

AUDITED FINANCIAL STATEMENTS

CLARENDON COUNTY

MANNING, SOUTH CAROLINA

JUNE 30, 2015

AUDITED FINANCIAL STATEMENTS

CLARENDON COUNTY

MANNING, SOUTH CAROLINA

JUNE 30, 2015

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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, 2015, 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.

INDEPENDENT AUDITOR'S REPORT

(continued)

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clarendon County, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof 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 1 to the financial statements, Clarendon County adopted new guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pension Plans* and GASB Statement No. 71 (an amendment of GASB No. 68), entitled *Pension Transition for Contributions Made Subsequent to the Measurement Date*. 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, the schedule of funding progress for retirees' health plan information, and the schedules of the County's proportionate share of the net pension liability and contributions on pages 7 through 14, 81, and 82 through 85 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

INDEPENDENT AUDITOR'S REPORT
(continued)

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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual fund schedules, supplemental section, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules, supplemental section, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The 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 27, 2016, on our consideration of Clarendon County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clarendon County's internal control over financial reporting and compliance.

McBryner & Co. LLP

Orangeburg, South Carolina
January 27, 2016

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2015**

Clarendon County's discussion and analysis offers readers of the County's financial statements a narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, and in the financial statements and notes to the financial statements.

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

Financial Highlights:

- Clarendon County's assets exceeded its liabilities at June 30, 2015 by \$9.2 million (net position).
- The County's total net position increased \$0.7 million over the previous year.
- At June 30, 2015, the County's governmental fund balance sheet reported a combined ending fund balance of \$14.3 million, a decrease of \$3.7 million over the previous fiscal year. All of this decrease is associated with capital improvement projects within the County. Of the \$14.3 million, \$8.5 million remains in the various funds of the County as committed, assigned or unassigned.
- The General Fund reported a fund balance of \$3.6 million, reflecting a \$0.6 million increase from last fiscal year. This ending balance equates to 18% of General Fund expenditures for the year.
- Total bonded debt decreased \$0.3 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, 2015**

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

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

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

Both of the government-wide financial statements distinguish functions of Clarendon County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The County's governmental activities include general government, public safety, judicial, physical environment, economic environment, transportation, human services, and cultural/recreation. Financial information in the government-wide financial statements distinguishes discretely-presented component units from the financial information for the primary government itself.

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

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

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

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2015**

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 28 through 80 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 86 through 91 of this report.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2015**

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Clarendon County, assets exceeded liabilities by \$9.2 million at the close of the most recent fiscal year. The County's increase in net position for this fiscal year amounts to \$0.7 million, an increase of 10.0%.

The largest portion of the County's net position (\$20.1 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	
	Restated		Restated		Restated	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current and other assets	\$ 16,344	\$ 19,336	\$ 958	\$ 1,037	\$ 17,302	\$ 20,373
Capital assets	<u>32,640</u>	<u>27,362</u>	<u>8,474</u>	<u>8,646</u>	<u>41,114</u>	<u>36,008</u>
Total assets	<u>48,984</u>	<u>46,698</u>	<u>9,432</u>	<u>9,683</u>	<u>58,416</u>	<u>56,381</u>
Deferred outflows of resources	<u>1,488</u>	-	<u>26</u>	-	<u>1,514</u>	-
Long-term liabilities outstanding	39,916	39,157	6,733	6,842	46,649	45,999
Other liabilities	<u>1,073</u>	<u>284</u>	<u>1,417</u>	<u>1,553</u>	<u>2,490</u>	<u>1,837</u>
Total liabilities	<u>40,989</u>	<u>39,441</u>	<u>8,150</u>	<u>8,395</u>	<u>49,139</u>	<u>47,836</u>
Deferred inflows of resources	<u>1,583</u>	<u>102</u>	<u>25</u>	-	<u>1,608</u>	<u>102</u>
Net position						
Invested in capital assets, net of related debt	19,274	18,183	857	888	20,131	19,071
Restricted	3,155	2,500	741	687	3,896	3,187
Unrestricted	<u>(14,529)</u>	<u>(13,528)</u>	<u>(315)</u>	<u>(287)</u>	<u>(14,844)</u>	<u>(13,815)</u>
Total net position	<u>\$ 7,900</u>	<u>\$ 7,155</u>	<u>\$ 1,283</u>	<u>\$ 1,288</u>	<u>\$ 9,183</u>	<u>\$ 8,443</u>

An additional portion of the County's net position of the governmental activities (\$3.2 million) represents resources that are subject to external restrictions on how they may be used or deemed to be unspendable. A significant transaction that impacted the Statement of Net Position was GASB statement 68 inclusion of \$15.5 million of net pension liability (\$15.4 million at previous fiscal year end).

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2015**

At the end of the current fiscal year, Clarendon County is able to report positive balances in all of its net position categories as a whole within its governmental activities. The business-type activities also reflect a positive balance in net position at fiscal year end.

The changes in net position displayed below shows the governmental activities during the fiscal year. Increases in property taxes, when combined with increased federal and state grant revenue, offset an increase in general government expenditures. Included below are unfunded OPEB expenditures of \$0.8 million in the current fiscal year negatively impacting changes in net position.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program Revenues:						
Charges from Services	\$ 2,295	\$ 2,193	\$ 784	\$ 765	\$ 3,079	\$ 2,958
Grants and Contributions	1,503	2,307	-	192	1,503	2,499
General revenues:						
Ad valorem taxes	17,048	16,085	-	-	17,048	16,085
Other taxes	2,904	2,898	-	-	2,904	2,898
State shared	3,441	2,928	-	-	3,441	2,928
Interest	20	9	-	-	20	9
Other	<u>152</u>	<u>351</u>	<u>-</u>	<u>-</u>	<u>152</u>	<u>351</u>
Total revenues	27,363	26,771	784	957	28,147	27,728
Expenses:						
Program Activities:						
Government Activities:						
General government	7,017	8,071	-	-	7,017	8,071
Public safety	10,699	10,269	-	-	10,699	10,269
Physical environment	3,576	3,377	-	-	3,576	3,377
Transportation	224	197	-	-	224	197
Economic environment	644	653	-	-	644	653
Court related	1,914	1,852	-	-	1,914	1,852
Cultural and recreational	695	743	-	-	695	743
Agencies	904	910	-	-	904	910
Interest on long-term debt	774	892	-	-	774	892
Business-type Activities:						
Water and sewer fund	-	-	728	736	728	736
Weldon Auditorium	<u>-</u>	<u>-</u>	<u>434</u>	<u>506</u>	<u>434</u>	<u>506</u>
Total expenses	26,447	26,964	1,162	1,242	27,609	28,206
Contributions	161	-	-	-	161	-
Transfers in (out)	<u>(333)</u>	<u>(329)</u>	<u>373</u>	<u>329</u>	<u>40</u>	<u>-</u>
Change in net position	<u>\$ 744</u>	<u>\$ (522)</u>	<u>\$ (5)</u>	<u>\$ 44</u>	<u>\$ 739</u>	<u>\$ (478)</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2015**

Primary Governmental Activities: Revenues for the County's governmental activities were \$27.4 million for fiscal year 2015 and \$0.8 million for its Business-type activities. Taxes constitute the largest source of County revenues, amounting to approximately \$20.0 million for the fiscal year 2015. Real property taxes (\$12.4 million) represent 62% of total taxes and 46% of all revenue combined. Lastly, intergovernmental revenues increased to \$3.4 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, 2015, Clarendon County governmental funds reported combined fund balances of \$14.3 million, a decrease of \$3.7 million over the prior year balances. The main component of this decrease represented capital projects under construction, capital acquisitions and road construction.

The General Fund is the chief operating fund of the County. At June 30, 2015, total fund balance in the General Fund was \$3.6 million, of which \$2.7 million was not restricted. As a measure of the General Fund's liquidity, the total and unrestricted fund balances compared to total fund expenditures shows percentages of 18.0% and 13.7%, respectively. The fund balance of the General Fund showed an increase of 20.6%, or \$0.6 million during the fiscal year as revenues exceeded expenses.

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 2015 as well as the final budget is presented. Neither grant revenue nor expenditures are budgeted; however, sufficient grant match requirements were. The variances reflected are primarily a result of related grant activities and savings incurred at the departmental level (staffing levels less than budgeted).

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2015**

Capital Asset and Debt Administration

Capital assets: Clarendon County's investment in capital assets for its governmental type activities as of June 30, 2015 amounts to \$32.6 million (net of accumulated depreciation) and \$8.5 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 14.8% as work was nearing completion in the renovations and improvements of the County courthouse.

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

	Government Activities		Business-type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 3,034	\$ 2,829	\$ 120	\$ 120	\$ 3,154	\$ 2,949
Infrastructure	3,562	3,787	-	-	3,562	3,787
Construction in progress	6,962	1,492	176	123	7,138	1,615
Buildings and improvements	16,875	16,674	3,052	3,138	19,927	19,812
Water distribution system	-	-	4,949	5,104	4,949	5,104
Machinery and equipment	<u>2,207</u>	<u>2,393</u>	<u>177</u>	<u>161</u>	<u>2,384</u>	<u>2,554</u>
Total	<u>\$ 32,640</u>	<u>\$ 27,175</u>	<u>\$ 8,474</u>	<u>\$ 8,646</u>	<u>\$ 41,114</u>	<u>\$ 35,821</u>

Additional information on the County's capital assets can be found in Note 6 on pages 44 through 48 of this report.

Long-term debt: At the end of the current fiscal year, Clarendon County had a total bonded debt outstanding of \$25.8 million, of which \$5.5 million is backed by the full faith and credit of the County.

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

	<u>2015</u>	<u>2014</u>
General obligation bond(s)	\$ 5,463	\$ 5,684
Revenue bond(s)	19,938	20,067
Capital lease(s)	<u>393</u>	<u>198</u>
	<u>\$ 25,794</u>	<u>\$ 25,949</u>

The County's total debt decreased \$0.2 million as debt service requirements were slightly greater than new debt issuance. The County currently has a rating of "A+" from Standard & Poor's Corporation on general obligation bond issues. As of June 30, 2015, the County's general obligation debt and capital lease approximated one hundred sixty-seven dollars (\$167) per capita.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2015**

Additional information on Clarendon County's long-term debt can be found in Note 8 on pages 50 through 59 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Clarendon County is currently 8.7%, which represents an increase from a year ago. This compares to the state's average unemployment rate of 6.6% and the national average rate of 5.3%.
- Assessed taxable property valuation increased to \$103.6 million in 2015, primarily in real property, vehicle sectors and business personal property.
- While county-wide gross taxable sales declined from \$482 million in 2014 to \$471 million in 2015; net taxable sales actually increased 5.0% to \$147 million in 2015.

All of these factors were considered in preparing the County's budget for the 2016 fiscal year. Per the Fiscal Year 2016 Adopted Budget, disbursements are budgeted at \$19.9 million, a 4.2% increase from the fiscal year 2015 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
STATEMENTS OF NET POSITION
JUNE 30, 2015

