. Harvin Clarendon County Library recognized pension expense of \$50,217.

At June 30, 2018, 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>
<u>SCRS</u>		
Differences between Expected and Actual Experience Assumption Changes	\$ 49,782	\$ 6,189
Net Difference between Projected and Actual Investment Earnings	653,701	-
Deferred Amounts from Changes in Proportionate Share and Differences between Employer Contributions and Proportionate Share of Total Plan Employer Contributions	311,727	-
Direct Contributions Subsequent to the Measurement Date	69,891	289,047
	692,727	-
Total	<u>\$ 1,777,828</u>	<u>\$ 295,236</u>
<u>PORS</u>		
Differences between Expected and Actual Experience Assumption Changes	\$ 81,214	\$ -
Net Difference between Projected and Actual Investment Earnings	864,391	-
Deferred Amounts from Changes in Proportionate Share and Differences between Employer Contributions and Proportionate Share of Total Plan Employer Contributions	324,540	-
Direct Contributions Subsequent to the Measurement Date	61,650	280,489
	728,497	-
Total	<u>\$ 2,060,292</u>	<u>\$ 280,489</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)***

Harvin Clarendon County Library:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
SCRS		
Differences between Expected and Actual Experience Assumption Changes	\$ 3,006	\$ 374
Net Difference between Projected and Actual Investment Earnings	39,469	-
Deferred Amounts from Changes in Proportionate Share and Differences between Employer Contributions and Proportionate Share of Total Plan Employer Contributions	18,821	-
Direct Contributions Subsequent to the Measurement Date	2,078	42,460
	<u>40,736</u>	<u>-</u>
Total	<u>\$ 104,110</u>	<u>\$ 42,834</u>

The amounts of \$692,727 for SCRS, \$728,497 for PORS, and \$40,736 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, 2019.

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, 2017.

**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>Difference between expected and actual experience¹</u>		
	<u>SCRS</u>	<u>PORS</u>
	<u>June 30, 2017</u>	<u>June 30, 2017</u>
Initial Balance	\$ 344,957	\$ 291,669
Amortized ² period ending June 30,		
2014	\$ (74,852)	\$ (44,046)
2015	(69,535)	(48,739)
2016	(75,165)	(56,993)
2017	(81,812)	(60,677)
2018	(24,401)	(54,332)
2019	(11,406)	(15,673)
2020	(7,301)	(9,172)
2021	(485)	(2,037)
<u>Assumption changes</u>		
	<u>SCRS</u>	<u>PORS</u>
	<u>June 30, 2017</u>	<u>June 30, 2017</u>
Initial Balance	\$ 866,425	\$ 1,107,690
Amortized ² period ending June 30,		
2014	\$ -	\$ -
2015	-	-
2016	-	-
2017	(212,724)	(243,299)
2018	(212,724)	(243,277)
2019	(212,724)	(243,288)
2020	(212,724)	(243,288)
2021	(15,529)	(134,538)
<u>Difference between projected and actual investment earnings³</u>		
	<u>SCRS</u>	<u>PORS</u>
	<u>June 30, 2017</u>	<u>June 30, 2017</u>
Initial Balance	\$ 341,259	\$ 375,868
Amortized ² period ending June 30,		
2014	\$ 180,003	\$ 184,105
2015	29,258	26,206
2016	(170,541)	(186,465)
2017	(68,252)	(75,174)
2018	(68,252)	(75,174)
2019	(248,255)	(259,276)
2020	(97,510)	(101,381)
2021	102,290	111,291

**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)*

Library:

Difference between expected and actual experience¹	
SCRS	
June 30, 2017	
Initial Balance	\$ 20,827
Amortized ² period	
Ending June 30,	
2014	\$ (4,519)
2015	(4,198)
2016	(4,538)
2017	(4,940)
2018	(1,473)
2019	(689)
2020	(441)
2021	(29)
2022	-
Thereafter	-

Assumption Changes	
SCRS	
June 30, 2017	
Initial Balance	\$ 52,313
Amortized ² period	
Ending June 30,	
2017	\$ (12,844)
2018	(12,844)
2019	(12,844)
2020	(12,844)
2021	(937)
2022	-
Thereafter	-

**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)***

Library:

Difference between projected and actual investment earnings³	
SCRS	
June 30, 2017	
Initial Balance	\$ 20,604
Amortized ² period	
Ending June 30,	
2014	\$ 10,868
2015	1,767
2016	(10,297)
2017	(4,121)
2018	(4,121)
2019	(14,989)
2020	(5,887)
2021	6,176
2022	-
Thereafter	-

¹In 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; 4.116 years for 6/30/16; and, 4.073 for 6/30/17 for SCRS and are 4.856 for 6/30/14; 4.796 for 6/30/15; 4.665 for 6/30/16; and 4.553 for 6/30/17 for PORS.

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

³In 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 and Methods

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued as of July 1, 2015.

The June 30, 2017, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2016. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2017,

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

NOTE 12 – RETIREMENT PLANS (continued)

Actuarial Assumptions and Methods (continued)

using generally accepted actuarial principles. The Retirement System Funding and Administration Act of 2017 was signed into law April 25, 2017, and included a provision to reduce the assumed rate of return from 7.50% to 7.25% effective July 1, 2017. As a result of this legislation, GRS made an adjustment to the calculation of the roll-forward total pension liability for this assumption change as of the measurement date of June 30, 2017.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2017.

	<u>SCRS</u>	<u>PORS</u>
Actuarial Cost Method	Entry age normal	Entry age normal
Investment rate of return ¹	7.25%	7.25%
Projected salary increases	3.0% - 12.5% (varies by service) ¹	3.5% - 9.5% (varies by service) ¹
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

¹ Includes inflation at 2.75%

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality table (2017 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Assumptions used in the determination of the June 30, 2017, TPL are as follows.

<u>Former Job Class</u>	<u>Males</u>	<u>Females</u>
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

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

NOTE 12 – RETIREMENT PLANS (continued)

Net Pension Liability

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2017, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability(Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$48,244,437	\$25,732,829	\$22,511,608	53.3%
PORS	7,013,684	4,274,123	2,739,561	60.9%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL 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 and 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 is based upon 30 year capital market assumptions. 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 target asset allocation adopted at the beginning of the 2017 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 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>
Global Equity	45.0%		
Global Public Equity	31.0%	6.72%	2.08%
Private Equity	9.0%	9.60%	0.86%
Equity Options Strategies	5.0%	5.91%	0.30%
Real Assets	8.0%		
Real Estate (Private)	5.0%	4.32%	0.22%
Real Estate (REITs)	2.0%	6.33%	0.13%
Infrastructure	1.0%	6.26%	0.06%
Opportunistic	17.0%		
GTAA/Risk Parity	10.0%	4.16%	0.42%
HF (non-PA)	4.0%	3.82%	0.15%
Other Opportunistic Strategies	3.0%	4.16%	0.12%
Diversified Credit	18.0%		
Mixed Credit	6.0%	3.92%	0.24%
Emerging Markets Debt	5.0%	5.01%	0.25%
Private Debt	7.0%	4.37%	0.31%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	1.60%	0.16%
Cash and Short Duration (Net)	2.0%	0.92%	0.02%
Total Expected Real Return	100.0%		5.31%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.56%

Discount Rate

The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the 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 TPL.

**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 collective NPL of the participating employers calculated using the discount rate of 7.25 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

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

<u>System</u>	<u>1.00% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1.00% Increase (8.25%)</u>
County:			
SCRS	\$ 14,392,578	\$ 11,166,883	\$ 9,209,644
PORS	\$ 12,296,939	\$ 9,107,560	\$ 6,595,329
Harvin Clarendon County Library:			
SCRS	\$ 868,980	\$ 674,223	\$ 556,050

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, 2017.

Payables to the Pension Plan

As of June 30, 2018, the County had \$195,814 in payables outstanding to the pension plans for its legally required contributions. The Library had \$5,219 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

The County follows Governmental Accounting Standards Board (GASB) Statement No. 75 (implemented July 1, 2017) for other post-employment benefits (OPEB) offered to retirees. This standard addresses how local governments should account for and report their costs related to post-employment 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 75 (previously GASB 45) requires that the County accrue the cost of retiree health subsidy and other post-employment benefits during the period of the employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial liability in order to accurately account for the total future cost of post-employment benefits and the financial impact on the County. This funding methodology mirrors the funding approach used for pension benefits.

The County's defined benefit OPEB plan provides OPEB for all permanent full-time general and public safety employees of the County. The plan is a single-employer defined benefit OPEB plan administered by the County. Pursuant to Section 1-11-710/720 of the State Code of Laws the County is allowed to provide OPEB benefits through the South Carolina Public Employee Benefit Authority (PEBA). The County may not amend or change any of the benefits associated with the Plan as a result of this election. Postemployment and long-term disability benefits are funded through annual premiums (remitted monthly) as assessed each year by the Department of Administration Executive Budget Office.

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.

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

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)

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.

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.

**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

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.)
- 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 eligible for one hundred 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 the "regular" State contribution, and will be obligated to pay the difference of the total premium and State contribution.)

Employees covered by benefit terms in the Plan as of June 30, 2016:

Inactive Plan members or beneficiaries currently receiving benefits	56
Active plan members	<u>270</u>
Total Plan members	<u>326</u>

The County's total OPEB liability of \$17,573,948 was measured as of June 30, 2017, and was determined by an actuarial valuation as of June 30, 2016.

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

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)

Funding Policy

The County established a policy to fund the “OPEB” Obligation on a pay-as-you-go basis “PAYGO” (no funding of the future obligation). The County will review the funding policy and contribution annually. No assets are accumulated in a Trust that meets the criteria in paragraph 4 of GASB Statement 75.