	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	\$ 10,221,433	\$ 153,396	\$ 10,374,829	\$ 152,202	\$ 1,544,516
Receivables:					
Delinquent taxes	2,116,312	-	2,116,312	-	-
Other	482,780	63,931	546,711	5,160	-
Due from fiduciary funds	99,848	-	99,848	-	-
Due from component unit	250,000	-	250,000	-	-
Prepaid expense	-	-	-	24,115	-
Due from other governments	1,873,498	-	1,873,498	-	-
Inventories	64,751	-	64,751	-	-
Capital leases and notes receivable - Note 5	-	-	-	-	23,779
Total current assets	<u>15,108,622</u>	<u>217,327</u>	<u>15,325,949</u>	<u>181,477</u>	<u>1,568,295</u>
Non-current assets:					
Restricted cash and cash equivalents	1,235,247	740,954	1,976,201	-	-
Notes receivable - Note 5	-	-	-	-	600,247
Non-depreciable capital assets-net - Note 6	9,995,825	295,523	10,291,348	24,000	4,664,807
Depreciable capital assets-net - Note 6	22,644,077	8,178,529	30,822,606	148,816	991,227
Total non-current assets	<u>33,875,149</u>	<u>9,215,006</u>	<u>43,090,155</u>	<u>172,816</u>	<u>6,256,281</u>
Total assets	<u>48,983,771</u>	<u>9,432,333</u>	<u>58,416,104</u>	<u>354,293</u>	<u>7,824,576</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension difference between expected and actual funding	419,431	8,492	427,923	16,562	-
Employer contributions subsequent to measurement date	1,068,803	17,302	1,086,105	35,112	-
Total deferred outflows of resources	<u>1,488,234</u>	<u>25,794</u>	<u>1,514,028</u>	<u>51,674</u>	<u>-</u>
LIABILITIES					
Current liabilities (payable from current assets):					
Accounts payable	828,610	31,943	860,553	4,393	11,086
Due to other governments	93,756	-	93,756	-	-
Internal balances	(1,206,853)	1,206,853	-	-	-
Due to fiduciary funds - Note 7	33,983	-	33,983	-	-
Unearned revenue	99,614	52,865	152,479	-	284,000
Note payable - Note 8	-	-	-	-	127,879
Other liabilities	445,877	-	445,877	-	-
Accrued compensated absences - Note 8	69,439	637	70,076	-	-
Closures and maintenance costs payable - Note 8	26,600	-	26,600	-	-
Capital lease - Note 8	127,375	-	127,375	-	-
Bond payable - Note 8	554,324	125,275	679,599	-	-
Total current liabilities	<u>1,072,725</u>	<u>1,417,573</u>	<u>2,490,298</u>	<u>4,393</u>	<u>422,965</u>
Non-current liabilities:					
Accrued compensated absences - Note 8	370,046	3,395	373,441	14,861	-
Closures and maintenance costs payable - Note 8	509,200	-	509,200	-	-
Note payable	-	-	-	-	1,625,162
Net pension liability - Note 11	15,184,804	299,698	15,484,502	584,506	-
OPEB payable - Note 12	5,228,187	66,570	5,294,757	171,336	-
Capital lease - Note 8	266,081	-	266,081	-	-
Bond payable - Note 8	18,358,258	6,362,930	24,721,188	-	-
Total long-term liabilities	<u>39,916,576</u>	<u>6,732,593</u>	<u>46,649,169</u>	<u>770,703</u>	<u>1,625,162</u>
Total liabilities	<u>40,989,301</u>	<u>8,150,166</u>	<u>49,139,467</u>	<u>775,096</u>	<u>2,048,127</u>
DEFERRED INFLOWS OF RESOURCES					
Bond premium	96,539	-	96,539	-	-
Net difference between projected and actual earnings on pension plan investments	1,486,495	25,267	1,511,762	49,278	-
Total deferred inflows of resources	<u>1,583,034</u>	<u>25,267</u>	<u>1,608,301</u>	<u>49,278</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	19,273,485	857,364	20,130,849	172,816	4,323,307
Restricted:					
Debt service	2,363,694	740,954	3,104,648	-	-
Local option sales tax revenue	791,649	-	791,649	-	-
I-95 Mega-site	-	-	-	-	1,370,565
Unrestricted	(14,529,158)	(315,624)	(14,844,782)	(591,223)	82,577
Total net position	<u>\$ 7,899,670</u>	<u>\$ 1,282,694</u>	<u>\$ 9,182,364</u>	<u>\$ (418,407)</u>	<u>\$ 5,776,449</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, 2015**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position								
	Program Revenues				Primary Government			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Harvin Clarendon County Library	Business Development Corporation
Primary Government:									
Governmental activities:									
Public safety	\$ 10,699,543	\$ 247,323	\$ 305,618	\$ 22,814	\$ (10,123,788)	\$ -	\$(10,123,788)		
General government	7,017,229	128,809	870,448	-	(6,017,972)	-	(6,017,972)		
Agencies	904,245	82,865	250,000	-	(571,380)	-	(571,380)		
Physical environment	3,575,917	930,612	28,600	-	(2,616,705)	-	(2,616,705)		
Court related	1,913,585	708,289	-	-	(1,205,296)	-	(1,205,296)		
Economic environment	643,978	83,978	1,000	-	(559,000)	-	(559,000)		
Culture/Recreation	694,893	74,190	-	24,780	(595,923)	-	(595,923)		
Transportation	223,643	39,103	-	-	(184,540)	-	(184,540)		
Interest	774,163	-	-	-	(774,163)	-	(774,163)		
Total governmental activities	<u>26,447,196</u>	<u>2,295,169</u>	<u>1,455,666</u>	<u>47,594</u>	<u>(22,648,767)</u>	<u>-</u>	<u>(22,648,767)</u>		
Business-Type Activities:									
Water & Sewer Utility	728,085	713,740	-	-	-	(14,345)	(14,345)		
Weldon Auditorium	433,482	69,851	-	-	-	(363,631)	(363,631)		
Total business-type activities	<u>1,161,567</u>	<u>783,591</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(377,976)</u>	<u>(377,976)</u>		
Total Primary Government:	<u>\$ 27,608,763</u>	<u>\$ 3,078,760</u>	<u>\$ 1,455,666</u>	<u>\$ 47,594</u>	<u>(22,648,767)</u>	<u>(377,976)</u>	<u>(23,026,743)</u>		
Component Units:									
Harvin Clarendon County Library	\$ 751,580	\$ 21,986	\$ 77,505	\$ -			\$ (652,089)	\$ -	
Business Development Corporation	466,090	257,032	-	552,667			-	343,609	
Total Component Units	<u>\$ 1,217,670</u>	<u>\$ 279,018</u>	<u>\$ 77,505</u>	<u>\$ 552,667</u>			<u>(652,089)</u>	<u>343,609</u>	
General Revenues:									
Taxes:									
Property taxes, levied for general purposes					15,264,697	-	15,264,697	-	-
Property taxes, levied for debt services					1,783,429	-	1,783,429	-	-
Sales and use taxes					2,903,858	-	2,903,858	-	-
Franchise fees					115,419	-	115,419	-	-
State shared revenues					3,440,898	-	3,440,898	-	-
Interest earnings					20,113	502	20,615	-	29,058
Loss on sale of capital assets					(206,834)	-	(206,834)	-	-
Miscellaneous					243,812	-	243,812	-	-
County appropriation					-	-	-	540,000	-
Total general revenues					<u>23,565,392</u>	<u>502</u>	<u>23,565,894</u>	<u>540,000</u>	<u>29,058</u>
Transfers					(333,515)	372,835	39,320	-	-
Contributions					160,891	-	160,891	-	-
Total general revenues, transfers and contributions					<u>23,392,768</u>	<u>373,337</u>	<u>23,766,105</u>	<u>540,000</u>	<u>29,058</u>
Change in net position					744,001	(4,639)	739,362	(112,089)	372,667
Net position - beginning - as restated - Note 13					7,155,669	1,287,333	8,443,002	(306,318)	5,403,782
Net position - ending					<u>\$ 7,899,670</u>	<u>\$ 1,282,694</u>	<u>\$ 9,182,364</u>	<u>\$ (418,407)</u>	<u>\$ 5,776,449</u>

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

**CLARENDON COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

	GENERAL	CAPITAL PROJECTS	GENERAL COUNTY DEBT SVC	FIRE DEPARTMENT	C-PROGRAM ROADS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash and cash equivalents	\$ 1,496,077	\$ 4,197,079	\$ 2,175,185	\$ 1,544,388	\$ 313,603	\$ 1,730,348	\$ 11,456,680
Accounts receivable							
Property taxes	1,685,777	-	86,813	295,556	-	48,166	2,116,312
Other	383,997	-	-	-	-	98,783	482,780
Due from other funds	43,146	-	21	-	295	17	43,479
Due from fiduciary funds	99,848	-	-	-	-	-	99,848
Due from business enterprise	78,370	1,128,483	-	-	-	-	1,206,853
Due from component unit	250,000	-	-	-	-	-	250,000
Due from other governments	1,774,861	-	-	-	98,637	-	1,873,498
Supplies inventory	64,751	-	-	-	-	-	64,751
Total assets	<u>\$ 5,876,827</u>	<u>\$ 5,325,562</u>	<u>\$ 2,262,019</u>	<u>\$ 1,839,944</u>	<u>\$ 412,535</u>	<u>\$ 1,877,314</u>	<u>\$ 17,594,201</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 234,167	\$ 569,091	\$ -	\$ 15,029	\$ -	\$ 10,323	\$ 828,610
Accrued payroll and withholdings	153,539	-	-	-	-	-	153,539
Due to other funds	333	2,920	-	-	-	40,226	43,479
Due to fiduciary funds	33,983	-	-	-	-	-	33,983
Due to other governments	93,756	-	-	-	-	-	93,756
Unearned revenue	93,122	-	-	-	-	-	93,122
Advance mobile home revenue	6,492	-	-	-	-	-	6,492
Other liabilities	292,338	-	-	-	-	-	292,338
Total liabilities	<u>907,730</u>	<u>572,011</u>	<u>-</u>	<u>15,029</u>	<u>-</u>	<u>50,549</u>	<u>1,545,319</u>
Deferred Inflows of Resources							
Unavailable Revenue-Property							
Taxes	1,396,932	-	71,198	250,397	-	41,905	1,760,432
Total Deferred Inflows of Resources	<u>1,396,932</u>	<u>-</u>	<u>71,198</u>	<u>250,397</u>	<u>-</u>	<u>41,905</u>	<u>1,760,432</u>
Fund balances:							
Nonspendable	64,751	-	-	-	-	-	64,751
Restricted	791,649	1,235,247	2,190,821	-	-	1,480,107	5,697,824
Committed	-	3,229,347	-	-	-	-	3,229,347
Assigned	192,338	-	-	1,574,518	412,535	304,753	2,484,144
Unassigned	2,523,427	288,957	-	-	-	-	2,812,384
Total fund balances	<u>3,572,165</u>	<u>4,753,551</u>	<u>2,190,821</u>	<u>1,574,518</u>	<u>412,535</u>	<u>1,784,860</u>	<u>14,288,450</u>
Total Liabilities, Deferred Inflows of Resources, and Fund balances	<u>\$ 5,876,827</u>	<u>\$ 5,325,562</u>	<u>\$ 2,262,019</u>	<u>\$ 1,839,944</u>	<u>\$ 412,535</u>	<u>\$ 1,877,314</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. 32,639,902							
Long-term liabilities, including bonds payable (\$18,912,582), capital lease (\$393,456), accrued compensated absences (\$439,485), closure and maintenances costs payable (\$535,800) and bond premium (\$96,539) are not reported in funds. (20,377,862)							
Other Post Employment Benefits (OPEB) liability represents the future unfunded costs associated with current benefits design. (5,228,187)							
Net pension liability represents the proportionate share of the future unfunded costs associated with County's participation in the South Carolina Retirement System. (15,183,065)							
Delinquent taxes receivable are not financial resources in the current period and, therefore, are reported as unearned revenue in the funds. 1,760,432							
Total net position - total governmental activities							<u>\$ 7,899,670</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, 2015

	GENERAL	CAPITAL PROJECTS	GENERAL COUNTY DEBT SVC	FIRE DEPARTMENT	C-PROGRAM ROADS	OTHER GOVERNMENTAL FUNDS	TOTAL
REVENUES							
Taxes	\$ 15,244,100	\$ -	\$ 1,652,503	\$ 2,376,734	\$ -	\$ 648,046	\$ 19,921,383
Licenses and permits	100,279	-	-	-	-	-	100,279
Intergovernmental	2,876,489	-	-	-	1,390,037	694,632	4,961,158
Charges for services	1,219,364	-	-	-	-	166,967	1,386,331
Fines and forfeitures	455,489	-	-	-	-	113,213	568,702
Interest	5,102	8,885	806	1,948	1,451	1,921	20,113
Miscellaneous	550,972	-	-	6,000	-	-	556,972
Total revenues	<u>20,451,795</u>	<u>8,885</u>	<u>1,653,309</u>	<u>2,384,682</u>	<u>1,391,488</u>	<u>1,624,779</u>	<u>27,514,938</u>
EXPENDITURES							
Current:							
General government	5,327,696	52,558	-	-	466,390	215,000	6,061,644
Public safety	6,780,099	184,701	-	2,236,753	-	426,945	9,628,498
Physical environment	3,453,125	-	-	-	-	-	3,453,125
Transportation	213,993	-	-	-	-	-	213,993
Economic environment	617,043	-	-	-	-	-	617,043
Agencies	899,469	-	-	-	-	-	899,469
Culture/Recreation	477,691	-	-	-	-	120,804	598,495
Court Related	1,585,713	-	-	-	-	229,311	1,815,024
Debt service:							
Principal	-	-	509,411	-	-	37,318	546,729
Interest and fiscal charges	-	18,500	736,213	-	-	25,200	779,913
Capital outlay	526,519	4,861,977	-	45,752	1,271,254	138,623	6,844,125
Total expenditures	<u>19,881,348</u>	<u>5,117,736</u>	<u>1,245,624</u>	<u>2,282,505</u>	<u>1,737,644</u>	<u>1,193,201</u>	<u>31,458,058</u>
Excess of revenues over (under) expenditures	570,447	(5,108,851)	407,685	102,177	(346,156)	431,578	(3,943,120)
OTHER FINANCING SOURCES (USES)							
Sale of assets	48,988	-	-	-	-	-	48,988
Bond proceeds	-	-	296,425	-	-	-	296,425
Lease proceeds	-	200,000	-	-	-	-	200,000
Transfers	(8,680)	-	-	-	-	(324,835)	(333,515)
Net other financing sources (uses)	<u>40,308</u>	<u>200,000</u>	<u>296,425</u>	<u>-</u>	<u>-</u>	<u>(324,835)</u>	<u>211,898</u>
Net changes in fund balances	<u>610,755</u>	<u>(4,908,851)</u>	<u>704,110</u>	<u>102,177</u>	<u>(346,156)</u>	<u>106,743</u>	<u>(3,731,222)</u>
Fund balances at beginning of year, as restated - Note 13	<u>2,961,410</u>	<u>9,662,402</u>	<u>1,486,711</u>	<u>1,472,341</u>	<u>758,691</u>	<u>1,678,117</u>	<u>18,019,672</u>
Fund balances at end of year	<u>\$ 3,572,165</u>	<u>\$ 4,753,551</u>	<u>\$ 2,190,821</u>	<u>\$ 1,574,518</u>	<u>\$ 412,535</u>	<u>\$ 1,784,860</u>	<u>\$ 14,288,450</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, 2015**