Actuarial Methods and Assumptions

The total OPEB liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Individual entry-age
Discount rate	3.56% as of June 30, 2017
Inflation	2.25%
Salary increase	3.5% to 9.5% for PORS and 3.0% to 7.0% for SCRS, including inflation
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	For health retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and Females are used with fully generational mortality projections based on Scale AA from the year 2016. The following multipliers are applied to the base tables: 100% for male SCRS members, 111% for female SCRS members, 125% for male PORS members and 111% for female PORS members
Health care trend rates	7.0% decreasing to an ultimate rate of 4.15% over 15 years; ultimate trend rate includes a 0.15% adjustment for the excise tax.
Participation rates	It was assumed that 85% of retirees who are eligible for the full County premium subsidy, 60% of retirees who are eligible for a partially funded County subsidy and 20% of retirees who are not eligible for any subsidy would choose to receive retiree health care benefits through the Plan. Retirees that do not receive a subsidy are assumed to discontinue coverage at age 65.

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

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)

Changes in the Total OPEB Liability

Balance at June 30, 2017 - restated	\$18,375,163
Changes for the year	
Service cost	903,965
Interest on the OPEB liability	541,509
Difference between expected and actual experience of the total OPEB liability	207,669
Changes of assumptions	(1,889,754)
Benefit payments	(564,603)
Net change in total OPEB liability	(801,215)
Balance at June 30, 2018	\$17,573,949

Changes of assumptions reflect a change in the discount rate from 2.92% as of June 30, 2016 to 3.56% as of June 30, 2017.

The following table presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease 2.56%	Current Discount Rate Assumption 3.56%	1% Increase 4.56%
Total OPEB liability	\$ 20,614,640	\$ 17,573,949	\$ 15,103,797

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the Plan's total liability, calculated using the assumed trend rates as well as what the Plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1% Decrease	Current Healthcare cost Rate Assumption	1% Increase
Total OPEB liability	\$ 14,436,461	\$ 17,573,949	\$ 21,697,915

For the year ended June 30, 2018, the County recognized OPEB expense of \$1,228,516.

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

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions subsequent to the measurement date	\$ 513,099	\$ -
Differences between expected and actual experience	180,884	-
Changes in assumptions	<u>-</u>	<u>1,646,012</u>
Total	<u>\$ 693,983</u>	<u>\$ 1,646,012</u>

The County reported deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. The difference between expected and actual experience and changes in assumptions are reported as deferred outflows (inflows) of resources and will be amortized over the average of the expected remaining service lives of all employees that are provided OPEB through the OPEB Plan (active and inactive members) determined as of the beginning of the measurement period. Average remaining service lives of all employees that are provided OPEB through the OPEB Plan at the June 30, 2017 measurement date was 7.7531 years. The following schedule reflects the amortization of the County's net balance of remaining deferred outflows/(inflows) at June 30, 2018:

<u>Year ending June 30,</u>	<u>Net Deferred Outflows/(Inflows)</u>
2019	\$ (216,957)
2020	(216,957)
2021	(216,957)
2022	(216,957)
2023	(216,957)
Thereafter	<u>(380,343)</u>
Total	<u>\$(1,465,128)</u>

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

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)

Harvin Clarendon County Library

Background

The Library implemented GASB State No. 75 July 1, 2017, for other post-employment benefits offered to retirees. See the background information as provided by the County above.

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” (no funding of the Obligation). The Library will review the funding policy and contributions annually. No assets are accumulated in a Trust that meets the criteria in paragraph 4 of Statement 75.

Employees covered by benefit terms in the Plan as of June 30, 2018:

Inactive plan members or beneficiaries currently receiving benefits	2
Active plan members	<u>7</u>
Total plan members	<u>9</u>

The Library’s total OPEB liability of \$454,215 was measured as of June 30, 2018, and was determined by using the Alternative Measurement Method (AMM) valuation of an actuarial valuation as of June 30, 2018.

Changes in the Total OPEB Liability

Balance at June 30, 2017, as restated	\$ 669,970
Changes for the year	
Service cost	14,943
Interest on the OPEB liability	24,287
Difference between expected and actual experience of the total OPEB liability (Effect of Economic/Demographic gains and losses)	(240,747)
Changes in assumptions	(3,061)
Benefit payments	<u>(11,077)</u>
Net change in total OPEB liability	<u>(215,755)</u>
Balance at June 30, 2018	<u>\$ 454,215</u>
Covered-employee payroll	<u>\$ 255,600</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>177.71%</u>

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

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)

Harvin Clarendon County Library (continued)

Changes in the Total OPEB Liability (continued)

Changes of assumptions reflect a change in the discount rate from 3.56% as of June 30, 2017, to 3.62% as of June 30, 2018.

Effect of the Economic/Demographic gains or losses include the impact on the total OPEB liability resulting from the termination of one plan member's services during June 30, 2018.

The following table presents the total OPEB Liability of the Library, as well as what the Library's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease	Current Discount Rate Assumption	1% Increase
	2.62%	3.62%	4.62%
Total OPEB liability	\$ 509,280	\$ 454,215	\$ 407,238

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the Plan's total liability, calculated using the assumed trend rates as well as what the Plan's total OPEB liability should be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1% Decrease	Current Healthcare cost Rate Assumption	1% Increase
Total OPEB liability	\$ 408,876	\$ 454,215	\$ 506,121

In accordance with GASB 75 paragraph 43(a), deferred inflows/outflows of resources related to differences between actual and expected experience with regard to economic or demographic factors or changes in assumptions and other inputs are not used under the Alternative Measurement Method. These items are recognized in OPEB expense immediately. For the year ended June 30, 2018, the Library recognized OPEB expense of \$(215,755).

The change in reporting the total OPEB liability prior to the implementation of GASB 75 to implementation of GASB 75 as of June 30, 2017, was accounted for as a restatement of unrestricted net position and a restatement of previously reported OPEB liability (See Note 18).

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

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)

Harvin Clarendon County Library (continued)

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.

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, 2018 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>Other Governmental</u>	<u>Total Governmental Funds</u>
Nonspendable:							
Inventory	\$ 68,986	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,986
Restricted:							
LOST Reserve	1,149,106	-	-	-	-	-	1,149,106
Local drug interdiction	-	-	-	-	-	711,979	711,979
Solicitor's office	-	-	-	-	-	264,825	264,825
Debt service	-	-	2,217,427	-	-	139,589	2,357,016
I-95 Mega site	43,985	-	-	-	-	-	43,985
911 Center improvements	-	-	-	-	-	1,163,337	1,163,337
Committed:							
DSS bldg. project	-	399,112	-	-	-	-	399,112
Assigned:							
Encumbrances	63,575	-	-	42,683	-	-	106,258
Fire protection	-	-	-	1,274,042	-	-	1,274,042
Local law enforcement	4,336	-	-	-	-	-	4,336
Road improvements	-	-	-	-	1,756,261	-	1,756,261
Vocational school	-	-	-	-	-	4,962	4,962
Tourism related efforts	-	-	-	-	-	223,311	223,311
Clerk of Court discretionary	7,102	-	-	-	-	-	7,102
Archives collection	979	-	-	-	-	-	979
Unassigned:	<u>1,455,524</u>	<u>1,186,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,641,998</u>
Total fund balances	<u>\$ 2,793,593</u>	<u>\$ 1,585,586</u>	<u>\$ 2,217,427</u>	<u>\$ 1,316,725</u>	<u>\$ 1,756,261</u>	<u>\$ 2,508,003</u>	<u>\$12,177,595</u>

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

NOTE 14 – FUND BALANCE REPORTING (continued)

Discretely Presented Component Units:

The fund balances as of June 30, 2018 was classified as follows:

<u>Description</u>	<u>Harvin Clarendon County Library</u>	<u>Business Development Commission</u>
Non-spendable	\$ 18,555	\$ -
Restricted	-	1,307,123
Committed:		
Capital building fund	95,000	-
Assigned	-	-
Unassigned	<u>71,747</u>	<u>(2,439)</u>
 Total fund balances	 <u>\$ 185,302</u>	 <u>\$ 1,304,684</u>

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.

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

NOTE 15 – RISK MANAGEMENT (continued)

The County has not reported a supplemental premium assessment expenditure, and the related liability at June 30, 2018, 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, 2018, 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.

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 June, 2018, the County entered into a contract with a builder in the amount of \$167,925 (additional \$12,000 in change-orders eventually added prior to project completion) for renovations and improvements to second floor space of Law Enforcement facility (County sheriff department). As of June 30, 2018, the County had incurred no costs. The project is anticipated to be completed October, 2018.

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 2019. 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:

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

NOTE 16 – CONTINGENCIES AND COMMITMENTS (continued)

Other Matters (continued)

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	<u>\$ 107,893</u>	<u>\$ 526,358</u>

NOTE 17 – TAX ABATEMENT DISCLOSURES

As of June 30, 2018, 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, 2018, the County abated property taxes totaling \$6,378,016 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, 2018, the County abated property taxes totaling \$18,165 under its special source revenue credits.

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

NOTE 18 – PRIOR PERIOD ADJUSTMENTS

The net position/fund balance as of June 30, 2017 was restated as follows:

Primary Government

	<u>Net Position</u>		<u>Fund Balance</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>GAAP Basis</u>	<u>Budgetary Basis</u>
Net position as originally presented, June 30, 2017	\$ 6,727,889	\$ 2,507,740	\$ 11,950,223	\$ 2,533,816
Implementation of change in accounting principle	(10,841,640)	(134,026)	-	-
Reversal of stale checks				
Water and sewer utility	-	316	-	-
Weldon auditorium	-	233	-	-
General fund	51,527	-	51,527	51,527
Capital projects fund	833	-	833	-
Fire department fund	1,282	-	1,282	-
Other governmental funds	<u>203</u>	<u>-</u>	<u>203</u>	<u>-</u>
Net position as restated, June 30, 2017	<u>\$ (4,059,906)</u>	<u>\$ 2,374,263</u>	<u>\$ 12,004,068</u>	<u>\$ 2,585,343</u>

Harvin Clarendon County Library

Net position as originally presented, June 30, 2017	\$ (579,674)	\$ -	\$ 187,512	\$ -
Implementation of change in accounting principle	<u>(412,080)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position as restated, June 30, 2017	<u>\$ (991,754)</u>	<u>\$ -</u>	<u>\$ 187,512</u>	<u>\$ -</u>

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. In April, 2015 the Letter of Conditions was amended to include an additional \$2,272,500 in project costs through an expansion in the scope of project. The project will be primarily financed through a \$1,481,000 RDA grant and RDA loans of \$2,501,000, at 3.375% amortized over 40 years and \$2,248,000, at 3.375% amortized over 40 years. The construction BAN in the amount of \$4,749,000 was closed October, 2018 and construction is scheduled to begin January, 2019.