Net Changes in fund balances - total governmental funds		\$ (3,731,222)
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	6,970,626	
Contributions of capital assets	160,891	
Less current year depreciation	<u>(1,533,193)</u>	5,598,324
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	(296,425)	
Lease proceeds	(326,501)	
Bond principal payment	527,718	
Bond premium	5,751	
Capital lease payment	<u>131,650</u>	42,193
Gains or losses on the sale of capital assets are not presented in this financial statement because they do not provide or use current financial resources but they are presented in the statement of activities.		
		(320,823)
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	(35,019)	
Change in OPEB liability	(767,639)	
Change in Pension liability	(105,530)	
Change in closure and maintenance costs payable	<u>8,000</u>	(900,188)
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>55,717</u>
Change in net position of governmental activities.		<u><u>\$ 744,001</u></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 - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Budget Basis (Note 2)	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 14,830,534	\$ 14,830,534	\$ 15,244,100	\$ 413,566
Licenses and permits	107,500	107,500	100,279	(7,221)
Intergovernmental	1,673,700	1,673,700	2,876,489	1,202,789
Charges for services	1,143,500	1,143,500	1,219,364	75,864
Fines and forfeitures	457,000	457,000	455,489	(1,511)
Interest	1,800	1,800	5,102	3,302
Miscellaneous	532,050	532,050	550,972	18,922
Total revenues	18,746,084	18,746,084	20,451,795	1,705,711
EXPENDITURES				
Current:				
General government	4,727,140	4,727,140	5,777,040	(1,049,900)
Public safety	7,176,839	7,176,839	6,882,672	294,167
Physical environment	3,208,161	3,208,161	3,538,438	(330,277)
Transportation	215,632	215,632	213,993	1,639
Economic environment	662,515	662,515	636,110	26,405
Culture/Recreation	496,859	496,859	499,899	(3,040)
Court related	1,611,469	1,611,469	1,584,579	26,890
Agencies	899,469	899,469	899,469	-
Total expenditures	18,998,084	18,998,084	20,032,200	(1,034,116)
Excess of revenues over (under) expenditures	(252,000)	(252,000)	419,595	671,595
OTHER FINANCING SOURCES (USES)				
Sale of assets	100,000	100,000	48,988	(51,012)
Transfers In/(Out)	(48,000)	(48,000)	(8,680)	39,320
Net other financing sources (uses)	52,000	52,000	40,308	(11,692)
Excess of revenues over (under) expenditures and other financing sources (uses)	\$ (200,000)	\$ (200,000)	459,903	\$ 659,903
Fund balances at beginning of year as restated - Note 13			2,936,928	
Fund balances at end of year			\$ 3,396,831	

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

CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				
	WATER UTILITY	SEWER UTILITY	TOTAL UTILITY	WELDON AUDITORIUM	TOTAL ENTERPRISE FUNDS
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 48,560	\$ 89,257	\$ 137,817	\$ 15,579	\$ 153,396
Accounts receivable, net of allowance	51,238	12,693	63,931	-	63,931
Total current assets	<u>99,798</u>	<u>101,950</u>	<u>201,748</u>	<u>15,579</u>	<u>217,327</u>
Noncurrent Assets					
Restricted cash and cash equivalents	48,911	-	48,911	692,043	740,954
Capital assets:					
Land	81,210	38,771	119,981	-	119,981
Buildings and improvements	1,978	-	1,978	3,438,173	3,440,151
Machinery and equipment	235,833	28,026	263,859	-	263,859
Water and sewer system	5,119,864	313,184	5,433,048	-	5,433,048
Construction in Progress	175,543	-	175,543	-	175,543
Less: Accumulated Depreciation	<u>(480,563)</u>	<u>(91,172)</u>	<u>(571,735)</u>	<u>(386,795)</u>	<u>(958,530)</u>
Total noncurrent assets	<u>5,182,776</u>	<u>288,809</u>	<u>5,471,585</u>	<u>3,743,421</u>	<u>9,215,006</u>
TOTAL ASSETS	<u>5,282,574</u>	<u>390,759</u>	<u>5,673,333</u>	<u>3,759,000</u>	<u>9,432,333</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension difference between expected and actual funding	4,392	488	4,880	3,612	8,492
Employer contributions subsequent to measurement date	8,948	994	9,942	7,360	17,302
Total deferred outflows of resources	<u>13,340</u>	<u>1,482</u>	<u>14,822</u>	<u>10,972</u>	<u>25,794</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	22,923	7,325	30,248	1,695	31,943
Due to other funds	1,061,566	72,939	1,134,505	72,348	1,206,853
Unearned revenue	52,447	418	52,865	-	52,865
Accrued compensated absences	410	46	456	181	637
Bond payable	55,275	-	55,275	70,000	125,275
Total current liabilities	<u>1,192,621</u>	<u>80,728</u>	<u>1,273,349</u>	<u>144,224</u>	<u>1,417,573</u>
Noncurrent Liabilities:					
Accrued compensated absences	2,186	243	2,429	966	3,395
Bond payable	3,422,930	-	3,422,930	2,940,000	6,362,930
Pension liability - Note 11	155,002	17,222	172,224	127,474	299,698
Net OPEB liability - Note 12	34,978	3,887	38,865	27,705	66,570
Total noncurrent liabilities	<u>3,615,096</u>	<u>21,352</u>	<u>3,636,448</u>	<u>3,096,145</u>	<u>6,732,593</u>
TOTAL LIABILITIES	<u>4,807,717</u>	<u>102,080</u>	<u>4,909,797</u>	<u>3,240,369</u>	<u>8,150,166</u>
DEFERRED INFLOWS OF RESOURCES					
Net difference between projected and actual earnings on pension plan investments	13,068	1,452	14,520	10,747	25,267
Total deferred inflows of resources	<u>13,068</u>	<u>1,452</u>	<u>14,520</u>	<u>10,747</u>	<u>25,267</u>
NET POSITION					
Net investment in capital assets	600,116	215,870	815,986	41,378	857,364
Restricted:					
Debt service	48,911	-	48,911	692,043	740,954
Unrestricted	<u>(173,898)</u>	<u>72,839</u>	<u>(101,059)</u>	<u>(214,565)</u>	<u>(315,624)</u>
TOTAL NET POSITION	<u>\$ 475,129</u>	<u>\$ 288,709</u>	<u>\$ 763,838</u>	<u>\$ 518,856</u>	<u>\$ 1,282,694</u>

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

**CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

**BUSINESS-TYPE ACTIVITIES
ENTERPRISE FUNDS**

	WATER UTILITY	SEWER UTILITY	TOTAL UTILITY	WELDON AUDITORIUM	TOTAL ENTERPRISE FUNDS
OPERATING REVENUES					
Charges for services	\$ 553,028	\$ 160,712	\$ 713,740	\$ 69,851	\$ 783,591
Total operating revenues	<u>553,028</u>	<u>160,712</u>	<u>713,740</u>	<u>69,851</u>	<u>783,591</u>
OPERATING EXPENSES					
Cost of sales & services	191,712	89,405	281,117	-	281,117
Production expense	-	-	-	43,148	43,148
Personnel & benefits	125,683	13,966	139,649	99,602	239,251
Administration	30,140	10,282	40,422	71,544	111,966
Depreciation	155,694	14,558	170,252	85,954	256,206
Total operating expenses	<u>503,229</u>	<u>128,211</u>	<u>631,440</u>	<u>300,248</u>	<u>931,688</u>
OPERATING INCOME (LOSS)	<u>49,799</u>	<u>32,501</u>	<u>82,300</u>	<u>(230,397)</u>	<u>(148,097)</u>
NON-OPERATING REVENUE (EXPENSES)					
Investment income	50	91	141	361	502
Interest expense	(96,645)	-	(96,645)	(133,234)	(229,879)
Total non-operating revenue (expenses)	<u>(96,595)</u>	<u>91</u>	<u>(96,504)</u>	<u>(132,873)</u>	<u>(229,377)</u>
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(46,796)	32,592	(14,204)	(363,270)	(377,474)
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Transfers	(4,500)	(1,500)	(6,000)	378,835	372,835
Net other financing sources (uses)	<u>(4,500)</u>	<u>(1,500)</u>	<u>(6,000)</u>	<u>378,835</u>	<u>372,835</u>
CHANGE IN NET POSITION	(51,296)	31,092	(20,204)	15,565	(4,639)
Net position at beginning of year - Note 13	<u>526,425</u>	<u>257,617</u>	<u>784,042</u>	<u>503,291</u>	<u>1,287,333</u>
NET POSITION AT END OF YEAR	<u>\$ 475,129</u>	<u>\$ 288,709</u>	<u>\$ 763,838</u>	<u>\$ 518,856</u>	<u>\$ 1,282,694</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, 2015

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	WATER & SEWER UTILITY	WELDON AUDITORIUM	TOTAL ENTERPRISE FUNDS
Cash Flows From Operating Activities:			
Cash received from customers	\$ 743,884	\$ 69,928	\$ 813,812
Cash paid to suppliers for goods and services	(308,503)	(117,572)	(426,075)
Cash paid to employees for services	(130,599)	(93,866)	(224,465)
Internal activity-payments to other funds	(81,139)	(104,908)	(186,047)
Net Cash Provided (Used) By Operating Activities	<u>223,643</u>	<u>(246,418)</u>	<u>(22,775)</u>
Cash Flows from Noncapital Financing Activities			
Transfers	(6,000)	378,835	372,835
Cash Flows From Capital and Related Financing Activities:			
Principal payments	(53,775)	(65,000)	(118,775)
Interest paid on debt	(96,645)	(133,234)	(229,879)
Purchase of capital assets	(84,086)	-	(84,086)
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(234,506)</u>	<u>(198,234)</u>	<u>(432,740)</u>
Cash Flow From Investing Activities:			
Interest income	141	361	502
Net Cash Provided (Used) By Investing Activities	<u>141</u>	<u>361</u>	<u>502</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(16,722)	(65,456)	(82,178)
Cash and Cash Equivalents at Beginning of Year	<u>203,450</u>	<u>773,078</u>	<u>976,528</u>
Cash and Cash Equivalents at End of Year	<u>\$ 186,728</u>	<u>\$ 707,622</u>	<u>\$ 894,350</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by operating Activities			
Operating income (loss)	\$ 82,300	\$ (230,397)	\$ (148,097)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation expense	170,252	85,954	256,206
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(3,500)	77	(3,423)
Increase (decrease) in accounts payable	13,036	(2,880)	10,156
Increase (decrease) in due to other funds	(81,139)	(104,908)	(186,047)
Increase (decrease) in accrued compensated absences	1,239	(1,521)	(282)
Increase (decrease) in Pension liability	2,125	1,571	3,696
Increase (decrease) in OPEB liability	5,686	5,686	11,372
Increase (decrease) in deferred revenue	33,644	-	33,644
Net Cash Provided by (Used for) Operating Activities	<u>\$ 223,643</u>	<u>\$ (246,418)</u>	<u>\$ (22,775)</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, 2015

ASSETS

Cash	\$ 4,528,727
Delinquent taxes receivable	2,066,341
Due from others	491
Due from credit card	2,654
Due from other funds	33,983
Due from other magistrates	138
Total Assets	<u>\$ 6,632,334</u>

LIABILITIES

Due to trust fund holders	\$ 6,521,675
Due to Treasurer - cash overage (shortage)	10,673
Due to other funds	99,848
Due to other magistrates	138
Total Liabilities	<u>\$ 6,632,334</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, 2015**

	<u>GOVERNMENTAL FUNDS</u>		
	<u>HARVIN CLARENDON COUNTY LIBRARY</u>	<u>BUSINESS DEVELOPMENT CORPORATION</u>	<u>TOTAL</u>
ASSETS			
Cash	\$ 152,202	\$ 1,544,516	\$ 1,696,718
Prepaid items	24,115	-	24,115
Notes and interest receivable	-	202,084	202,084
Capital and operating lease receivable	-	421,942	421,942
Grants and miscellaneous receivable	5,160	-	5,160
TOTAL ASSETS	<u>\$ 181,477</u>	<u>\$ 2,168,542</u>	<u>\$ 2,350,019</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts and payroll withholdings payable	\$ 4,393	\$ 11,086	\$ 15,479
Unearned revenue	-	284,000	284,000
Total Liabilities	<u>4,393</u>	<u>295,086</u>	<u>299,479</u>
Fund Balances			
Nonspendable	24,115	200,000	224,115
Restricted	-	1,370,565	1,370,565
Committed	95,000	-	95,000
Unassigned	57,969	302,891	360,860
Total Fund Balances	<u>177,084</u>	<u>1,873,456</u>	<u>2,050,540</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 181,477</u>	<u>\$ 2,168,542</u>	<u>\$ 2,350,019</u>
Amounts reported for governmental activities in the statement of net position are different because:			
Total fund balance	\$ 177,084	\$ 1,873,456	\$ 2,050,540
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	172,816	5,656,034	5,828,850
Deferred outflows (inflows) resulting from recognition of the employer's share of the state's net pension are not current resources	2,396	-	2,396
Liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
Accrued compensated absences	(14,861)	-	(14,861)
Notes payable	-	(1,753,041)	(1,753,041)
Net OPEB liability	(171,336)	-	(171,336)
Net Pension liability	(584,506)	-	(584,506)
Total net position	<u>\$ (418,407)</u>	<u>\$ 5,776,449</u>	<u>\$ 5,358,042</u>

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

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2015**

	GOVERNMENTAL FUNDS		
	HARVIN CLARENDON COUNTY LIBRARY	BUSINESS DEVELOPMENT CORPORATION	TOTAL
REVENUES			
Federal	\$ 1,005	\$ -	\$ 1,005
State	75,000	-	75,000
Local	563,486	838,757	1,402,243
TOTAL REVENUES	<u>639,491</u>	<u>838,757</u>	<u>1,478,248</u>
EXPENDITURES			
General operations	668,497	335,712	1,004,209
Capital outlay	-	1,899,977	1,899,977
Debt service	-	182,535	182,535
TOTAL EXPENDITURES	<u>668,497</u>	<u>2,418,224</u>	<u>3,086,721</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(29,006)</u>	<u>(1,579,467)</u>	<u>(1,608,473)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds notes payable	-	680,000	680,000
Total other financing sources (uses)	<u>-</u>	<u>680,000</u>	<u>680,000</u>
NET CHANGE IN FUND BALANCES	(29,006)	(899,467)	(928,473)
FUND BALANCES, BEGINNING OF YEAR*	<u>206,090</u>	<u>2,772,923</u> *	<u>2,979,013</u>
FUND BALANCES, END OF YEAR	<u>\$ 177,084</u>	<u>\$ 1,873,456</u>	<u>\$ 2,050,540</u>

*Restated - Note 13

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, 2015**

	HARVIN CLARENDON COUNTY LIBRARY	BUSINESS DEVELOPMENT CORPORATION	TOTAL
Net change in fund balances - total governmental funds	\$ (29,006)	\$ (899,467)	\$ (928,473)
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	-	1,899,977	1,899,977
Less current year depreciation	(46,881)	(68,497)	(115,378)
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	3,901	-	3,901
Change in net OPEB liability	(34,248)	-	(34,248)
Change in net pension costs	(5,855)	-	(5,855)
Incurring debt increases long-term liabilities in the statement of activities			
Loan proceeds	-	(680,000)	(680,000)
Principal payments	-	120,654	120,654
	<hr/>	<hr/>	<hr/>
Change in net position of governmental activities	<u>\$ (112,089)</u>	<u>\$ 372,667</u>	<u>\$ 260,578</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

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

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Franchise fees, licenses, sales taxes, gas taxes, operating and capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the County.