In July, 2018 the County issued \$250,000 Capital Lease (lease/purchase agreement) to purchase and equip multiple motor vehicles. Due in monthly instalments of \$4,587, including interest, the first payment is due January 1, 2019 and ending on December 1, 2023.

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

NOTE 19 – SUBSEQUENT EVENTS (continued)

In November, 2018, the County issued General Obligation Bond Anticipation Note (Series 2018B) in the amount of \$535,000 to mature November 9, 2019. This issuance represents the balance outstanding of General Obligation Bond Anticipation Note (Series 2017C) originally in the amount of \$750,000 which matured November 9, 2018. General Obligation Bond Anticipation Note (Series 2017C) represented 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
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST 10 FISCAL YEARS ENDING JUNE 30

	<u>2018</u>	<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>
Service Cost	\$ 903,965	N/A *								
Interest	541,509	N/A *								
Differences Between Expected and Actual Experience	207,669	N/A *								
Changes of Assumptions or Other Inputs	(1,889,754)	N/A *								
Benefit Payments	(564,603)	N/A *								
Net Change in Total OPEB Liability	(801,214)	N/A *								
Total OPEB Liability - Beginning - Restated	<u>18,375,163</u>	N/A *								
Total OPEB Liability - Ending	<u>\$ 17,573,949</u>	N/A *								
Covered - Employee Payroll	\$ 9,559,233	N/A *								
Total OPEB Liability as a Percentage of Covered - Employee Payroll	183.84%	N/A *								

*N/A 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.

Notes to Schedule

The discount rate was updated from 4.00% (under GASB 45) to 2.92 % as of June 30, 2016 to 3.56% as of June 30, 2017, respectively, in accordance with GASB 75.

Medical per capita costs were changed to the rates shown above based on updated premium information and census data.

The mortality table was updated from 2016 Public Retirees of SC Mortality Tables for males and females.

The retirement rates were updated to reflect the rates used for "General Employees" in the South Carolina Retirement System Actuarial Valuation as of July 1, 2017.

The medical trend rates were updated from an initial rate of 7.00% in fiscal 2016 grading down to an ultimate rate of 4.15% over 15 years, ultimate trend rate includes a .15% adjustment for the excise tax.

See Independent Auditor's Report on Required Supplementary Information

CLARENDON COUNTY
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS (OPEB)

LAST 10 FISCAL YEARS ENDING JUNE 30

Employer Contribution Information

Fiscal Year	<u>2018</u>	<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>
Contractually Determined Employer Contribution	\$ 513,099	N/A *								
Actual Employer Contribution	\$ (513,099)	N/A *								
Contribution Deficiency (Excess)	\$ -	N/A *								
Covered - Employee payroll	\$ 9,594,422	N/A *								
Contributions as Percent of Covered Payroll	5.37%	N/A *								

* N/A 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.

See Independent Auditor's Report on Required Supplementary Information

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

SCRS	<u>2018</u>	<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>
County's proportion of the net pension liability (asset)	4.960500%	0.051076%	0.050338%	0.051777%	0.051777%	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset)	\$ 11,166,883	\$ 10,909,758	\$ 9,546,844	\$ 8,914,283	\$ 9,286,947	NA*	NA*	NA*	NA*	NA*
County's covered-employee payroll	\$ 4,991,257	\$ 4,946,164	\$ 4,719,753	\$ 4,700,195	\$ 4,010,728	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	223.73%	220.57%	202.27%	189.66%	231.55%	NA*	NA*	NA*	NA*	NA*
Plan fiduciary net position as a percentage of the total pension liability	53.30%	52.90%	57.00%	59.90%	56.40%	NA*	NA*	NA*	NA*	NA*
PORS										
County's proportion of the net pension liability (asset)	0.332450%	0.348660%	0.344100%	0.343190%	0.343190%	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset)	\$ 9,107,560	\$ 8,843,800	\$ 7,499,560	\$ 6,570,219	\$ 7,114,338	NA*	NA*	NA*	NA*	NA*
County's covered-employee payroll	\$ 4,476,972	\$ 4,445,013	\$ 4,262,881	\$ 4,127,257	\$ 3,341,860	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	203.43%	198.96%	175.93%	159.19%	212.89%	NA*	NA*	NA*	NA*	NA*
Plan fiduciary net position as a percentage of the total pension liability	60.90%	60.40%	64.60%	67.50%	63.00%	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, 2017.

CLARENDON COUNTY
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS (SCRS) and (PORS)

Last 10 Fiscal Years

SCRS	<u>2018</u>	<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>
Contractually required contribution	\$ 692,727	\$ 576,989	\$ 547,030	\$ 514,453	\$ 498,271	NA*	NA*	NA*	NA*	NA*
Contributions in relation to the contractually required contribution	\$ (692,727)	\$ (576,989)	\$ (547,030)	(514,453)	\$ (498,271)	NA*	NA*	NA*	NA*	NA*
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 5,108,606	\$ 4,991,257	\$ 4,946,164	\$ 4,719,753	\$ 4,700,195	NA*	NA*	NA*	NA*	NA*
Contributions as a percentage of covered-employee payroll	13.56%	11.56%	11.06%	10.90%	10.60%	NA*	NA*	NA*	NA*	NA*
PORS										
	<u>2018</u>	<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>
Contractually required contribution	\$ 728,497	\$ 637,524	\$ 610,745	\$ 571,651	\$ 530,004	NA*	NA*	NA*	NA*	NA*
Contributions in relation to the contractually required contribution	\$ (728,497)	(637,524)	\$ (610,745)	(571,651)	\$ (530,004)	NA*	NA*	NA*	NA*	NA*
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 4,485,815	\$ 4,476,972	\$ 4,445,013	\$ 4,262,881	\$ 4,127,257	NA*	NA*	NA*	NA*	NA*
Contributions as a percentage of covered-employee payroll	16.24%	14.24%	13.74%	13.41%	12.84%	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.

COMBINING AND INDIVIDUAL FUND SCHEDULES

CLARENDON COUNTY, SOUTH CAROLINA
MANNING, SOUTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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)
E-911	To account for fees collected by telephone companies to be used to provide emergency assistance through the nationwide 911 system.
Victims Rights	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.
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**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Special Revenue				
	Bureau of Tourism Accommodation Fund	Hospitality Tax Fund	Drug Enforcement and Other Sheriff's Funds	Special Purpose District	E-911
ASSETS					
Cash and cash equivalents	\$ 34,102	\$ 193,046	\$ 711,979	\$ -	\$ 1,068,818
Accounts receivable	-	-	-	-	113,786
Delinquent taxes receivable	-	-	-	103,973	-
Total Assets	\$ 34,102	\$ 193,046	\$ 711,979	\$ 103,973	\$ 1,182,604
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY					
Liabilities:					
Accounts payable	\$ 3,837	\$ -	\$ -	\$ -	\$ 19,267
Total Liabilities	3,837	-	-	-	19,267
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes	-	-	-	99,011	-
Total Deferred Inflows of Resources	-	-	-	99,011	-
Fund Equity:					
Fund balances:					
Restricted	-	-	711,979	-	1,163,337
Assigned	30,265	193,046	-	4,962	-
Total Fund Equity	30,265	193,046	711,979	4,962	1,163,337
Total Liabilities, Deferred Inflows of Resources, and Fund Equity	\$ 34,102	\$ 193,046	\$ 711,979	\$ 103,973	\$ 1,182,604

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	<u>Special Revenue</u>		<u>Debt Service</u>	Total Nonmajor Governmental Funds
	Victims Rights Fund	Third Circuit Drug Court	Fire Protection	
ASSETS				
Cash and cash equivalents	\$ 502	\$ 266,545	\$ 138,483	\$ 2,413,475
Accounts receivable	1,000	-	-	114,786
Delinquent taxes receivable	-	-	9,279	113,252
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 1,502</u>	<u>\$ 266,545</u>	<u>\$ 147,762</u>	<u>\$ 2,641,513</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 1,502	\$ 1,720	\$ -	\$ 26,326
Total Liabilities	<u>1,502</u>	<u>1,720</u>	<u>-</u>	<u>26,326</u>
Deferred Inflows of Resources:				
Unavailable Revenue - Property Taxes	-	-	8,173	107,184
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>8,173</u>	<u>107,184</u>
Fund Equity:				
Fund balances:				
Restricted	-	264,825	139,589	2,279,730
Assigned	-	-	-	228,273
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Equity	<u>-</u>	<u>264,825</u>	<u>139,589</u>	<u>2,508,003</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Equity	<u>\$ 1,502</u>	<u>\$ 266,545</u>	<u>\$ 147,762</u>	<u>\$ 2,641,513</u>