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting (continued)

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

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

C. Description of Funds

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

1. Governmental Major Funds:

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

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

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

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 approximate 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:

Assets	Years
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. 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.

7. 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.

8. 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.

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

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.

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.

9. Net Position

Net position represents the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources. Net position 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.

**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)

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

1. Each year, the County Administrator submits to the County Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Three public readings are conducted by County Council and one public hearing to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. The County Administrator is authorized to transfer budgeted amounts between departments within any fund, but this transfer cannot exceed \$25,000 or 25% of said department's budget; however, any revisions that alter the total expenditures of any fund must be approved by the County Council.

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (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, 2015:

	General Fund
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - budgetary basis	\$ 459,903
Timing differences:	
Net change in encumbrances	<u>(150,852)</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - GAAP basis	<u>\$ 610,755</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.

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

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

Actual expenditures exceeded those budgeted by \$1,034,116 because grant expenditures are not budgeted (as grant revenues are not budgeted).

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Primary Government

At June 30, 2015, the carrying amount of the County's deposits and investments was \$16,877,327 and the bank balances and investment pool balances were \$19,141,311. To reconcile this information to the financial statements, we include the following:

Cash and investments	\$ 16,877,327
Cash on hand	<u>2,430</u>
Total cash	<u>\$ 16,879,757</u>
Proprietary fund	\$ 894,350
Fiduciary funds	4,528,727
Governmental funds	<u>11,456,680</u>
Total all funds	<u>\$ 16,879,757</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 2015, none of the County's bank balance of \$7,969,420 was exposed to custodial 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.

	Maturities	Fair Value
State investment pool	18 months to 2 years	\$ 7,368,732
Treasury money market	12 day weighted average	<u>3,803,159</u>
		<u>\$ 11,171,891</u>

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

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

Discretely Presented Component Units

Harvin Clarendon County Library

As of June 30, 2015, the bank balance of the Library's deposits totaled \$174,396. Of the bank balance, \$174,396 was covered by the Federal Depository Insurance Corporation (FDIC) insurance.

Business Development Corporation of Clarendon County (BDC)

As of June 30, 2015, the book balance of the BDC's deposits totaled \$1,544,516. The bank balance of \$1,268,683 and an additional \$307,647 in certificates of deposit were covered by the Federal Depository Insurance Corporation (FDIC) or collateralized by collateral pledged by the bank in the Corporation's name.

NOTE 4 - PROPERTY TAXES

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

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

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

NOTE 4 - PROPERTY TAXES (continued)

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

NOTE 5 - NOTES RECEIVABLE AND LEASE AGREEMENTS

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

Discretely Presented Component Units

Business Development Corporation of Clarendon County (BDC)

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

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

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

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

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

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 \$995,000. The future minimum lease payments are as follows:

June 30,

2016	\$ 145,950
2017	145,950
2018	145,950
2019	<u>85,138</u>
Total minimum lease payments	<u>\$ 522,988</u>

Select Laboratories - SC, LLC

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

June 30,

2016	\$ 44,534
2017	44,534
2018	44,534
2019	<u>376,914</u>
Total minimum lease payments	<u>510,516</u>
Less amount representing interest	<u>(88,574)</u>
Present value of minimum lease payment	<u>\$ 421,942</u>

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

NOTE 5 - NOTES RECEIVABLE AND LEASE AGREEMENTS (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, 2015 was as follows:

	Restated Beginning Balance	Adjustments	Additions	Retire- ments	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 3,016,061	\$ -	\$ 17,750	\$ -	\$ 3,033,811
Construction in progress	<u>1,491,877</u>	<u>(641,220)</u>	<u>6,111,357</u>	<u>-</u>	<u>6,962,014</u>
Total capital assets not being depreciated	<u>4,507,938</u>	<u>(641,220)</u>	<u>6,129,107</u>	<u>-</u>	<u>9,995,825</u>
Capital assets being depreciated:					
Buildings and improvements	21,732,882	641,220	310,137	286,250	22,397,988
Infrastructure	6,834,122	160,891	-	-	6,995,013
Equipment	<u>11,217,208</u>	<u>-</u>	<u>531,382</u>	<u>448,072</u>	<u>11,300,519</u>
Total capital assets being depreciated	<u>39,784,212</u>	<u>802,111</u>	<u>841,519</u>	<u>734,322</u>	<u>40,693,520</u>
Less accumulated depreciation for:					
Buildings and improvements	5,058,953		516,802	52,479	5,523,276
Infrastructure	3,047,196	5,363	380,699	-	3,433,258
Equipment	<u>8,823,600</u>	<u>-</u>	<u>630,329</u>	<u>361,020</u>	<u>9,092,909</u>
Total accumulated depreciation	<u>16,929,749</u>	<u>5,363</u>	<u>1,527,830</u>	<u>413,499</u>	<u>18,049,443</u>
Total capital assets being depreciated, net	<u>22,854,463</u>	<u>796,748</u>	<u>(686,311)</u>	<u>320,823</u>	<u>22,644,077</u>
Governmental activities capital assets, net	<u>\$ 27,362,401</u>	<u>\$ 155,528</u>	<u>\$ 5,442,796</u>	<u>\$ 320,823</u>	<u>\$ 32,639,902</u>

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

NOTE 6 - CAPITAL ASSETS (continued)

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

Governmental activities:

General Government	\$ 793,384
Public Safety	580,760
Physical Environment	77,745
Cultural/Recreation	73,552
Economic Environment	5,215
Court Related	2,260
Transportation	<u>277</u>

Total depreciation expense-governmental activities \$ 1,533,193

Business Type Activities

	Beginning Balance	Additions	Ending Balance
Water and Sewer			
Capital assets not being depreciated:			
Land	\$ 119,981	\$ -	\$ 119,981
Construction in Progress	<u>122,815</u>	<u>52,727</u>	<u>175,542</u>
Total capital assets not being depreciated	<u>242,796</u>	<u>52,727</u>	<u>295,523</u>
Capital assets being depreciated:			
Buildings and improvements	1,978	-	1,978
Water system	5,419,783	-	5,419,783
Equipment	<u>245,766</u>	<u>31,359</u>	<u>277,125</u>
Total capital assets being depreciated	<u>5,667,527</u>	<u>31,359</u>	<u>5,698,886</u>
Less accumulated depreciation for:			
Buildings and improvements	1,105	198	1,303
Water system	326,708	144,361	471,069
Equipment	<u>73,670</u>	<u>25,693</u>	<u>99,363</u>
Total accumulated depreciation	<u>401,483</u>	<u>170,252</u>	<u>571,735</u>
Total capital assets being depreciated, net	<u>5,266,044</u>	<u>(138,893)</u>	<u>5,127,151</u>
Business-Type activities capital assets, net	<u>\$ 5,508,840</u>	<u>\$ (86,166)</u>	<u>\$ 5,422,674</u>

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

NOTE 6 - CAPITAL ASSETS (continued)

	Beginning Balance	Additions	Ending Balance
Weldon Auditorium			
Capital assets being depreciated:			
Buildings and improvements	\$ 3,438,172	\$ -	\$ 3,438,172
Total capital assets being depreciated	<u>3,438,172</u>	<u>-</u>	<u>3,438,172</u>
Less accumulated depreciation for:			
Buildings and improvements	<u>300,840</u>	<u>85,954</u>	<u>386,794</u>
Total accumulated depreciation	<u>300,840</u>	<u>85,954</u>	<u>386,794</u>
Total capital assets being depreciated, net	<u>3,137,332</u>	<u>(85,954)</u>	<u>3,051,378</u>
Business-Type activities capital assets, net	<u>\$ 3,137,332</u>	<u>\$ (85,954)</u>	<u>\$ 3,051,378</u>

Component Units

Harvin Clarendon County Library

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

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 24,000	\$ -	\$ -	\$ 24,000
Capital assets being depreciated:				
Building	405,413	-	-	405,413
Equipment	397,112	-	-	397,112
Books	<u>306,074</u>	<u>-</u>	<u>24,480</u>	<u>281,594</u>
Total Capital Assets being depreciated	<u>1,108,599</u>	<u>-</u>	<u>24,480</u>	<u>1,084,119</u>

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

NOTE 6 - CAPITAL ASSETS (continued)

	Beginning Balance	Additions	Disposals	Ending Balance
Less accumulated depreciation for:				
Building	296,435	10,741	-	307,176
Equipment	310,393	36,140	-	346,533
Books	<u>306,074</u>	<u>-</u>	<u>(24,480)</u>	<u>281,594</u>
Total accumulated depreciated	<u>912,902</u>	<u>46,881</u>	<u>(24,480)</u>	<u>935,303</u>
Total Capital Assets, being depreciated, net	<u>195,697</u>	<u>(46,881)</u>	<u>-</u>	<u>148,816</u>
Total Capital Assets, net	<u>\$ 219,697</u>	<u>\$ (46,881)</u>	<u>\$ -</u>	<u>\$ 172,816</u>

Depreciation expense for the year ended June 30, 2015 was \$46,881.

Business Development Corporation of Clarendon County (BDC)

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land restricted for I-95 Mega-site	\$ 961,855	\$ -	\$ -	\$ 961,855
Land	1,737,590	-	-	1,737,590
Ernest money	-	500	-	500
Construction WIP	<u>65,385</u>	<u>1,899,477</u>	<u>-</u>	<u>1,964,862</u>
Total capital assets not being depreciated	<u>2,764,830</u>	<u>1,899,977</u>	<u>-</u>	<u>4,664,807</u>
Capital assets being depreciated:				
Buildings and improvements	1,800,000	-	-	1,800,000
Infrastructure	<u>254,911</u>	<u>-</u>	<u>-</u>	<u>254,911</u>
Total capital assets being depreciated	<u>2,054,911</u>	<u>-</u>	<u>-</u>	<u>2,054,911</u>

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

NOTE 6 - CAPITAL ASSETS (continued)

Component Units (continued)

	Beginning Balance	Additions	Retirements	Ending Balance
Less accumulated depreciation for:				
Buildings and improvements	935,000	60,000	-	995,000
Infrastructure	<u>60,187</u>	<u>8,497</u>	<u>-</u>	<u>68,684</u>
Total accumulated depreciation	<u>995,187</u>	<u>68,497</u>	<u>-</u>	<u>1,063,684</u>
Total capital assets being depreciated, net	<u>1,059,724</u>	<u>(68,497)</u>	<u>-</u>	<u>991,227</u>
Total capital assets, net	<u>\$ 3,824,554</u>	<u>\$ 1,831,480</u>	<u>\$ -</u>	<u>\$ 5,656,034</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, 2015 was \$68,497.

NOTE 7 - INTERFUND BALANCES

Individual fund interfund receivable and payable balances at June 30, 2015, were as follows:

	Interfund Receivables	Interfund Payables
Governmental Funds		
General Fund	\$ 43,146	\$ 333
Capital Projects Fund		2,920
C-Program Roads	295	
Special Revenue Funds:		
Special purpose districts	13	-
Law Enforcement	-	40,226
Debt Service Funds:		
Fire Department	4	-
General Obligations	<u>21</u>	<u>-</u>
Governmental Funds	<u>43,479</u>	<u>43,479</u>

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

NOTE 7 - INTERFUND BALANCES (continued)

	Interfund Receivables	Interfund Payables
Enterprise Funds		
General Fund	78,370	-
Capital Projects Fund	1,128,483	-
Weldon Auditorium	-	72,348
Water & Sewer Fund	<u>-</u>	<u>1,134,505</u>
Enterprise Fund	<u>1,206,853</u>	<u>1,206,853</u>
Fiduciary Funds		
General Fund	99,848	33,983
Fiduciary Fund types:		
City of Manning	71	-
Town of Summerton	9	-
Probate Office	-	3,420
Magistrates:		
General and Civil	-	68,876
Clerk of Court	-	27,552
Hospital Debt Service	68	-
School Debt Service	69	-
School Operating	<u>33,766</u>	<u>-</u>
Fiduciary Funds	<u>133,831</u>	<u>133,831</u>
	<u>\$ 1,384,163</u>	<u>\$ 1,384,163</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.