CLARENDON COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue				
	Bureau of Tourism Accommodation Fund	Hospitality Tax Fund	Drug Enforcement and Other Sheriff's Funds	Special Purpose District	E-911
REVENUES					
Taxes	\$ -	\$ 280,231	\$ -	\$ 259,435	\$ -
Intergovernmental	138,319	-	-	-	354,266
Charges for services	-	-	-	-	125,393
Fines and forfeitures	-	-	165,600	-	-
Interest	11	106	483	-	9,862
Total Revenues	<u>138,330</u>	<u>280,337</u>	<u>166,083</u>	<u>259,435</u>	<u>489,521</u>
EXPENDITURES					
Current:					
General government	-	73	-	259,276	-
Public safety	-	-	165,114	-	338,246
Culture/Recreation	159,971	23,070	-	-	-
Court related	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fees	-	-	-	-	-
Capital outlay	-	-	103,016	-	-
Total Expenditures	<u>159,971</u>	<u>23,143</u>	<u>268,130</u>	<u>259,276</u>	<u>338,246</u>
Excess of revenues over (under) expenditures	<u>(21,641)</u>	<u>257,194</u>	<u>(102,047)</u>	<u>159</u>	<u>151,275</u>
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	-	(260,912)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(260,912)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(21,641)</u>	<u>(3,718)</u>	<u>(102,047)</u>	<u>159</u>	<u>151,275</u>
Fund balances at beginning of year	<u>51,906</u>	<u>196,764</u>	<u>814,026</u>	<u>4,803</u>	<u>1,012,062</u>
Fund balances at end of year	<u>\$ 30,265</u>	<u>\$ 193,046</u>	<u>\$ 711,979</u>	<u>\$ 4,962</u>	<u>\$ 1,163,337</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Special Revenue</u>		<u>Debt Service</u>	
	Victims Rights Fund	Third Circuit Drug Court	Fire Protection	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ -	\$ -	\$ 87,509	\$ 627,175
Intergovernmental	24,000	280,000	-	796,585
Charges for services	-	-	-	125,393
Fines and forfeitures	39,303	-	-	204,903
Interest	-	1,103	1,283	12,848
Total Revenues	<u>63,303</u>	<u>281,103</u>	<u>88,792</u>	<u>1,766,904</u>
EXPENDITURES				
Current:				
General government	-	-	-	259,349
Public safety	63,351	-	-	566,711
Culture/Recreation	-	-	-	183,041
Court related	-	264,081	-	264,081
Debt service:				
Principal	-	-	68,628	68,628
Interest and fees	-	-	36,535	36,535
Capital outlay	-	-	-	103,016
Total Expenditures	<u>63,351</u>	<u>264,081</u>	<u>105,163</u>	<u>1,481,361</u>
Excess of revenues over (under) expenditures	<u>(48)</u>	<u>17,022</u>	<u>(16,371)</u>	<u>285,543</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>-</u>	<u>(5,000)</u>	<u>-</u>	<u>(265,912)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(5,000)</u>	<u>-</u>	<u>(265,912)</u>
Net change in fund balances	<u>(48)</u>	<u>12,022</u>	<u>(16,371)</u>	<u>19,631</u>
Fund balances at beginning of year	<u>48</u>	<u>252,803</u>	<u>155,960</u>	<u>2,488,372</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 264,825</u>	<u>\$ 139,589</u>	<u>\$ 2,508,003</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
REVENUES						
Taxes						
Real estate taxes	\$ 10,280,000	\$ 10,280,000	\$ 10,181,258	\$ -	\$ 10,181,258	\$ (98,742)
Local option sales tax	2,500,000	2,500,000	2,628,302	-	2,628,302	128,302
Vehicle taxes	1,697,500	1,697,500	1,654,533	-	1,654,533	(42,967)
Delinquent taxes	1,590,000	1,590,000	1,176,815	-	1,176,815	(413,185)
Local accommodations	220,000	220,000	222,549	-	222,549	2,549
Payment in lieu of taxes	110,000	110,000	52,874	-	52,874	(57,126)
Treasurer's cost to cities	23,500	23,500	30,694	-	30,694	7,194
Payment in lieu - motor carrier	180,000	180,000	259,622	-	259,622	79,622
Total taxes	<u>16,601,000</u>	<u>16,601,000</u>	<u>16,206,647</u>	<u>-</u>	<u>16,206,647</u>	<u>(394,353)</u>
Licenses and permits						
Moving permits	2,500	2,500	3,100	-	3,100	600
Building permits	100,000	100,000	104,774	-	104,774	4,774
Total licenses and permits	<u>102,500</u>	<u>102,500</u>	<u>107,874</u>	<u>-</u>	<u>107,874</u>	<u>5,374</u>
Charges for services						
Assessors fees	2,500	2,500	615	-	615	(1,885)
Master in Equity fees	8,500	8,500	8,764	-	8,764	264
Probate fees	45,000	45,000	77,598	-	77,598	32,598
Planning and public service fees	8,000	8,000	9,699	-	9,699	1,699
ROD fees and charges	160,000	160,000	174,749	-	174,749	14,749
Coroner fees	-	-	200	-	200	200
Animal control fees	1,100	1,100	720	-	720	(380)
Landfill fees	230,000	230,000	319,449	-	319,449	89,449
County road user fee	1,050,000	1,050,000	1,035,931	-	1,035,931	(14,069)
Municipal inmate housing	23,500	23,500	19,275	-	19,275	(4,225)
Total charges for services	<u>1,528,600</u>	<u>1,528,600</u>	<u>1,647,000</u>	<u>-</u>	<u>1,647,000</u>	<u>118,400</u>
Fines and forfeitures						
Clerk of court fines and fees	125,000	125,000	119,852	-	119,852	(5,148)
Magistrate fines and fees	320,000	320,000	203,373	-	203,373	(116,627)
Sheriff's fines and fees	500	500	815	-	815	315
	<u>445,500</u>	<u>445,500</u>	<u>324,040</u>	<u>-</u>	<u>324,040</u>	<u>(121,460)</u>
Investment income						
	<u>2,100</u>	<u>2,100</u>	<u>2,052</u>	<u>-</u>	<u>2,052</u>	<u>(48)</u>
Miscellaneous						
Hangar rent	50,000	50,000	45,151	-	45,151	(4,849)
Multi-County Industrial Park	85,000	85,000	83,798	-	83,798	(1,202)
Miscellaneous revenue	184,300	184,300	280,021	-	280,021	95,721
Recreation Programs	112,500	112,500	81,733	-	81,733	(30,767)
Franchise fees	125,500	125,500	98,293	-	98,293	(27,207)
Contributions	2,500	2,500	7,679	-	7,679	5,179
	<u>559,800</u>	<u>559,800</u>	<u>596,675</u>	<u>-</u>	<u>596,675</u>	<u>36,875</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Intergovernmental						
State						
Accommodations tax	32,000	32,000	32,280	-	32,280	280
Merchant's inventory tax	48,900	48,900	48,909	-	48,909	9
Solid waste tire fees	14,500	14,500	16,773	-	16,773	2,273
State aid and allocations	1,380,000	1,380,000	1,370,816	-	1,370,816	(9,184)
Election commission	41,250	41,250	12,187	-	12,187	(29,063)
Clerk/Sheriff/Probate Judge supplements	7,900	7,900	7,875	-	7,875	(25)
Parks and Recreation	-	-	6,968	-	6,968	6,968
EMS Grant in aid	-	-	7,858	-	7,858	7,858
EMS Trauma grant	-	-	11,344	-	11,344	11,344
Waste oil grant(s)	-	-	3,762	-	3,762	3,762
Waste tire grant(s)	-	-	37,025	-	37,025	37,025
Solid waste grant(s)	-	-	7,616	-	7,616	7,616
State Proviso - 2014 Ice Storm	-	-	249	-	249	249
State Proviso - 2015 Flood	-	-	68,898	-	68,898	68,898
State Proviso - Hurricane Matthew	-	-	1,947	-	1,947	1,947
Economic Development grant(s)	-	-	218,002	-	218,002	218,002
Veterans affairs	4,500	4,500	4,704	-	4,704	204
Federal						
Title IV-D Clerk of Court	100,000	100,000	199,807	-	199,807	99,807
Title IV-D Sheriff	11,500	11,500	11,055	-	11,055	(445)
DSS - Revenue	30,000	30,000	13,289	-	13,289	(16,711)
Emergency management grants	-	-	66,698	-	66,698	66,698
FEMA Flood 2015	-	-	206,694	-	206,694	206,694
FEMA Hurricane Matthew	-	-	5,841	-	5,841	5,841
FEMA Hurricane Irma	-	-	12,539	-	12,539	12,539
FEMA 2015 HMGP	-	-	19,495	-	19,495	19,495
FEMA Safer grants	-	-	49,999	-	49,999	49,999
USDA Law Enforcement Vehicle	-	-	81,627	-	81,627	81,627
Justice Assistance grants	-	-	34,792	-	34,792	34,792
	<u>1,670,550</u>	<u>1,670,550</u>	<u>2,559,049</u>	<u>-</u>	<u>2,559,049</u>	<u>888,499</u>
TOTAL REVENUES	\$ 20,910,050	\$ 20,910,050	\$ 21,443,337	\$ -	\$ 21,443,337	\$ 533,287