Operating Transfers	Transfers In	Transfers Out
General Fund	\$ 50,320	\$ 59,000
Water & Sewer	-	6,000
Weldon Auditorium	378,835	-
Non Major Funds	-	324,835
Fiduciary Funds	<u>-</u>	<u>39,320</u>
	<u>\$ 429,155</u>	<u>\$ 429,155</u>

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

NOTE 8 - LONG-TERM DEBT

A. Primary Government

Governmental Activities

General Obligation Bonds

<p>\$2,100,000 Refunding Bond issued March 31, 2010 (original issue to finance various capital projects). Due in annual installments beginning March 1, 2011 of \$302,000 and ending March 1, 2016 of \$403,000. Interest accrues at rate of 2.82% and is payable semi-annually on March 1 and September 1 each year to maturity.</p>	<p>\$ 403,000</p>
<p>\$139,000 Bond issued August 17, 2011 (Series 2011) to fund semi-annual installment lease purchase obligation on Administrative complex. Due in annual installments beginning March 1, 2012 of \$17,000 and ending March 1, 2016 of \$36,000. Interest accrues at a rate of 2.49% and is payable semi-annually on March 1 and September 1 each year to maturity.</p>	<p>36,000</p>
<p>\$156,000 Bond issued February 17, 2012 (Series 2012) to fund semi-annual installment lease purchase obligation on Administrative complex. Due in annual installments beginning March 1, 2013 of \$29,700 and ending March 1, 2016 of \$32,700. Interest accrues at a rate of 1.99% and is payable semi-annually on March 1 and September 1 each year to maturity.</p>	<p>64,700</p>
<p>\$156,000 Bond issued August 14, 2012 (Series 2012B) to fund semi-annual installment lease purchase obligation on Administrative complex. Due in annual installments beginning March 1, 2013 of \$18,200 and ending March 1, 2017 of \$35,300. Interest accrues at a rate of 1.63% and is payable semi-annually on March 1 and September 1 each year to maturity.</p>	<p>70,000</p>
<p>\$113,600 Bond issued February 13, 2013 (Series 2013A) to fund semi-annual installment lease purchase obligation on Courthouse Project. Due in annual installments beginning March 1, 2017 of \$80,482 and ending March 1, 2018 of \$33,118. Interest accrues at a rate of 1.82% and is payable semi-annually on March 1 and September 1 each year to maturity.</p>	<p>113,600</p>

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

NOTE 8 - LONG-TERM DEBT

A. Primary Government (continued)

Governmental Activities (continued)

General Obligation Bonds (continued)

<p>\$720,000 Bond issued September 6, 2013 (Series 2013B) To fund acquisition of self contained breathing apparatus 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%.</p>	682,682
<p>\$151,650 Bond issued August 13, 2013 (Series 2013C) to fund semi-annual installment lease purchase obligation on Courthouse Project. Due in annual installments beginning March 1, 2017 of \$120,241 and ending March 1, 2018 of \$31,409. Interest accrues at a rate of 2.17% and is payable semi-annually on March 1 and September 1 each year to maturity.</p>	151,650
<p>\$144,525 Bond issued February 12, 2014 (Series 2014A) to fund semi-annual installment lease purchase obligation on Courthouse Project. Due in annual installments beginning March 1, 2017 of \$86,315 and ending March 1, 2018 of \$58,210. Interest accrues at a rate of 1.51% and is payable semi-annually on March 1 and September 1 each year to maturity.</p>	144,525
<p>\$3,500,000 Bond issued April 10, 2014 (Series 2014B) to fund construction of new office building for Dept. of Social Services, State Probation and Parole and County Coroner office. Due in annual installments beginning March 1, 2017 of \$105,000 and ending March 1, 2039 of \$220,000. Interest accrues at a blended rate of 3.61% and is payable semi-annually on March 1 and September 1 each year to maturity.</p>	3,500,000
<p>\$155,025 Bond issued August 13, 2014 (Series 2014C) to fund semi-annual installment lease purchase obligation on Courthouse Project. Due in annual installments beginning March 1, 2017 of \$31,958 and ending March 1, 2018 of \$123,067. Interest accrues at a rate of 2.13% and is payable semi-annually on March 1 and September 1 each year to maturity.</p>	155,025

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

NOTE 8 - LONG-TERM DEBT (continued)

A. Primary Government (continued)

Governmental Activities (continued)

\$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. 141,400

Total General Obligations Bonds Payable \$ 5,462,582

The annual debt service payments for General Obligation bonds outstanding at June 30, 2015, are as follows:

General Obligation Bonds

June 30,	Principal	Interest
2016	\$ 544,324	\$ 178,422
2017	558,241	163,472
2018	478,697	151,201
2019	186,437	140,306
2020	159,322	134,946
2021 – 2025	870,994	596,496
2026 – 2030	954,567	444,179
2031 – 2035	875,000	274,800
2036 - 2040	<u>835,000</u>	<u>85,200</u>
	<u>\$ 5,462,582</u>	<u>\$ 2,169,022</u>

Blended Component Unit – Clarendon Facilities Corporation

In December, 2010, the Clarendon Facilities Corporation (CFC) issued \$6,500,000 Installment Purchase Revenue Bonds (Administration Building Project) Series 2010 pursuant to an Installment Purchase and Use Agreement (“Agreement”) between the County and the CFC. Proceeds were used to construct an Administrative building to house all of the County’s non-court related governmental functions.

In October, 2012, the Clarendon Facilities Corporation (CFC) issued \$6,970,000 Installment Purchase Revenue Bonds (Courthouse Renovation Project) Series 2012 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 8 - LONG-TERM DEBT (continued)

A. Primary Government (continued)

Blended Component Unit – Clarendon Facilities Corporation (continued)

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, 2015

\$ 13,450,000

The annual debt service payments for Clarendon Facilities Corporation Installment Purchase Revenue bonds outstanding at June 30, 2015, are as follows:

Revenue Bonds

June 30,	Principal	Interest
2016	\$ 10,000	\$ 534,528
2017	10,000	534,578
2018	370,000	528,178
2019	380,000	516,158
2020	390,000	503,338
2021 – 2025	2,185,000	2,274,580
2026 – 2030	2,710,000	1,735,298
2031 – 2035	2,565,000	1,121,159
2036 – 2040	2,850,000	645,277
2041 – 2043	<u>1,980,000</u>	<u>113,245</u>
	<u>\$ 13,450,000</u>	<u>\$ 8,506,339</u>

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

NOTE 8 - LONG-TERM DEBT (continued)

A. Primary Government (continued)

Governmental Activities (continued)

Capital Leases

\$160,423 – Lease/purchase agreement to finance the purchase of one motor grader. Due in annual payments of \$22,929, including interest, due on September 10 of each year. First payment due September 10, 2010 and ending payment due September 10, 2015. The grader’s gross cost is \$160,723 and the accumulated depreciation is \$77,683. \$ 62,611

\$83,700 – Lease/purchase agreement to finance the purchase of one backhoe loader. Due in annual payments of \$12,163, including interest, due on August 31 of each year. First payment due August 31, 2011 and ending payment due August 31, 2016. The backhoe’s gross cost is \$83,200 and the accumulated depreciation is \$31,893. 43,765

\$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 \$4,217. 106,091

\$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 \$17,861. 180,989

Total Capital Leases \$ 393,456

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

NOTE 8 - LONG-TERM DEBT (continued)

A. Primary Government (continued)

Governmental Activities (continued)

Capital Leases (continued)

Future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 2015:

Year Ending June 30,		
2016		\$ 139,977
2017		98,014
2018		62,814
2019		62,814
2020		41,521
2021		<u>20,260</u>
Total Minimum Lease Payment		425,400
Less Amount Representing Interest		<u>31,944</u>
Present Value of Net Minimum Lease Payment		<u><u>\$ 393,456</u></u>

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.

\$ 3,010,000

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

NOTE 8 - LONG-TERM DEBT (continued)

B. Business Type Activities (continued)

The annual debt service payments for Weldon Auditorium Enterprise Charge Limited Obligation bonds outstanding at June 30, 2015, are as follows:

Revenue Bonds June 30,	Principal	Interest
2016	\$ 70,000	\$ 131,209
2017	70,000	129,065
2018	70,000	126,878
2019	75,000	124,424
2020	75,000	121,706
2021 – 2025	435,000	560,116
2026 – 2030	530,000	459,100
2031 – 2035	660,000	324,750
2036 – 2040	835,000	148,319
2041	<u>190,000</u>	<u>4,513</u>
	<u>\$ 3,010,000</u>	<u>\$ 2,130,080</u>

Enterprise Revenue Bonds – Water & Sewer

\$2,533,000 Bond issued April 19, 2012 (Series 2012A) to fund water system expansion. Interest only, due April 19, 2013 and April 19, 2014. Due in equal monthly installments thereafter beginning May 1, 2014 of \$8,967 and ending April 19, 2052. Interest accrues at a rate of 2.75%. \$ 2,488,220

\$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%. 989,985

Balance at June 30, 2015 \$ 3,478,205

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

NOTE 8 - LONG-TERM DEBT (continued)

B. Business Type Activities (continued)

The annual debt service payments for Water and Sewer Enterprise Revenue bonds outstanding at June 30, 2015, are as follows:

Revenue Bonds

June 30,	Principal	Interest
2016	\$ 55,275	\$ 95,145
2017	56,817	93,603
2018	58,404	92,016
2019	60,033	90,387
2020	61,709	88,711
2021 – 2025	335,352	416,748
2026 – 2030	384,827	367,273
2031 – 2035	441,601	310,499
2036 – 2040	506,751	245,349
2041 – 2045	581,513	170,587
2046 – 2050	667,304	84,796
2051 – 2052	<u>268,619</u>	<u>7,150</u>
	<u>\$ 3,478,205</u>	<u>\$ 2,062,264</u>

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds					
- 2010 Refunding Series	\$ 783,000	\$ -	\$ 380,000	\$ 403,000	\$ 403,000
- Series 2011	71,000	-	35,000	36,000	36,000
- Series 2012	95,900	-	31,200	64,700	32,000
- Series 2012B	104,200	-	34,200	70,000	34,700
- Series 2013A	113,600	-	-	113,600	-
- Series 2013B	720,000	-	37,318	682,682	38,624
- Series 2013C	151,650	-	-	151,650	-
- Series 2014A	144,525	-	-	144,525	-
- Series 2014B	3,500,000	-	-	3,500,000	-
- Series 2014C	-	155,025	-	155,025	-
- Series 2015A	-	141,400	-	141,400	-
Revenue Bonds					
- IPRB (Administration)	6,500,000	-	-	6,500,000	-
- IPRB (Courthouse)	6,960,000	-	10,000	6,950,000	10,000
Total Bonds	<u>19,143,875</u>	<u>296,425</u>	<u>527,718</u>	<u>18,912,582</u>	<u>554,324</u>

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

NOTE 8 - LONG-TERM DEBT (continued)

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Other Liabilities					
Compensated Absences	404,466	35,019	-	439,485	69,439
Closure & Maintenance	543,800	-	8,000	535,800	26,600
Capital Leases	<u>198,605</u>	<u>326,501</u>	<u>131,650</u>	<u>393,456</u>	<u>127,375</u>
Total Other Liabilities	<u>1,146,871</u>	<u>361,520</u>	<u>139,650</u>	<u>1,368,741</u>	<u>223,414</u>
Governmental Activities					
Long Term Liabilities	<u>20,290,746</u>	<u>657,945</u>	<u>667,368</u>	<u>20,281,323</u>	<u>777,738</u>
Business Type Activities					
Revenue Bonds					
Weldon 2010 Series	3,075,000	-	65,000	3,010,000	70,000
Water Expansion (2012A)	2,526,691	-	38,471	2,488,220	39,544
Water Expansion (2012B)	<u>1,005,289</u>	<u>-</u>	<u>15,304</u>	<u>989,985</u>	<u>15,731</u>
Total Bonds	<u>6,606,980</u>	<u>-</u>	<u>118,775</u>	<u>6,488,205</u>	<u>125,275</u>
Other Liabilities					
Compensated Absences	<u>4,315</u>	<u>-</u>	<u>283</u>	<u>4,032</u>	<u>637</u>
Total Other Liabilities	<u>4,315</u>	<u>-</u>	<u>283</u>	<u>4,032</u>	<u>637</u>
Business Type Activities					
Long Term Liabilities	<u>6,611,295</u>	<u>-</u>	<u>119,058</u>	<u>6,492,237</u>	<u>125,912</u>
Total Combined	<u>\$ 26,902,041</u>	<u>\$ 657,945</u>	<u>\$ 786,426</u>	<u>\$ 26,773,560</u>	<u>\$ 903,650</u>

C. Discretely Presented Component Units

Business Development Corporation of Clarendon County (BDC)

Note payable to bank, with monthly payments of \$11,500 including interest at 5%, final payment due April 10, 2019. Collateralized by real property leased by Meritor Heavy Vehicle Systems, LLC. \$ 652,727

Note payable to bank with monthly payments of \$3,711.19, including interest at 5.95% due June 10, 2019. 420,314

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

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

NOTE 8 - LONG-TERM DEBT (continued)

C. Discretely Presented Component Units (continued)

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

Note payable to Clarendon County with 0% interest (Central SC Alliance) due upon the sale, lease or donation of Spec Building #7 or November 17, 2016, whichever is earlier. Note recorded at face value excluding imputed interest as the initial term is indefinite. 250,000

Subtotal of notes payable 1,753,041

Less current portion (127,879)

Notes payable – noncurrent portion \$ 1,625,162

The maturities of long-term debt is as follows:

June 30,	<u>Principal</u>	<u>Interest</u>
2016	\$ 127,879	\$ 58,255
2017	384,622	51,512
2018	231,722	44,412
2019	758,818	32,620
2020	<u>250,000</u>	<u>-</u>
	<u>\$ 1,753,041</u>	<u>\$ 186,799</u>

NOTE 9 - 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 2014-15 is \$84,000.

The County entered into an operating lease for a 613C Caterpillar Scraper for use at its Landfill. The 60 month lease term began January 30, 2010 and ends December 30, 2015. Monthly lease payments are \$3,869.

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

NOTE 9 - OPERATING LEASES (continued)

The County entered into an operating lease for a Pitney Bowes document processing and postage system. The 48 month lease term began November 30, 2010 and ended October 30, 2014. Monthly lease payments were \$2,243.

The County entered into an operating lease for a 7230 John Deere Tractor for use in its Public Works area. The 60 month lease term began November 18, 2011 and ends November 18, 2016. Annual lease payments are \$19,634.

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

The County entered into an operating lease for a D5K Caterpillar Dozer. The 60 month lease term began August 27, 2014 and ends August 27, 2019. Annual lease payments are \$25,104.

The future minimum rental payments are as follows:

2016	\$ 173,734
2017	150,517
2018	130,883
2019	109,104
2020	54,276
2021 - 2025	180,000
2026 - 2030	180,000
2031 - 2035	<u>153,000</u>
	<u>\$ 1,131,514</u>

NOTE 10 - 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.