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
General Government and Administration:						
Administration:						
Salaries and related Operations	\$ 266,255	\$ 266,255	263,778	\$ -	\$ 263,778	\$ 2,477
	18,500	18,500	11,982	-	11,982	6,518
	<u>284,755</u>	<u>284,755</u>	<u>275,760</u>	<u>-</u>	<u>275,760</u>	<u>8,995</u>
County Council:						
Salaries and related Operations	112,563	112,563	112,163	-	112,163	400
	10,775	10,775	7,968	-	7,968	2,807
	<u>123,338</u>	<u>123,338</u>	<u>120,131</u>	<u>-</u>	<u>120,131</u>	<u>3,207</u>
Assessor:						
Salaries and related Operations	466,160	466,160	404,370	-	404,370	61,790
	27,235	27,235	15,590	1,147	16,737	10,498
	<u>493,395</u>	<u>493,395</u>	<u>419,960</u>	<u>1,147</u>	<u>421,107</u>	<u>72,288</u>
Auditor:						
Salaries and related Operations	197,805	197,805	195,733	-	195,733	2,072
	14,435	14,435	13,363	(1,320)	12,043	2,392
	<u>212,240</u>	<u>212,240</u>	<u>209,096</u>	<u>(1,320)</u>	<u>207,776</u>	<u>4,464</u>
Treasurer:						
Salaries and related Operations	195,383	262,943	262,897	-	262,897	46
	14,100	16,010	9,375	-	9,375	6,635
	<u>209,483</u>	<u>278,953</u>	<u>272,272</u>	<u>-</u>	<u>272,272</u>	<u>6,681</u>
Finance:						
Salaries and related Operations	300,236	300,236	298,530	-	298,530	1,706
	8,750	8,750	8,826	-	8,826	(76)
	<u>308,986</u>	<u>308,986</u>	<u>307,356</u>	<u>-</u>	<u>307,356</u>	<u>1,630</u>
Human Resources:						
Salaries and related Operations	163,222	163,222	162,773	-	162,773	449
	15,690	15,690	11,203	-	11,203	4,487
	<u>178,912</u>	<u>178,912</u>	<u>173,976</u>	<u>-</u>	<u>173,976</u>	<u>4,936</u>
Grants Administration						
Salaries and related Operations	115,436	115,436	115,329	-	115,329	107
	6,350	6,350	4,114	-	4,114	2,236
	<u>121,786</u>	<u>121,786</u>	<u>119,443</u>	<u>-</u>	<u>119,443</u>	<u>2,343</u>
Procurement						
Salaries and related Operations	123,702	123,702	123,151	-	123,151	551
	6,781	6,781	5,842	-	5,842	939
	<u>130,483</u>	<u>130,483</u>	<u>128,993</u>	<u>-</u>	<u>128,993</u>	<u>1,490</u>
Tax Collector:						
Salaries and related Operations	141,481	73,921	65,253	-	65,253	8,668
	81,015	79,105	76,018	-	76,018	3,087
	<u>222,496</u>	<u>153,026</u>	<u>141,271</u>	<u>-</u>	<u>141,271</u>	<u>11,755</u>
Voter Registration:						
Salaries and related Operations	176,764	176,764	172,405	-	172,405	4,359
	55,816	55,816	49,425	-	49,425	6,391
	<u>232,580</u>	<u>232,580</u>	<u>221,830</u>	<u>-</u>	<u>221,830</u>	<u>10,750</u>
Information Technology:						
Salaries and related Operations	113,263	113,263	110,068	-	110,068	3,195
	306,000	306,000	274,852	-	274,852	31,148
	<u>419,263</u>	<u>419,263</u>	<u>384,920</u>	<u>-</u>	<u>384,920</u>	<u>34,343</u>
Veterans Affairs:						
Salaries and related Operations	63,719	63,719	63,511	-	63,511	208
	5,370	5,370	6,698	-	6,698	(1,328)
	<u>69,089</u>	<u>69,089</u>	<u>70,209</u>	<u>-</u>	<u>70,209</u>	<u>(1,120)</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Nondepartmental Expenditures:						
Special Projects	292,249	271,391	143,526	-	143,526	127,865
Legal Assistance	12,500	12,500	34,877	-	34,877	(22,377)
Rent - Judicial Annex	109,000	109,000	114,254	-	114,254	(5,254)
Workmen's compensation	290,000	290,000	252,251	-	252,251	37,749
Audit fee	36,000	36,000	36,395	-	36,395	(395)
Unemployment	3,000	3,000	1,070	-	1,070	1,930
Electricity	410,000	410,000	442,437	-	442,437	(32,437)
Printing and postage	105,000	105,000	102,197	-	102,197	2,803
Christmas bonus	41,500	41,500	33,298	-	33,298	8,202
Property and liability insurance	327,000	327,000	324,829	-	324,829	2,171
Drug screening	5,000	5,000	12,761	-	12,761	(7,761)
Water	45,000	45,000	43,985	-	43,985	1,015
Retirees' insurance	465,000	465,000	488,502	-	488,502	(23,502)
Telephone	165,000	165,000	170,017	-	170,017	(5,017)
Holiday compensation	68,000	68,000	58,490	-	58,490	9,510
Retirement expense	2,850	2,850	2,194	-	2,194	656
FICA expense	9,800	9,800	7,499	-	7,499	2,301
Police retirement	8,405	8,405	6,035	-	6,035	2,370
Bank fees and charges	30,000	30,000	34,940	-	34,940	(4,940)
	<u>2,425,304</u>	<u>2,404,446</u>	<u>2,309,557</u>	<u>-</u>	<u>2,309,557</u>	<u>94,889</u>
Grant Expense:						
SC Parks and Recreation	-	-	8,710	-	8,710	(8,710)
Emergency management plan(s)	-	-	60,768	-	60,768	(60,768)
EMS Grant in aid	-	-	8,290	-	8,290	(8,290)
EMS Trauma grant	-	-	11,241	-	11,241	(11,241)
Waste oil grant(s)	-	-	7,301	-	7,301	(7,301)
Waste tire grant(s)	-	-	74,480	-	74,480	(74,480)
Solid waste grant(s)	-	-	7,616	-	7,616	(7,616)
FEMA - Hurricane Irma	-	-	15,362	-	15,362	(15,362)
FEMA Safer grant	-	-	45,978	-	45,978	(45,978)
FEMA HMPG	-	-	25,994	-	25,994	(25,994)
Justice Assistance grant(s)	-	-	10,197	-	10,197	(10,197)
Economic Development grant(s)	-	-	218,002	-	218,002	(218,002)
USDA Law Enforcement Vehicle	-	-	149,636	-	149,636	(149,636)
	<u>-</u>	<u>-</u>	<u>643,575</u>	<u>-</u>	<u>643,575</u>	<u>(643,575)</u>
Total General Government and Administration	<u>5,432,110</u>	<u>5,411,252</u>	<u>5,798,349</u>	<u>(173)</u>	<u>5,798,176</u>	<u>(386,924)</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Court Related:						
Clerk of Court:						
Salaries and related	180,504	180,504	179,790	-	179,790	714
Operations	36,625	36,625	32,724	-	32,724	3,901
	<u>217,129</u>	<u>217,129</u>	<u>212,514</u>	<u>-</u>	<u>212,514</u>	<u>4,615</u>
Magistrates:						
Salaries and related	516,669	516,669	508,492	-	508,492	8,177
Operations	31,400	31,400	23,426	-	23,426	7,974
	<u>548,069</u>	<u>548,069</u>	<u>531,918</u>	<u>-</u>	<u>531,918</u>	<u>16,151</u>
Probate Judge:						
Salaries and related	150,925	150,925	151,357	-	151,357	(432)
Operations	11,560	11,560	7,308	-	7,308	4,252
	<u>162,485</u>	<u>162,485</u>	<u>158,665</u>	<u>-</u>	<u>158,665</u>	<u>3,820</u>
Family Court:						
Salaries and related	145,999	145,999	142,472	-	142,472	3,527
Operations	6,700	6,700	10,698	-	10,698	(3,998)
	<u>152,699</u>	<u>152,699</u>	<u>153,170</u>	<u>-</u>	<u>153,170</u>	<u>(471)</u>
Register of Deeds:						
Salaries and related	85,963	85,963	87,289	-	87,289	(1,326)
Operations	57,545	57,545	72,377	-	72,377	(14,832)
	<u>143,508</u>	<u>143,508</u>	<u>159,666</u>	<u>-</u>	<u>159,666</u>	<u>(16,158)</u>
Master in Equity:						
Salaries and related	32,660	32,660	32,270	-	32,270	390
Operations	10,020	10,020	9,082	-	9,082	938
	<u>42,680</u>	<u>42,680</u>	<u>41,352</u>	<u>-</u>	<u>41,352</u>	<u>1,328</u>
Title IV-D Funds - Clerk of Court:						
Salaries and related	112,632	112,632	106,466	-	106,466	6,166
Operations	12,000	12,000	2,242	-	2,242	9,758
	<u>124,632</u>	<u>124,632</u>	<u>108,708</u>	<u>-</u>	<u>108,708</u>	<u>15,924</u>
Circuit Court Judges:						
Allowance	1,000	1,000	256	-	256	744
Solicitor:						
Allowance	165,813	165,813	165,813	-	165,813	-
Public Defender:						
Allowance	82,000	82,000	101,335	-	101,335	(19,335)
	<u>248,813</u>	<u>248,813</u>	<u>267,404</u>	<u>-</u>	<u>267,404</u>	<u>(18,591)</u>
Total Court Related	<u>1,640,015</u>	<u>1,640,015</u>	<u>1,633,397</u>	<u>-</u>	<u>1,633,397</u>	<u>6,618</u>
Public Safety:						
Sheriff:						
Salaries and related	2,798,376	2,798,376	2,641,444	-	2,641,444	156,932
Operations	635,900	635,900	582,309	55,669	637,978	(2,078)
	<u>3,434,276</u>	<u>3,434,276</u>	<u>3,223,753</u>	<u>55,669</u>	<u>3,279,422</u>	<u>154,854</u>
Courthouse Security:						
Salaries and related	156,718	156,718	149,049	-	149,049	7,669
	<u>156,718</u>	<u>156,718</u>	<u>149,049</u>	<u>-</u>	<u>149,049</u>	<u>7,669</u>
Emergency Preparedness:						
Salaries and related	74,105	74,105	73,973	-	73,973	132
Operations	13,735	13,735	14,367	(1,629)	12,738	997
	<u>87,840</u>	<u>87,840</u>	<u>88,340</u>	<u>(1,629)</u>	<u>86,711</u>	<u>1,129</u>
Correctional Center:						
Salaries and related	1,681,819	1,681,819	1,569,946	-	1,569,946	111,873
Operations	406,645	406,645	419,748	(3,039)	416,709	(10,064)
	<u>2,088,464</u>	<u>2,088,464</u>	<u>1,989,694</u>	<u>(3,039)</u>	<u>1,986,655</u>	<u>101,809</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Coroner:						
Salaries and related	54,408	72,366	69,393	-	69,393	2,973
Operations	88,400	91,300	98,311	-	98,311	(7,011)
	<u>142,808</u>	<u>163,666</u>	<u>167,704</u>	<u>-</u>	<u>167,704</u>	<u>(4,038)</u>
Communications:						
Salaries and related	832,558	832,558	815,627	-	815,627	16,931
Operations	5,000	5,000	6,886	-	6,886	(1,886)
	<u>837,558</u>	<u>837,558</u>	<u>822,513</u>	<u>-</u>	<u>822,513</u>	<u>15,045</u>
EMS:						
Contract	891,037	891,037	891,037	-	891,037	-
Animal Control:						
Salaries and related	54,300	54,300	50,707	-	50,707	3,593
Operations	164,750	164,750	195,963	-	195,963	(31,213)
	<u>219,050</u>	<u>219,050</u>	<u>246,670</u>	<u>-</u>	<u>246,670</u>	<u>(27,620)</u>
Total Public Safety	<u>7,857,751</u>	<u>7,878,609</u>	<u>7,578,760</u>	<u>51,001</u>	<u>7,629,761</u>	<u>248,848</u>
Physical Environment:						
Facilities Management:						
Salaries and related	379,532	379,532	385,635	-	385,635	(6,103)
Operations	159,801	159,801	192,431	(3,303)	189,128	(29,327)
	<u>539,333</u>	<u>539,333</u>	<u>578,066</u>	<u>(3,303)</u>	<u>574,763</u>	<u>(35,430)</u>
Landfill:						
Salaries and related	171,537	234,569	251,764	-	251,764	(17,195)
Operations	1,732,600	1,732,600	1,768,175	-	1,768,175	(35,575)
	<u>1,904,137</u>	<u>1,967,169</u>	<u>2,019,939</u>	<u>-</u>	<u>2,019,939</u>	<u>(52,770)</u>
County Engineer:						
Salaries and related	188,739	125,707	125,243	-	125,243	464
Operations	155,250	155,250	153,686	-	153,686	1,564
	<u>343,989</u>	<u>280,957</u>	<u>278,929</u>	<u>-</u>	<u>278,929</u>	<u>2,028</u>
Public Works:						
Salaries and related	556,895	556,895	525,093	-	525,093	31,802
Operations	369,000	369,000	370,364	-	370,364	(1,364)
	<u>925,895</u>	<u>925,895</u>	<u>895,457</u>	<u>-</u>	<u>895,457</u>	<u>30,438</u>
Total Physical Environment	<u>3,713,354</u>	<u>3,713,354</u>	<u>3,772,391</u>	<u>(3,303)</u>	<u>3,769,088</u>	<u>(55,734)</u>
Economic Environment:						
Planning and Public Service Commission:						
Salaries and related	264,344	264,344	267,299	-	267,299	(2,955)
Operations	50,000	50,000	45,490	-	45,490	4,510
	<u>314,344</u>	<u>314,344</u>	<u>312,789</u>	<u>-</u>	<u>312,789</u>	<u>1,555</u>
Development Board:						
Salaries and related	182,633	182,633	182,027	-	182,027	606
Operations	147,260	147,260	128,514	-	128,514	18,746
	<u>329,893</u>	<u>329,893</u>	<u>310,541</u>	<u>-</u>	<u>310,541</u>	<u>19,352</u>
Total Economic Environment	<u>644,237</u>	<u>644,237</u>	<u>623,330</u>	<u>-</u>	<u>623,330</u>	<u>20,907</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Transportation:						
Fleet Maintenance:						
Salaries and related	181,264	181,264	171,409	-	171,409	9,855
Operations	8,650	8,650	12,713	-	12,713	(4,063)
	<u>189,914</u>	<u>189,914</u>	<u>184,122</u>	<u>-</u>	<u>184,122</u>	<u>5,792</u>
Airport Commission:						
Operations	35,430	35,430	72,162	(206)	71,956	(36,526)
	<u>35,430</u>	<u>35,430</u>	<u>72,162</u>	<u>(206)</u>	<u>71,956</u>	<u>(36,526)</u>
Total Transportation	<u>225,344</u>	<u>225,344</u>	<u>256,284</u>	<u>(206)</u>	<u>256,078</u>	<u>(30,734)</u>
Recreation and Culture:						
Recreation:						
Salaries and related	345,890	345,890	343,397	-	343,397	2,493
Operations	170,300	170,300	157,081	(4,700)	152,381	17,919
	<u>516,190</u>	<u>516,190</u>	<u>500,478</u>	<u>(4,700)</u>	<u>495,778</u>	<u>20,412</u>
County Archives:						
Salaries and related	57,403	57,403	62,618	-	62,618	(5,215)
Operations	4,910	4,910	3,826	-	3,826	1,084
	<u>62,313</u>	<u>62,313</u>	<u>66,444</u>	<u>-</u>	<u>66,444</u>	<u>(4,131)</u>
Total Recreation and Culture	<u>578,503</u>	<u>578,503</u>	<u>566,922</u>	<u>(4,700)</u>	<u>562,222</u>	<u>16,281</u>
Miscellaneous:						
Agencies:						
Santee-Lynches Council of Government	38,579	38,579	38,579	-	38,579	-
Clarendon Soil and Water Conservation	32,000	32,000	32,000	-	32,000	-
Clemson Extension	28,100	28,100	28,100	-	28,100	-
SC Association of Counties	8,672	8,672	8,672	-	8,672	-
Delegation allowance	14,000	14,000	14,000	-	14,000	-
Clarendon County Library	560,000	560,000	560,000	-	560,000	-
SC DHEC	30,000	30,000	30,000	-	30,000	-
Indigent care	39,912	39,912	39,912	-	39,912	-
County Board of Education	11,473	11,473	11,473	-	11,473	-
Clarendon Business Development Corp	3,000	3,000	-	-	-	3,000
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>913,736</u>	<u>913,736</u>	<u>910,736</u>	<u>-</u>	<u>910,736</u>	<u>3,000</u>
Total Miscellaneous	<u>913,736</u>	<u>913,736</u>	<u>910,736</u>	<u>-</u>	<u>910,736</u>	<u>3,000</u>
Total Expenditures	<u>\$ 21,005,050</u>	<u>\$ 21,005,050</u>	<u>21,140,169</u>	<u>\$ 42,619</u>	<u>\$ 21,182,788</u>	<u>\$ (177,738)</u>
Other Financing Sources (Uses)						
Sale of Assets	\$ 40,000	\$ 40,000	\$ 34,643	\$ -	\$ 34,643	\$ (5,357)
Transfers In (Out)	55,000	55,000	(150,518)	-	(150,518)	(205,518)
	<u>\$ 95,000</u>	<u>\$ 95,000</u>	<u>\$ (115,875)</u>	<u>\$ -</u>	<u>\$ (115,875)</u>	<u>\$ (210,875)</u>