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

NOTE 10 - PROVISION FOR CLOSURE COSTS (continued)

While Clarendon County's original landfill was closed and capped in 2002 to municipal waste, the construction demolition and land clearing debris (C&D) landfill is still open with a life expectancy of twenty five years. The municipal landfill's liability at June 30, 2015 is \$535,800. See Note 8.

The nature and source of landfill closure and postclosure care requirements are monitored by both federal and State of South Carolina environmental protection agencies. Levels of ground water pollutants are set by State agencies and the monitoring of these amounts have been reported to County officials to be in conformity with guidelines. The County annually obtains updated and revised estimates of total future closure and post-closure costs from its consulting engineers. The provision for closure costs reported in the financial statements as operating expense represents the portion of these estimated future outlays which are allocable to the current year based on the amount of capacity used. The estimated total current cost of the landfill closure and post-closure care is based on the amount that would be paid if all equipment, facilities and services required to close, monitor and maintain the landfill were acquired as of June 30, 2015. 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.

NOTE 11 - RETIREMENT PLANS

General Information about the Pension Plans

The County participates in the South Carolina Retirement System (SCRS) and the South Carolina Police Retirement System (PORS). The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplemental information for the South Carolina Retirement Systems' Pension Trust Funds. The CAFR is publicly available at the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960.

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.

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

NOTE 11 - RETIREMENT PLANS (continued)

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

Membership

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

- SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees, 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 state 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 Provided

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

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

NOTE 11 - RETIREMENT PLANS (continued)

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

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

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

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

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

NOTE 11 - RETIREMENT PLANS (continued)

Contributions

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

- Required **employee** contribution rates for the fiscal year 2014-2015 are as follows:

SCRS

Employee Class Two	8.00% of earnable compensation
Employee Class Three	8.00% of earnable compensation

PORS

Employee Class Two	8.41% of earnable compensation
Employee class Three	8.41% of earnable compensation

- Required **employer** contribution rates for fiscal year 2014-2015 are as follows:

SCRS

Employer Class Two	10.75% of earnable compensation
Employer Class Three	10.75% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

PORS

Employer Class Two	13.01% of earnable compensation
Employer Class Three	13.01% of earnable compensation
Employer Incidental Death Benefit	0.20% of earnable compensation
Employer Accidental Death Benefit	0.20% of earnable compensation

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

NOTE 11 - RETIREMENT PLANS (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	2015	2014	2013
Employee Contributions	\$ 377,580	\$ 352,517	\$ 326,090
Employer Contributions	507,373	491,170	493,606
Employer Group Life Contributions	<u>7,080</u>	<u>7,050</u>	<u>7,085</u>
Total	<u>\$ 892,033</u>	<u>\$ 850,737</u>	<u>\$ 826,781</u>
PORS			
Employee Contributions	\$ 358,507	\$ 323,569	\$ 278,917
Employer Contributions	554,601	513,421	490,896
Employer Group Life Contributions	<u>17,051</u>	<u>16,509</u>	<u>15,841</u>
Total	<u>\$ 930,159</u>	<u>\$ 853,499</u>	<u>\$ 785,654</u>

Harvin Clarendon County Library:

SCRS	2015	2014	2013
Employee Contributions	\$ 25,770	\$ 23,120	\$ 20,449
Employer Contributions	34,629	32,213	30,528
Employer Group Life Contributions	<u>483</u>	<u>462</u>	<u>438</u>
Total	<u>\$ 60,882</u>	<u>\$ 55,795</u>	<u>\$ 51,415</u>

The County and the Library have contributed 100% 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, 2015, the County reported a liability of \$8,914,283 for its proportionate share of the net pension liability for SCRS and a liability of \$6,570,219 for its proportionate share of the net pension liability for PORS. Harvin Clarendon County Library reported a liability of \$584,506 for its proportionate share of the net pension liability for SCRS. The net pension liability of each defined benefit plan was determined based on the most recent actuarial valuation as of July 1, 2013, using membership as of that date projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2014. 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 June 30, 2015, the County's proportions were 0.051777 percent and 0.343190 percent for SCRS and PORS, respectively. The Library's proportion was 0.003395% for SCRS.

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

NOTE 11 - RETIREMENT PLANS (continued)

For the year ended June 30, 2015, the County recognized pension expense of \$1,199,603, including \$624,790 for SCRS and \$574,813 for PORS. Harvin Clarendon County Library recognized pension expense of \$40,967. At June 30, 2015, 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>
SCRS		
Difference between Expected and Actual Experience	\$ 252,593	\$ -
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	751,539
Direct Contributions Subsequent to the Measurement Date	<u>514,453</u>	<u>-</u>
Totals	<u>\$ 767,046</u>	<u>\$ 751,539</u>

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
PORS		
Difference between Expected and Actual Experience	\$ 175,330	\$ -
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	760,223
Direct Contributions Subsequent to the Measurement Date	<u>571,652</u>	<u>-</u>
Totals	<u>\$ 746,982</u>	<u>\$ 760,223</u>

Harvin Clarendon County Library:

SCRS		
Differences between Expected and Actual Experience	\$ 16,562	\$ -
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	49,278
Direct Contributions Subsequent to the Measurement Date	<u>35,112</u>	<u>-</u>
Totals	<u>\$ 51,674</u>	<u>\$ 49,278</u>

The amount of \$514,453 for SCRS, \$571,652 for PORS and \$35,112 for Harvin Clarendon County Library for SCRS reported as a deferred outflow 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, 2016.

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

NOTE 11 - RETIREMENT PLANS (continued)

The following schedule reflects the amortization of the net balance of remaining deferred outflows/(inflows) of resources at the measurement date. Average remaining service lives of all employees provided with pensions through the pension plans at the measurement date was 4.233 years for SCRS and 4.856 years for PORS.

Measurement Period Ending June 30,	County		Library
	SCRS	PORS	SCRS
2015	\$ (109,755)	\$ (144,584)	\$ (7,197)
2016	(109,755)	(144,584)	(7,197)
2017	(109,755)	(144,584)	(7,197)
2018	<u>(169,681)</u>	<u>(151,141)</u>	<u>(11,125)</u>
Net Balance of Deferred Outflows/(Inflows) of Resources	<u>\$ (498,946)</u>	<u>\$ (584,893)</u>	<u>\$ (32,716)</u>

Actuarial Assumptions

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2010, and the next experience study is scheduled to be conducted after the June 30, 2015 annual valuation is complete.

The most recent actuarial valuation reports adopted by PEBA Board and Budget and Control Board are as of July 1, 2013. The following provides a summary of the actuarial assumptions and methods used in the July 1, 2013, valuations for SCRS and PORS:

Actuarial Cost Method	SCRS	PORS
	Entry Age	Entry Age
Actuarial Assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	Levels off at 3.5%	Levels off at 4.0%
Includes inflation at	2.75%	2.75%
Benefits adjustments	Lesser of 1% or \$500	Lesser of 1% or \$500

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

NOTE 11 - RETIREMENT PLANS (continued)

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000.

Former Job Class	Males	Females
Educators and Judges	RP-2000 Males (with white collar adjustment) multiplied by 110%	RP-2000 (with white collar adjustment) multiplied by 95%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 90%
Public Safety, Firefighters and members of the South Carolina National Guard	RP-2000 Males (with blue collar adjustment) multiplied by 115%	RP-2000 Females (with blue collar adjustment) multiplied by 115%

Discount Rate

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

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market outlook at the end of the third quarter 2012. The actuarial long-term expected rates of return best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission (RSIC) using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment. The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the System, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table below. For actuarial

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

NOTE 11 - RETIREMENT PLANS (continued)

purposes, the 7.50 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Assets Class	Target Asset Allocations	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Short Term	5.0%		
Cash	2.0%	0.3	0.01
Short duration	3.0%	0.6	0.02
Domestic Fixed income	13.0%		
Core Fixed Income	7.0%	1.1	0.08
High Yield	2.0%	3.5	0.07
Bank Loans	4.0%	2.8	0.11
Global Fixed Income	9.0%		
Global Fixed Income	3.0%	0.8	0.02
Emerging Markets Debt	6.0%	4.1	0.25
Global Public Entity	31.0%	7.8	2.42
Global Tactical Asset Allocation	10.0%	5.1	0.51
Alternatives	32.0%		
Hedge Funds (low beta)	8.0%	4.0	0.32
Private Debt	7.0%	10.2	0.71
Private Equity	9.0%	10.2	0.92
Real Estate (broad market)	5.0%	5.9	0.29
Commodities	3.0%	5.1	0.15
Total Expected Real Return	100.0%		5.88
Inflation for Actuarial Purposes			2.75
Total Expected Nominal Return			8.63

Sensitivity Analysis

The following presents the County's and the Harvin Clarendon County Library's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the County's and Library's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.0 percentage point lower (6.5 percent) or 1.0 percentage point higher (8.5 percent) than the current rate:

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

System	1.0% Decrease (6.50%)	Current Discount Rate (7.50%)	1.0% Increase (8.50%)
County:			
SCRS	\$ 11,535,634	\$ 8,914,283	\$ 6,727,324
PORS	\$ 9,181,577	\$ 6,570,219	\$ 4,409,363
Harvin Clarendon County Library:			
SCRS	\$ 750,388	\$ 584,506	\$ 441,108

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

NOTE 11 - RETIREMENT PLANS (continued)

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

As of June 30, 2015, the County had \$149,731 in payables outstanding to the pension plans for its legally required contributions.

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS

Background

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

Plan Description

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

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

- Employees who are eligible to retire and have at least five years, but fewer than 10 years, of earned SCRS service credit with a participating state insurance program employer.

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

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)

Plan Description (continued)

- Former County Council members who served on Council for at least 12 years and were covered under the state's plan when they left the Council. It is up to the County Council to decide whether to allow former members to have this coverage.

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

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

All current retirees and all future retirees hired prior to May 2, 2008, are eligible for trust fund paid premiums as follows:

An employee must meet the following criteria to be eligible for retiree health insurance: The employees must have at least 10 years of earned SCRS service credit and must qualify for retirement under the South Carolina Retirement System guidelines.

- 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 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)

Plan Description (continued)

Based on the state policy change, Clarendon County will follow the guidelines set by the state regarding retiree insurance. Employees who commence employment on or after May 2, 2008 and retire from the County are eligible for Plan coverage; they are eligible for trust fund paid premiums 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 is eligible for trust fund paid premiums, and the retiree is responsible for the retiree's share of the premium. The County pays 100 percent of the employer's share of the premium. (Individuals in this category will receive the full State contribution, as is the case at present for employer-funded retirees, and under current policy, will generally pay the same premium as do active employees.)

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

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

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

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)

The County's annual OPEB cost and the net OPEB obligation is based on a 4.5% discount rate, including an inflation component of 3%, and amortizing the initial unfunded actuarial liability over 30 years based on a level percent of payroll method for 2015 is as follows:

Annual required contribution	\$ 1,137,552
Interest on net OPEB obligation	203,209
Adjustment to annual required contribution	<u>(188,271)</u>
Annual OPEB cost (expense)	1,152,490
Contributions made	<u>(373,479)</u>
Increase (decrease) in net OPEB obligation	779,011
Net OPEB obligation, beginning of year	<u>4,515,746</u>
Net OPEB obligation, end of year	<u>\$ 5,294,757</u>

Actuarial Methods and Assumptions

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

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

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

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)

Trend Information:

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

Fiscal Year Ending	Annual OPEB Cost	Employer Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	\$ 1,190,029	\$ 320,356	26.9%	\$ 3,657,827
June 30, 2014	\$ 1,228,330	\$ 370,410	30.2%	\$ 4,515,747
June 30, 2015	\$ 1,152,490	\$ 373,479	32.4%	\$ 5,294,757

Funded Status and Funding Progress:

As of July 1, 2014, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$11,751,540, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$11,751,540. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the County's retiree health care plan are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future.

Harvin Clarendon County Library

Background

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

Plan Description

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

Funding Policy

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

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

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)

Annual OPEB Cost and Net OPEB Obligation

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

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

Schedule of Employer Contributions

Fiscal Year Ending	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	\$ 39,022	\$ 5,659	14.5%	\$ 103,285
June 30, 2014	\$ 33,800	\$ 6,040	17.9%	\$ 137,088
June 30, 2015	\$ 34,248	\$ 6,434	18.79%	\$ 171,336

Funded Status and Funding Progress

As of June 30, 2013, the plan assets were \$-0-, the actuarial accrued liability for benefits was \$374,485, the total unfunded actuarial liability is \$374,485, and the actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio) is 0%. The covered payroll (annual payroll of active employees covered by the plan) was \$236,347, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 158%.

Annual required contribution	\$ 41,361
Interest on net OPEB obligation	6,169
Adjustment to annual required contribution	<u>(6,848)</u>
Annual OPEB cost (expense)	40,682
Estimated contributions made	<u>(6,434)</u>
Increase (decrease) in net OPEB obligation	34,248
Net OPEB obligation, beginning of year	<u>137,088</u>
Net OPEB obligation, end of year	<u><u>\$ 171,336</u></u>

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

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (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. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.

NOTE 13 - FUND EQUITY

The net position/fund balance as of June 30, 2014 was restated as follows:

Primary Government	Net Position		Fund Balance	
	Governmental Activities	Business-type Activities	General Fund Fund Balance GAAP Basis	General Fund Fund Balance Budgetary Basis
As previously reported, June 30, 2014	\$ 22,035,033	\$ 1,582,808	\$ 2,950,509	\$ 2,926,027
Governmental Activities				
Adjust for capital assets acquired in prior year	187,270	-	-	-
Adjust for net pension liability	(15,077,535)	(295,475)	-	-
General Fund				
Encumbrances to actual	<u>10,901</u>	<u>-</u>	<u>10,901</u>	<u>10,901</u>
As restated, June 30, 2014	<u>\$ 7,155,669</u>	<u>\$ 1,287,333</u>	<u>\$ 2,961,410</u>	<u>\$ 2,936,928</u>

Discretely Presented Component Units:

Harvin Clarendon County Library

Governmental Activities

As previously reported, June 30, 2014	\$ 269,937
Adjust for net pension liability	<u>(576,255)</u>
As restated, June 30, 2014	<u>\$ (306,318)</u>

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

NOTE 13 - FUND EQUITY (continued)

Business Development Corporation

	Net Position		Fund Balance
	Unrestricted	Temporarily Restricted	
As previously reported, June 30, 2014	\$ 4,064,786	\$ 1,349,816	\$ 2,783,743
Correct capital lease receivable	(10,820)	-	(10,820)
Reclassification	<u>(750)</u>	<u>750</u>	<u>-</u>
As restated, June 30, 2014	<u>\$ 4,053,216</u>	<u>\$ 1,350,566</u>	<u>\$ 2,772,923</u>

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, 2015 was classified as follows:

Description	General Fund	Capital Projects	General County Debt Svc	Fire Department	C-Program Roads	Other Govern- mental	Total Governmental Funds
Nonspendable:							
Inventory	\$ 64,751	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,751
Restricted:							
LOST Reserve	791,649	-	-	-	-	-	791,649
Courthouse bldg. project	-	1,235,247	-	-	-	-	1,235,247
Local drug interdiction	-	-	-	-	-	124,279	124,279
Solicitor's office	-	-	-	-	-	192,354	192,354
Debt service	-	-	2,190,821	-	-	172,873	2,363,694
911 Center improvements	-	-	-	-	-	990,601	990,601
Committed:							
DSS bldg. project	-	3,229,347	-	-	-	-	3,229,347
Assigned:							
Encumbrances	175,333	-	-	1,018,097	-	-	1,193,430
Fire protection	-	-	-	556,421	-	-	556,421
Local law enforcement	8,658	-	-	-	-	-	8,658
Road improvements	-	-	-	-	412,535	-	412,535
Vocational school appropriation	-	-	-	-	-	4,172	4,172
Tourism related efforts	-	-	-	-	-	300,581	300,581
Clerk of Court discretionary	6,145	-	-	-	-	-	6,145
Archives collection acquisitions	2,202	-	-	-	-	-	2,202
Unassigned:	<u>2,523,427</u>	<u>288,957</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,812,384</u>
Total fund balances	<u>\$ 3,572,165</u>	<u>\$ 4,753,551</u>	<u>\$ 2,190,821</u>	<u>\$ 1,574,518</u>	<u>\$ 412,535</u>	<u>\$ 1,784,860</u>	<u>\$14,288,450</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, 2015 was classified as follows:

Description	Harvin Clarendon County Library	Business Development Commission
Non-spendable	\$ 24,115	\$ 200,000
Restricted	-	1,370,565
Committed:		
Capital building fund	95,000	-
Unassigned	<u>57,969</u>	<u>302,891</u>
Total fund balances	<u>\$ 177,084</u>	<u>\$ 1,873,456</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, 2015, 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, 2015, 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 October, 2012, through the blended component unit, the Clarendon Facilities Corporation, the County issued \$6,970,000 in installment purchase revenue bonds for renovations and improvements to the county courthouse. As of June 30, 2015, the County had incurred \$4,360,341 in costs. Additional costs to complete the project for the contract signed on April 4, 2014 are expected to be approximately \$739,659.

As of June 30, 2015, the Business Development Corporation of Clarendon County (BCD) had incurred \$1,964,862 on an uncompleted construction project for a new 50,000 square foot spec building. The total projected cost of the project is \$2.07 million to be funded by loans, grants, and available fund balance.

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

NOTE 17 - SUBSEQUENT EVENTS

In July, 2015 the Clarendon Facilities Corporation (a component unit) issued Installment Purchase Refunding Revenue Bonds (Series 2015) in the amount of \$5,460,000 to mature September 1, 2030. Proceeds will 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.

In August, 2015 the County issued General Obligation debt (Series 2015C) in the amount of \$151,400 to mature March 1, 2019. Proceeds will be used to make semi-annual payments for component unit, the Clarendon Facilities Corporation, on installment purchase revenue bonds for renovations and improvements to the county courthouse.

In September, 2011, the County received a Letter of Conditions from the US Department of Agriculture for a \$2,000,000 and a \$4,000,000 expansion project of its water system. The \$2,000,000 project will be primarily financed through a \$821,000 RDA grant and an RDA loan of \$1,179,000, at 3.375% amortized over 40 years. The \$4,000,000 project will be primarily financed through a \$1,481,000 RDA grant and an RDA loan of \$2,501,000, at 3.375% amortized over 40 years. The first of the two projects was begun July, 2015 (elevated water storage tank and well) with the issuance of a Revenue BAN in the amount of \$1,436,000 (construction line of credit) to mature July 1, 2016; and, the second expansion project is pending final approval from the US Department of Agriculture prior to going out for bid in the beginning of calendar year 2016.

In October, 2015, the County issued General Obligation debt (Series 2015B) in the amount of \$500,000 to mature October, 2030. Proceeds will be used for the acquisition and equipping of a new fire engine.

In November, 2015, the County issued General Obligation Bond Anticipation Note (Series 2015E) in the amount of \$1,750,000 to mature November 18, 2016. Proceeds will be used primarily for capital repairs and construction to county owned and maintained roads; as well as, expansion to Class II landfill and acquisition of various vehicles.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2015**

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

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

CLARENDON COUNTY, SOUTH CAROLINA
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (SCRS)
Last 10 Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
County's proportion of the net pension liability (asset)	0.051777%	NA*								
County's proportionate share of the net pension liability (asset)	\$ 8,914,283	NA*								
County's covered-employee payroll	\$ 4,700,195	NA*								
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	189.66%	NA*								
Plan fiduciary net position as a percentage of the total pension liability	59.90%	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.
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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 30, 2014.

CLARENDON COUNTY, SOUTH CAROLINA
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (PORS)
 Last 10 Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
County's proportion of the net pension liability (asset)	0.343190%	NA*								
County's proportionate share of the net pension liability (asset)	\$ 6,570,219	NA*								
County's covered-employee payroll	4,127,257	NA*								
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	159.19%	NA*								
Plan fiduciary net position as a percentage of the total pension liability	67.50%	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 30, 2014.

CLARENDON COUNTY, SOUTH CAROLINA
SCHEDULE OF COUNTY CONTRIBUTIONS (SCRS)
 Last 10 Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution	\$ 498,271	NA*								
Contributions in relation to the contractually required contribution	(498,271)	NA*								
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$4,700,195	NA*								
Contributions as a percentage of covered-employee payroll	10.60%	NA*								

NA* - Not Available

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

Source: County quarterly retirement contribution reports.

CLARENDON COUNTY, SOUTH CAROLINA
SCHEDULE OF COUNTY CONTRIBUTIONS (PORS)
 Last 10 Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution	\$ 530,004	NA*								
Contributions in relation to the contractually required contribution	(530,004)	NA*								
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 4,127,257	NA*								
Contributions as a percentage of covered-employee payroll	12.84%	NA*								

NA* - Not Available

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

Source: County quarterly retirement contribution reports.

COMBINING AND INDIVIDUAL FUND SCHEDULES

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 Advocate	To account for state assessments and surcharges on fines to be used for victim services.
Third Circuit Drug Court	To account for restricted revenue for operation of drug court

DEBT SERVICE FUNDS

Fire Protection	To account for the accumulation of ad valorem taxes to pay the principal, interest, and fiscal charges.
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**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015**

	Special Revenue			
	Bureau of Tourism Accommodation Fund	Hospitality Tax Fund	Drug Enforcement and Other Sheriff's Fund	Special Purpose District
ASSETS				
Cash and cash equivalents	\$ 99,527	\$ 179,158	\$ 164,505	\$ -
Accounts receivable	-	31,488	-	-
Due from other funds	-	-	-	13
Delinquent taxes receivable	-	-	-	35,701
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 99,527</u>	<u>\$ 210,646</u>	<u>\$ 164,505</u>	<u>\$ 35,714</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 9,592	\$ -	\$ -	\$ -
Due to other funds	-	-	40,226	-
Total Liabilities	<u>9,592</u>	<u>-</u>	<u>40,226</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable Revenue - Property Taxes	-	-	-	31,542
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,542</u>
Fund Equity:				
Fund balances:				
Restricted	-	-	124,279	-
Assigned	89,935	210,646	-	4,172
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Equity	<u>89,935</u>	<u>210,646</u>	<u>124,279</u>	<u>4,172</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Equity	<u>\$ 99,527</u>	<u>\$ 210,646</u>	<u>\$ 164,505</u>	<u>\$ 35,714</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015**

	Special Revenue			Debt Service	
	E-911	Victims Advocate Fund	Third Circuit Drug Court	Fire Protection	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 923,525	\$ 484	\$ 192,382	\$ 170,767	\$ 1,730,348
Accounts receivable	67,295	-	-	-	98,783
Due from other funds	-	-	-	4	17
Delinquent taxes receivable	-	-	-	12,465	48,166
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 990,820</u>	<u>\$ 484</u>	<u>\$ 192,382</u>	<u>\$ 183,236</u>	<u>\$ 1,877,314</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY					
Liabilities:					
Accounts payable	\$ 219	\$ 484	\$ 28	\$ -	\$ 10,323
Due to other funds	-	-	-	-	40,226
Total Liabilities	<u>219</u>	<u>484</u>	<u>28</u>	<u>-</u>	<u>50,549</u>
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes	-	-	-	10,363	41,905
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,363</u>	<u>41,905</u>
Fund Equity:					
Fund balances:					
Restricted	990,601	-	192,354	172,873	1,480,107
Assigned	-	-	-	-	304,753
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Equity	<u>990,601</u>	<u>-</u>	<u>192,354</u>	<u>172,873</u>	<u>1,784,860</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Equity	<u>\$ 990,820</u>	<u>\$ 484</u>	<u>\$ 192,382</u>	<u>\$ 183,236</u>	<u>\$ 1,877,314</u>

CLARENDON COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue			
	Bureau of Tourism Accommodation Fund	Hospitality Tax Fund	Drug Enforcement and Other Sheriff's Fund	Special Purpose District
REVENUES				
Taxes	\$ -	\$ 311,204	\$ -	\$ 216,238
Intergovernmental	129,044	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	54,348	-
Interest	39	123	88	-
Total Revenues	<u>129,083</u>	<u>311,327</u>	<u>54,436</u>	<u>216,238</u>
EXPENDITURES				
Current:				
General government	-	113	-	214,887
Public safety	-	-	80,652	-
Culture/Recreation	120,804	-	-	-
Court related	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fees	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>120,804</u>	<u>113</u>	<u>80,652</u>	<u>214,887</u>
Excess of revenues over (under) expenditures	<u>8,279</u>	<u>311,214</u>	<u>(26,216)</u>	<u>1,351</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>(5,000)</u>	<u>(314,835)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(5,000)</u>	<u>(314,835)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>3,279</u>	<u>(3,621)</u>	<u>(26,216)</u>	<u>1,351</u>
Fund balances at beginning of year	<u>86,656</u>	<u>214,267</u>	<u>150,495</u>	<u>2,821</u>
Fund balances at end of year	<u>\$ 89,935</u>	<u>\$ 210,646</u>	<u>\$ 124,279</u>	<u>\$ 4,172</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Special Revenue			Debt Service	Total Nonmajor Governmental Funds
	E-911	Victims Advocate Fund	Third Circuit Drug Court	Fire Protection	
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 120,604	\$ 648,046
Intergovernmental	291,588	24,000	250,000	-	694,632
Charges for services	166,967	-	-	-	166,967
Fines and forfeitures	-	58,865	-	-	113,213
Interest	1,262	-	142	267	1,921
Total Revenues	459,817	82,865	250,142	120,871	1,624,779
EXPENDITURES					
Current:					
General government	-	-	-	-	215,000
Public safety	263,428	82,865	-	-	426,945
Culture/Recreation	-	-	-	-	120,804
Court related	-	-	229,311	-	229,311
Debt service:					
Principal	-	-	-	37,318	37,318
Interest and fees	-	-	-	25,200	25,200
Capital outlay	138,623	-	-	-	138,623
Total Expenditures	402,051	82,865	229,311	62,518	1,193,201
Excess of revenues over (under) expenditures	57,766	-	20,831	58,353	431,578
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	-	-	(5,000)	-	(324,835)
Total Other Financing Sources (Uses)	-	-	(5,000)	-	(324,835)
Net change in fund balances	57,766	-	15,831	58,353	106,743
Fund balances at beginning of year	932,835	-	176,523	114,520	1,678,117
Fund balances at end of year	\$ 990,601	\$ -	\$ 192,354	\$ 172,873	\$ 1,784,860