CLARENDON COUNTY, SOUTH CAROLINA
MANNING, SOUTH CAROLINA

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, 2018

	School Districts Debt Service	School Districts Operations	Forfeited Land	Probate Judge	Master-In Equity	Municipalities
ASSETS						
Cash	\$ 3,070,912	\$ -	\$ -	\$ 6,477	\$ 25	\$ -
Delinquent taxes receivable	141,296	1,449,474	-	-	-	-
Due from General Fund	-	3,962	17	-	-	-
Due from other magistrates	-	-	-	-	-	-
Total assets	<u>\$ 3,212,208</u>	<u>\$ 1,453,436</u>	<u>\$ 17</u>	<u>\$ 6,477</u>	<u>\$ 25</u>	<u>\$ -</u>
LIABILITIES						
Due to trust fund holders	\$ 3,212,208	\$ 1,453,436	\$ 17	\$ 660	\$ 25	\$ -
Due to Treasurer	-	-	-	5,817	-	-
Due to Treasurer - cash overage (shortage)	-	-	-	-	-	-
Due to others	-	-	-	-	-	-
Due to other magistrates	-	-	-	-	-	-
Total liabilities	<u>\$ 3,212,208</u>	<u>\$ 1,453,436</u>	<u>\$ 17</u>	<u>\$ 6,477</u>	<u>\$ 25</u>	<u>\$ -</u>

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2018

	<u>Magistrates</u>			Clerk of Court	Tax Collector	Total
	General Account	Civil Account	Part- Time			
ASSETS						
Cash	\$ 42,704	\$ 8,014	\$ 122	\$ 496,020	\$ 748,404	\$ 4,372,678
Delinquent taxes receivable	-	-	-	-	-	1,590,770
Due from General Fund	-	-	-	-	-	3,979
Due from other magistrates	122	-	-	-	-	122
Total assets	<u>\$ 42,826</u>	<u>\$ 8,014</u>	<u>\$ 122</u>	<u>\$ 496,020</u>	<u>\$ 748,404</u>	<u>\$ 5,967,549</u>
LIABILITIES						
Due to trust fund holders	\$ 11,518	\$ -	\$ -	\$ 449,296	\$ 748,404	\$ 5,875,564
Due to Treasurer	29,529	8,014	-	22,534	-	65,894
Due to Treasurer - cash overage (shortage)	1,779	-	-	18,415	-	20,194
Due to others	-	-	-	5,775	-	5,775
Due to other magistrates	-	-	122	-	-	122
Total liabilities	<u>\$ 42,826</u>	<u>\$ 8,014</u>	<u>\$ 122</u>	<u>\$ 496,020</u>	<u>\$ 748,404</u>	<u>\$ 5,967,549</u>

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Municipalities				
Assets				
Due from General Fund	\$ -	\$ 1,970,497	\$ 1,970,497	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 1,970,497</u>	<u>\$ 1,970,497</u>	<u>\$ -</u>
Liabilities				
Due to trust fund holders	\$ -	\$ 1,942,938	\$ 1,942,938	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 1,942,938</u>	<u>\$ 1,942,938</u>	<u>\$ -</u>
School Districts Debt Service				
Assets				
Cash and investments	\$ 2,220,117	\$ 8,081,130	\$ 7,230,335	\$ 3,070,912
Due from General Fund	-	2,685,272	2,685,272	-
Delinquent taxes receivable	152,071	369	11,144	141,296
Total Assets	<u>\$ 2,372,188</u>	<u>\$ 10,766,771</u>	<u>\$ 9,926,751</u>	<u>\$ 3,212,208</u>
Liabilities				
Due to trust fund holders	\$ 2,372,188	\$ 7,107,010	\$ 6,266,990	\$ 3,212,208
Total Liabilities	<u>\$ 2,372,188</u>	<u>\$ 7,107,010</u>	<u>\$ 6,266,990</u>	<u>\$ 3,212,208</u>
School District Operations				
Assets				
Delinquent taxes receivable	\$ 1,754,889	\$ -	\$ 305,415	\$ 1,449,474
Due from General Fund	2,957	10,343,263	10,342,258	3,962
Total Assets	<u>\$ 1,757,846</u>	<u>\$ 10,343,263</u>	<u>\$ 10,647,673</u>	<u>\$ 1,453,436</u>
Liabilities				
Due to trust fund holders	\$ 1,757,846	\$ 51,059,591	\$ 51,364,001	\$ 1,453,436
Total Liabilities	<u>\$ 1,757,846</u>	<u>\$ 51,059,591</u>	<u>\$ 51,364,001</u>	<u>\$ 1,453,436</u>

CLARENDON COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 JUNE 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Forfeited Land Commission				
Assets				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Due from General Fund	-	17	-	17
Total Assets	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ -</u>	<u>\$ 17</u>
Liabilities				
Due to trust fund holders	\$ -	\$ 17	\$ -	\$ 17
Total Liabilities	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ -</u>	<u>\$ 17</u>
Probate Judge				
Assets				
Cash	\$ 4,158	\$ 83,799	\$ 81,480	\$ 6,477
Total Assets	<u>\$ 4,158</u>	<u>\$ 83,799</u>	<u>\$ 81,480</u>	<u>\$ 6,477</u>
Liabilities				
Due to Treasurer	\$ 3,418	\$ 2,399	\$ -	\$ 5,817
Due to trust fund holders	740	-	80	660
Total Liabilities	<u>\$ 4,158</u>	<u>\$ 2,399</u>	<u>\$ 80</u>	<u>\$ 6,477</u>
Master In Equity				
Assets				
Cash	\$ 1,192	\$ 42,008	\$ 43,175	\$ 25
Due from trust fund holders	18	-	18	-
Total Assets	<u>\$ 1,210</u>	<u>\$ 42,008</u>	<u>\$ 43,193</u>	<u>\$ 25</u>
Liabilities				
Due to Treasurer	\$ 1,210	\$ -	\$ 1,210	\$ -
Due to trust fund holders	-	25	-	25
Total Liabilities	<u>\$ 1,210</u>	<u>\$ 25</u>	<u>\$ 1,210</u>	<u>\$ 25</u>

CLARENDON COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 JUNE 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Magistrate: General Account				
Assets				
Cash	\$ 54,115	\$ 397,868	\$ 409,279	\$ 42,704
Due from credit card	309	-	309	-
Due from other magistrates	105	17	-	122
Total Assets	<u>\$ 54,529</u>	<u>\$ 397,885</u>	<u>\$ 409,588</u>	<u>\$ 42,826</u>
Liabilities				
Due to Treasurer	\$ 45,235	\$ 29,529	\$ 45,235	\$ 29,529
Due to trust fund holders	8,082	11,518	8,082	11,518
Due to Treasurer - cash overage/(shortage)	1,212	1,779	1,212	1,779
Total Liabilities	<u>\$ 54,529</u>	<u>\$ 42,826</u>	<u>\$ 54,529</u>	<u>\$ 42,826</u>
Magistrate: Civil Account				
Assets				
Cash	\$ 6,040	\$ 81,126	\$ 79,152	\$ 8,014
Total Assets	<u>\$ 6,040</u>	<u>\$ 81,126</u>	<u>\$ 79,152</u>	<u>\$ 8,014</u>
Liabilities				
Due to Treasurer	\$ 6,040	\$ 8,014	\$ 6,040	\$ 8,014
Total Liabilities	<u>\$ 6,040</u>	<u>\$ 8,014</u>	<u>\$ 6,040</u>	<u>\$ 8,014</u>
Magistrate: Part-time				
Assets				
Cash	\$ 105	\$ 27,716	\$ 27,699	\$ 122
Total Assets	<u>\$ 105</u>	<u>\$ 27,716</u>	<u>\$ 27,699</u>	<u>\$ 122</u>
Liabilities				
Due to other magistrates	\$ 105	\$ 17	\$ -	\$ 122
Total Liabilities	<u>\$ 105</u>	<u>\$ 17</u>	<u>\$ -</u>	<u>\$ 122</u>

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Clerk of Court				
Assets				
Cash	\$ 491,704	\$ 11,017	\$ 6,701	\$ 496,020
Total Assets	<u>\$ 491,704</u>	<u>\$ 11,017</u>	<u>\$ 6,701</u>	<u>\$ 496,020</u>
Liabilities				
Due to Treasurer	\$ 23,135	\$ 2,753	\$ 3,354	\$ 22,534
Due to trust fund holders	448,233	5,888	4,825	449,296
Due to others	975	4,800		5,775
Due to Treasurer - cash overage/(shortage)	19,361	755	1,701	18,415
Total Liabilities	<u>\$ 491,704</u>	<u>\$ 14,196</u>	<u>\$ 9,880</u>	<u>\$ 496,020</u>
Tax Collector				
Assets				
Cash	\$ 1,184,835	\$ 2,955,253	\$ 3,391,684	\$ 748,404
Total Assets	<u>\$ 1,184,835</u>	<u>\$ 2,955,253</u>	<u>\$ 3,391,684</u>	<u>\$ 748,404</u>
Liabilities				
Due to trust fund holders	\$ 1,189,752	\$ 1,081,549	\$ 1,522,897	\$ 748,404
Total Liabilities	<u>\$ 1,189,752</u>	<u>\$ 1,081,549</u>	<u>\$ 1,522,897</u>	<u>\$ 748,404</u>
Total All Agency Funds				
Assets				
Cash and Investments	\$ 3,962,266	\$ 11,679,917	\$ 11,269,505	\$ 4,372,678
Delinquent taxes receivable	1,906,960	369	316,559	1,590,770
Due from trust fund holders	18	-	18	-
Due from credit card	309	-	309	-
Due from General Fund	2,957	14,999,049	14,998,027	3,979
Due from other magistrates	105	17	-	122
Total Assets	<u>\$ 5,872,615</u>	<u>\$ 26,679,352</u>	<u>\$ 26,584,418</u>	<u>\$ 5,967,549</u>
Liabilities				
Due to Treasurer	\$ 79,038	\$ 42,695	\$ 55,839	\$ 65,894
Due to Treasurer - cash overage/(shortage)	20,573	2,534	2,913	20,194
Due to trust fund holders	5,776,841	61,208,536	61,109,813	5,875,564
Due to others	975	4,800	-	5,775
Due to other magistrates	105	17	-	122
Total Liabilities	<u>\$ 5,877,532</u>	<u>\$ 61,258,582</u>	<u>\$ 61,168,565</u>	<u>\$ 5,967,549</u>

**CLARENDON COUNTY, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES
SPECIAL REVENUE FUND - VICTIMS RIGHTS FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Clerk of Court	Magistrates	Total
Court Fines			
Court fines collected	\$ 17,439	\$ 223,302	\$ 240,741
Court fines retained by County	<u>6,625</u>	<u>203,477</u>	<u>210,102</u>
Court fines remitted to State Treasurer	<u>\$ 10,814</u>	<u>\$ 19,825</u>	<u>\$ 30,639</u>
Court Assessments			
Court assessments collected	\$ 6,072	\$ 161,925	\$ 167,997
Court assessments retained by County	<u>2,509</u>	<u>16,702</u>	<u>19,211</u>
Court assessments remitted to State Treasurer	<u>\$ 3,563</u>	<u>\$ 145,223</u>	<u>\$ 148,786</u>
Court Surcharges			
Court surcharges collected	\$ 18,645	\$ 78,757	\$ 97,402
Court surcharges retained by County	<u>11,584</u>	<u>8,508</u>	<u>20,092</u>
Court assessments remitted to State Treasurer	<u>\$ 7,061</u>	<u>\$ 70,249</u>	<u>\$ 77,310</u>
Victims Services			
Court assessments allocated to Victim Services	\$ 2,509	\$ 16,702	\$ 19,211
Court surcharges allocated to Victim Services	<u>11,584</u>	<u>8,508</u>	<u>20,092</u>
Funds allocated to Victim Services	<u>\$ 14,093</u>	<u>\$ 25,210</u>	39,303
Interest Income			
Contributions received from Victim Assistance contracts:			
Town of Summerton			12,000
Town of Turbeville			<u>12,000</u>
Total Funds Allocated to Victim's Assistance			63,303
Expenditures for victim assistance program			
Salaries and benefits			(63,351)
Carryforward Funds End of Year			<u>\$ (48)</u>
Beginning balance - July 1, 2017			\$ 48
Ending balance - June 30, 2018			<u>\$ -</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2018**

Real and Other Personal Property Assessed Value	\$ 73,254,080
Vehicles Assessed Value	12,289,837
Public Utilities and Railroads	7,006,101
Fee-in-Lieu-of Taxes	4,820,487
Other Business Personal Property	368,020
Manufacturer's Assessed Value	2,350,855
Merchants Inventory Value	<u>688,290</u>
Total Taxable Assessed Value	<u>100,777,670</u>
Debt Limit - Eight Percent (8%) of Total Taxable Assessed Value	8,062,214
Amount of Debt Applicable to Debt Limit:	<u>5,824,567</u>
LEGAL DEBT MARGIN	<u><u>\$ 2,237,647</u></u>

**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, 2014 through 2018 (audited) and the budget for fiscal year 2019.

(000's omitted)	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019 Budget</u>
REVENUES						
Taxes	\$ 14,499	\$ 15,244	\$ 16,047	\$ 15,898	\$ 16,206	\$ 16,955
Licenses and permits	105	100	90	114	108	113
Intergovernmental	3,559	2,877	3,315	2,711	2,559	1,696
Charges for service	1,138	1,219	1,226	1,559	1,647	1,583
Fine and forfeitures	448	456	474	387	324	316
Investment income	2	5	2	2	2	2
Miscellaneous	527	551	516	538	597	528
Total revenue	<u>20,278</u>	<u>20,452</u>	<u>21,670</u>	<u>21,209</u>	<u>21,443</u>	<u>21,193</u>
EXPENDITURES						
General government	6,291	5,488	8,114	5,885	5,798	5,510
Public safety	6,881	6,854	7,534	7,607	7,579	7,946
Physical environment	3,271	3,453	3,582	3,707	3,772	3,782
Transportation	199	454	209	204	256	222
Economic environment	632	617	627	640	623	667
Agencies	906	899	843	931	911	916
Culture and recreation	503	530	529	529	567	590
Court related	1,529	1,586	1,535	1,515	1,634	1,655
Total expenditures	<u>20,212</u>	<u>19,881</u>	<u>22,973</u>	<u>21,018</u>	<u>21,140</u>	<u>21,288</u>
Excess of revenues over/(under) expenditures	66	571	(1,303)	191	303	(95)
OTHER SOURCES (USES)						
Sale of assets	2	49	76	5	35	40
Transfers	(29)	(9)	60	5	(151)	55
Net other financing sources	(27)	40	136	10	(116)	95
Net change in fund balance	<u>39</u>	<u>611</u>	<u>(1,167)</u>	<u>201</u>	<u>187</u>	<u>-</u>
Fund balance at beginning of year	<u>2,922</u>	<u>2,961</u>	<u>3,572</u>	<u>2,405</u>	<u>2,606</u>	<u>2,793</u>
Fund balance at end of year	<u>\$ 2,961</u>	<u>\$ 3,572</u>	<u>\$ 2,405</u>	<u>\$ 2,606</u>	<u>\$ 2,793</u>	<u>\$ 2,793</u>
Ending fund balance as % of total expenditures	14.6%	18.0%	10.5%	12.4%	13.2%	13.1%

**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
2017	71,705	1,549	9,357	368	12,290	4,820	100,089

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 2018 (tax year 2017) and the prior year are reflected below:

(000's omitted)

<u>Taxpayer</u>	<u>Fiscal Year 2018 (Tax Year 2017)</u>			<u>Fiscal Year 2017 (Tax Year 2016)</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	3.38%	\$ 876	1	3.39%
Santee Electric Co-op, Inc.	856	2	2.27%	845	2	2.32%
Duke Energy Progress, Inc.	687	3	1.82%	730	3	1.98%
CSX Transport	313	4	0.65%	200	5	0.59%
Black River Electric Co-op, Inc.	276	5	0.77%	284	4	0.81%
Central Electric Power Co-op, Inc.	185	6	0.47%	182	6	0.47%
Wal-Mart Real Estate	154	7	0.54%	152	7	0.54%
Starflo Corp.	123	8	0.30%	109	8	0.29%
SC Public Service Authority	121	9	0.39%	86	10	0.28%
ACM Investment Co., LLC	106	10	0.32%	105	9	0.32%
Totals	<u>\$ 3,697</u>		<u>10.91%</u>	<u>\$ 3,569</u>		<u>10.99%</u>

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 June 30th	Budgeted Tax Collections	Budgeted Delinquent Tax Collections	Budgeted Total Collections	Current Tax Collections	Delinquent Tax Collections	Total Tax Collections
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
2018	15,949	1,800	17,749	15,759	1,463	17,222

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
July	\$ 25,312	\$ 18,928	\$ 27,412	\$ 26,740	\$ 28,781
August	20,781	27,812	28,660	21,680	20,445
September	30,687	27,815	25,430	23,917	26,108
October	27,162	20,200	23,338	18,227	22,965
November	21,481	16,447	19,508	27,413	25,028
December	23,175	34,205	7,612	41,939	27,824
January	22,128	26,609	29,685	24,976	22,268
February	25,594	27,791	34,647	22,292	19,374
March	27,096	26,089	25,261	27,062	13,242
April	23,850	28,919	23,014	24,645	22,168
May	25,696	24,902	26,957	23,763	27,755
June	<u>28,040</u>	<u>31,487</u>	<u>26,186</u>	<u>26,988</u>	<u>24,273</u>
Total	<u>\$ 301,002</u>	<u>\$ 311,204</u>	<u>\$ 297,710</u>	<u>\$ 309,642</u>	<u>\$ 280,231</u>

COMPLIANCE SECTION

PARTNERS

C.C. McGregor, CPA
1906–1968

G.D. Skipper, CPA
L.R. Leaphart, Jr, CPA
M.J. Binnicker, CPA

E.C. Inabinet, CPA
S.S. Luoma, CPA
T.M. McCall, CPA
H.D. Brown, Jr, CPA
L.B. Salley, CPA

D.K. Strickland, CPA
J.P. McGuire, CPA
L.H. Kelly, CPA
J.R. Matthews II, CPA
C.D. Hindsee, CPA

G.P. Davis, CPA
H.J. Darver, CPA
H.O. Crider, Jr., CPA

ASSOCIATES

V.K. Laroche, CPA
G.N. Mundy, CPA
M.L. Layman, CPA
P.A. Betette, Jr, CPA
D.M. Herpel, CPA
F.C. Gillam, Jr, CPA

H.S. Mims, CPA
T. Solorzano, CPA
C.W. Bolen, CPA
L.T. Hewitt, CPA
D.C. Scott, CPA

W.C. Stevenson, CPA
B.T. Kight, CPA

W.W. Francis, CPA
D.L. Richardson, 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, 2018, 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 29, 2019.

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.

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**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 29, 2019

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

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

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

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

(continued)

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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

McGregor & Co. LLP
Orangeburg, South Carolina
January 29, 2019

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

Grantor	Grantor Number	Federal CFDA Number	Award Amount	Total Awards Expended
U. S. DEPARTMENT OF JUSTICE:				
Through SC Department of Public Safety:				
Ballistic Vests	N/A	16.803	\$ 2,531	\$ 2,531
Through SC Attorney General Office:				
Criminal Domestic Violence Investigator	1K17010	16.588	28,207	7,097
Criminal Domestic Violence Investigator	1K16036	16.588	28,186	25,164
U.S. DEPARTMENT OF HOMELAND SECURITY				
Through SC Emergency Management Division:				
FEMA - Flood 2015	FEMA 4241-PA-SC	97.036	206,694	206,694
FEMA - Hurricane Matthew	FEMA 4286-PA-SC	97.036	5,841	5,841
FEMA - Hurricane Irma	FEMA 4166-PA-SC	97.036	12,539	12,539
FEMA - HMGP	FEMA 4241-DR-SC-35:135	97.039	24,408	24,408
FEMA - HMGP	FEMA 4241-DR-SC-35:167	97.039	81,685	19,495
LEMPG 2016 Supplemental	16EMPG01	97.042	7,200	6,439
Local Emergency Mgmt. Planning 2017	17EMPG01	97.042	60,259	60,259
Local SAFER Assistance	EMW-2012-FF-00457	97.083	478,000	49,999
U. S. DEPARTMENT OF AGRICULTURE				
Rural Utilities Service Grants:				
Phase IB Water Project	11160-0014	10.760	821,000	111,503
RHS Community Facilities/Rural Development				
Law Enforcement Vehicles	56189	10.766	50,000	40,664
Law Enforcement Vehicles	56188	10.766	49,000	40,963
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Through Department of Social Services:				
Office of Child Support Enforcement:				
Filing Fees	G-04SC404	93.563		15,450
Federal Financial Assistance	G-04SC404	93.563		13,289
Clerk of Court Incentive (IV-D)	G-04SC404	93.563		9,168
Family Court	G-04SC404	93.563		190,639
Sheriff's Department	G-04SC404	93.563		10,055
TOTAL FEDERAL ASSISTANCE			\$	852,197

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE A- BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Clarendon County and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – DE MINIMUS INDIRECT COST RATE

The County has not elected to use the 10 percent de minimus indirect cost rate, except for the Child Support Enforcement grant.

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

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the financial statements of Clarendon County.
2. No significant deficiencies or material weaknesses were disclosed during the audit of the financial statements and is reported in the *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 Governmental Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Clarendon County, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major federal awards programs for Clarendon County were disclosed during the audit and are reported in the *Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required By Accordance With the Uniform Guidance*.
5. The auditor's report on compliance for the major federal award programs for Clarendon County expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
7. The programs tested as major programs included:

- LEMPG	CFDA #97.042
- Local Safer Assistance	CFDA #97.083
- RHS Community Facilities	CFDA #10.766
- Child Support Enforcement	CFDA #93.563
8. The threshold used for distinguishing Type A and Type B programs was \$750,000.
9. Clarendon County was not determined to be a low-risk auditee.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

I. Financial Statement Findings

None.

II. Major Federal Award Programs Findings

None.

CLARENDON COUNTY
MANNING, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018

I. **Financial Statement Findings**

None.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA**

OTHER MATTERS

JUNE 30, 2018

McGregor & COMPANY, LLP

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January 29, 2019

Clarendon County Council
Clarendon County
Manning, South Carolina

In planning and performing our audit of the financial statements of Clarendon County for the year ended June 30, 2018, we considered the County's internal control to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit, we became aware of a matter that is an opportunity for strengthening internal control and increasing operating efficiency. The following summarizes our comments and suggestions regarding that matter. We previously reported on the County's internal control in our report dated January 29, 2019. This letter does not affect our report dated January 29, 2019, on the financial statements of Clarendon County.

COUNTY MAGISTRATES

The Magistrates are to report any overages in their accounts of \$100 on an annual basis to the Court Administration. Overages for the Magistrate totaled \$1,779. We recommend that overages be investigated and reported periodically to the Court Administration.

This report is intended solely for the information and use of Clarendon County, administration, and others within the organization.

McGregor & Co. LLP

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