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
REVENUES						
Taxes						
Real estate taxes	\$ 9,278,360	\$ 9,278,360	\$ 9,588,135	\$ -	\$ 9,588,135	\$ 309,775
Local option sales tax	2,300,000	2,300,000	2,392,467	-	2,392,467	92,467
Vehicle taxes	1,353,924	1,353,924	1,461,659	-	1,461,659	107,735
Delinquent taxes	1,435,000	1,435,000	1,398,798	-	1,398,798	(36,202)
Local accommodations	190,000	190,000	200,187	-	200,187	10,187
Payment in lieu of taxes	114,000	114,000	34,154	-	34,154	(79,846)
Treasurer's cost to cities	4,250	4,250	25,116	-	25,116	20,866
Payment in lieu - motor carrier	155,000	155,000	143,584	-	143,584	(11,416)
Total taxes	14,830,534	14,830,534	15,244,100	-	15,244,100	413,566
Licenses and permits						
Moving permits	2,500	2,500	2,225	-	2,225	(275)
Building permits	105,000	105,000	98,054	-	98,054	(6,946)
Total licenses and permits	107,500	107,500	100,279	-	100,279	(7,221)
Charges for services						
Assessors fees	5,000	5,000	3,414	-	3,414	(1,586)
Master in Equity fees	21,000	21,000	20,518	-	20,518	(482)
Probate fees	85,000	85,000	62,771	-	62,771	(22,229)
Planning and public service fees	8,500	8,500	6,530	-	6,530	(1,970)
ROD fees and charges	125,000	125,000	169,721	-	169,721	44,721
Animal control fees	2,000	2,000	2,010	-	2,010	10
Landfill fees	145,000	145,000	200,930	-	200,930	55,930
County road user fee	720,000	720,000	729,682	-	729,682	9,682
Municipal inmate housing	32,000	32,000	23,788	-	23,788	(8,212)
Total charges for services	1,143,500	1,143,500	1,219,364	-	1,219,364	75,864
Fines and forfeitures						
Clerk of court fines and fees	125,000	125,000	125,428	-	125,428	428
Magistrate fines and fees	330,000	330,000	329,851	-	329,851	(149)
Sheriff's fines and fees	2,000	2,000	210	-	210	(1,790)
	457,000	457,000	455,489	-	455,489	(1,511)
Investment income						
	1,800	1,800	5,102	-	5,102	3,302
Miscellaneous						
Hangar rent	40,000	40,000	39,103	-	39,103	(897)
Multi-County Industrial Park	75,000	75,000	77,448	-	77,448	2,448
Miscellaneous revenue	194,550	194,550	231,917	-	231,917	37,367
Recreation Programs	87,500	87,500	74,190	-	74,190	(13,310)
Franchise fees	115,000	115,000	115,419	-	115,419	419
Contributions	20,000	20,000	11,895	-	11,895	(8,105)
Central SC Alliance grant	-	-	1,000	-	1,000	1,000
	532,050	532,050	550,972	-	550,972	18,922

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Intergovernmental						
State						
Accommodations tax	31,000	31,000	31,792	-	31,792	792
Merchant's inventory tax	48,900	48,900	48,909	-	48,909	9
Solid waste tire fees	12,000	12,000	13,849	-	13,849	1,849
State aid and allocations	1,288,600	1,288,600	1,299,917	-	1,299,917	11,317
Election commission	58,800	58,800	28,776	-	28,776	(30,024)
Clerk/Sheriff/Probate Judge supplements	7,900	7,900	7,088	-	7,088	(812)
Parks and Recreation	-	-	24,780	-	24,780	24,780
Emergency Watershed	-	-	8,005	-	8,005	8,005
EMS Grant in aid	-	-	8,775	-	8,775	8,775
EMS Trauma grant	-	-	11,410	-	11,410	11,410
Waste oil grant(s)	-	-	5,686	-	5,686	5,686
Waste tire grant(s)	-	-	10,100	-	10,100	10,100
Solid waste grant(s)	-	-	4,809	-	4,809	4,809
State Law enforcement interoperability	-	-	20,006	-	20,006	20,006
Economic Development grant(s)	-	-	600,000	-	600,000	600,000
Federal						
V-Safe	-	-	2,254	-	2,254	2,254
Veterans affairs	4,500	4,500	4,556	-	4,556	56
Title IV-D Clerk of Court	145,000	145,000	148,412	-	148,412	3,412
Title IV-D Sheriff	12,000	12,000	11,819	-	11,819	(181)
DSS - Revenue	65,000	65,000	35,111	-	35,111	(29,889)
USDA facilities grant(s)	-	-	375	-	375	375
Emergency management grants	-	-	72,582	-	72,582	72,582
FEMA Safer grants	-	-	115,621	-	115,621	115,621
Airport improvement program	-	-	270,448	-	270,448	270,448
Justice Assistance grants	-	-	91,409	-	91,409	91,409
	<u>1,673,700</u>	<u>1,673,700</u>	<u>2,876,489</u>	<u>-</u>	<u>2,876,489</u>	<u>1,202,789</u>
TOTAL REVENUES	\$ 18,746,084	\$ 18,746,084	\$ 20,451,795	\$ -	\$ 20,451,795	\$ 1,705,711

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	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	\$ 232,616	\$ 232,616	\$ 235,809	\$ -	\$ 235,809	\$ (3,193)
	17,200	17,200	37,776	-	37,776	(20,576)
	<u>249,816</u>	<u>249,816</u>	<u>273,585</u>	<u>-</u>	<u>273,585</u>	<u>(23,769)</u>
County Council:						
Salaries and related Operations	106,066	106,066	105,469	-	105,469	597
	10,450	10,450	11,914	(2,970)	8,944	1,506
	<u>116,516</u>	<u>116,516</u>	<u>117,383</u>	<u>(2,970)</u>	<u>114,413</u>	<u>2,103</u>
Assessor:						
Salaries and related Operations	447,120	447,120	430,821	-	430,821	16,299
	26,585	26,585	21,172	(398)	20,774	5,811
	<u>473,705</u>	<u>473,705</u>	<u>451,993</u>	<u>(398)</u>	<u>451,595</u>	<u>22,110</u>
Auditor:						
Salaries and related Operations	182,832	182,832	181,653	-	181,653	1,179
	15,540	15,540	14,135	(1,300)	12,835	2,705
	<u>198,372</u>	<u>198,372</u>	<u>195,788</u>	<u>(1,300)</u>	<u>194,488</u>	<u>3,884</u>
Treasurer:						
Salaries and related Operations	179,292	179,292	165,197	-	165,197	14,095
	12,188	12,188	7,352	-	7,352	4,836
	<u>191,480</u>	<u>191,480</u>	<u>172,549</u>	<u>-</u>	<u>172,549</u>	<u>18,931</u>
Finance:						
Salaries and related Operations	289,643	289,643	288,083	-	288,083	1,560
	9,720	9,720	8,347	-	8,347	1,373
	<u>299,363</u>	<u>299,363</u>	<u>296,430</u>	<u>-</u>	<u>296,430</u>	<u>2,933</u>
Human Resources:						
Salaries and related Operations	157,497	157,497	157,781	-	157,781	(284)
	16,744	16,744	13,439	-	13,439	3,305
	<u>174,241</u>	<u>174,241</u>	<u>171,220</u>	<u>-</u>	<u>171,220</u>	<u>3,021</u>
Grants Administration						
Salaries and related Operations	105,809	105,809	105,907	-	105,907	(98)
	7,199	7,199	5,416	-	5,416	1,783
	<u>113,008</u>	<u>113,008</u>	<u>111,323</u>	<u>-</u>	<u>111,323</u>	<u>1,685</u>
Procurement						
Salaries and related Operations	111,885	111,885	111,519	-	111,519	366
	5,664	5,664	5,673	-	5,673	(9)
	<u>117,549</u>	<u>117,549</u>	<u>117,192</u>	<u>-</u>	<u>117,192</u>	<u>357</u>
Tax Collector:						
Salaries and related Operations	98,998	98,998	103,855	-	103,855	(4,857)
	67,410	67,410	61,445	-	61,445	5,965
	<u>166,408</u>	<u>166,408</u>	<u>165,300</u>	<u>-</u>	<u>165,300</u>	<u>1,108</u>
Voter Registration:						
Salaries and related Operations	131,632	131,632	129,443	-	129,443	2,189
	51,891	51,891	44,124	-	44,124	7,767
	<u>183,523</u>	<u>183,523</u>	<u>173,567</u>	<u>-</u>	<u>173,567</u>	<u>9,956</u>
Information Technology:						
Salaries and related Operations	70,784	84,810	83,402	-	83,402	1,408
	303,850	303,850	269,955	-	269,955	33,895
	<u>374,634</u>	<u>388,660</u>	<u>353,357</u>	<u>-</u>	<u>353,357</u>	<u>35,303</u>
Veterans Affairs:						
Salaries and related Operations	58,654	58,654	59,226	-	59,226	(572)
	5,370	5,370	5,841	-	5,841	(471)
	<u>64,024</u>	<u>64,024</u>	<u>65,067</u>	<u>-</u>	<u>65,067</u>	<u>(1,043)</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with
	Original	Final				Final Budget Favorable (Unfavorable)
Nondepartmental Expenditures:						
Special Projects	170,653	170,653	64,945	-	64,945	105,708
Legal Assistance	30,000	30,000	23,147	-	23,147	6,853
Rent - Judicial Annex	106,700	106,700	107,465	-	107,465	(765)
Workmen's compensation	230,000	230,000	203,625	-	203,625	26,375
Audit fee	37,000	37,000	33,580	-	33,580	3,420
Unemployment	15,000	15,000	1,758	-	1,758	13,242
Electricity	370,000	370,000	358,876	-	358,876	11,124
Printing and postage	115,000	115,000	108,127	-	108,127	6,873
Christmas bonus	37,950	37,950	39,586	-	39,586	(1,636)
Property and liability insurance	278,997	278,997	282,850	-	282,850	(3,853)
Drug screening	5,000	5,000	5,890	-	5,890	(890)
Water	33,000	33,000	34,661	-	34,661	(1,661)
Retirees' insurance	325,000	325,000	322,112	-	322,112	2,888
Telephone	135,000	135,000	141,757	-	141,757	(6,757)
Personnel	14,026	-	-	-	-	-
Holiday compensation	68,000	68,000	65,279	-	65,279	2,721
Retirement expense	1,500	1,500	1,793	-	1,793	(293)
FICA expense	9,375	9,375	8,225	-	8,225	1,150
Police retirement	7,300	7,300	6,547	-	6,547	753
Bank fees and charges	15,000	15,000	25,866	-	25,866	(10,866)
	<u>2,004,501</u>	<u>1,990,475</u>	<u>1,836,089</u>	<u>-</u>	<u>1,836,089</u>	<u>154,386</u>
Grant Expense:						
Santee Cooper airport improvement	-	-	322,415	-	322,415	(322,415)
SC Parks and Recreation	-	-	30,975	-	30,975	(30,975)
SC Aeronautics commission	-	-	-	-	-	-
Emergency watershed	-	-	8,005	-	8,005	(8,005)
Emergency management plan(s)	-	-	71,832	-	71,832	(71,832)
EMS Grant in aid	-	-	9,228	-	9,228	(9,228)
EMS Trauma grant	-	-	11,714	-	11,714	(11,714)
Waste oil grant(s)	-	-	5,687	-	5,687	(5,687)
Waste tire grant(s)	-	-	23,979	-	23,979	(23,979)
Solid waste grant(s)	-	-	9,809	-	9,809	(9,809)
SC Law Enforcement interoperability	-	-	20,006	-	20,006	(20,006)
Central SC Alliance	-	-	1,000	-	1,000	(1,000)
FEMA Safer grant	-	-	68,259	-	68,259	(68,259)
V-Safe	-	-	4,557	-	4,557	(4,557)
Justice Assistance grant(s)	-	-	92,903	-	92,903	(92,903)
Economic Development grant(s)	-	-	600,000	-	600,000	(600,000)
USDA Facilities grant(s)	-	-	496	-	496	(496)
	<u>-</u>	<u>-</u>	<u>1,280,865</u>	<u>-</u>	<u>1,280,865</u>	<u>(1,280,865)</u>
Total General Government and Administration	<u>4,727,140</u>	<u>4,727,140</u>	<u>5,781,708</u>	<u>(4,668)</u>	<u>5,777,040</u>	<u>(1,049,900)</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	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	160,278	160,278	161,634	-	161,634	(1,356)
Operations	95,185	95,185	123,335	-	123,335	(28,150)
	<u>255,463</u>	<u>255,463</u>	<u>284,969</u>	<u>-</u>	<u>284,969</u>	<u>(29,506)</u>
Magistrates:						
Salaries and related	509,576	509,576	470,731	-	470,731	38,845
Operations	21,750	21,750	17,277	-	17,277	4,473
	<u>531,326</u>	<u>531,326</u>	<u>488,008</u>	<u>-</u>	<u>488,008</u>	<u>43,318</u>
Probate Judge:						
Salaries and related	140,249	140,249	128,506	-	128,506	11,743
Operations	10,325	10,325	18,329	(1,134)	17,195	(6,870)
	<u>150,574</u>	<u>150,574</u>	<u>146,835</u>	<u>(1,134)</u>	<u>145,701</u>	<u>4,873</u>
Family Court:						
Salaries and related	130,467	130,467	129,434	-	129,434	1,033
Operations	6,700	6,700	9,406	-	9,406	(2,706)
	<u>137,167</u>	<u>137,167</u>	<u>138,840</u>	<u>-</u>	<u>138,840</u>	<u>(1,673)</u>
Register of Deeds:						
Salaries and related	108,346	108,346	103,235	-	103,235	5,111
Operations	22,435	22,435	22,753	-	22,753	(318)
	<u>130,781</u>	<u>130,781</u>	<u>125,988</u>	<u>-</u>	<u>125,988</u>	<u>4,793</u>
Master in Equity:						
Salaries and related	26,293	26,293	26,169	-	26,169	124
Operations	10,020	10,020	9,289	-	9,289	731
	<u>36,313</u>	<u>36,313</u>	<u>35,458</u>	<u>-</u>	<u>35,458</u>	<u>855</u>
DSS Funds - Clerk of Court:						
Salaries and related	103,872	103,872	106,668	-	106,668	(2,796)
Operations	15,000	15,000	9,662	-	9,662	5,338
	<u>118,872</u>	<u>118,872</u>	<u>116,330</u>	<u>-</u>	<u>116,330</u>	<u>2,542</u>
Circuit Court Judges:						
Allowance	17,160	17,160	15,472	-	15,472	1,688
Solicitor:						
Allowance	158,813	158,813	158,813	-	158,813	-
Public Defender:						
Allowance	75,000	75,000	75,000	-	75,000	-
	<u>250,973</u>	<u>250,973</u>	<u>249,285</u>	<u>-</u>	<u>249,285</u>	<u>1,688</u>
Total Court Related	1,611,469	1,611,469	1,585,713	(1,134)	1,584,579	26,890
Public Safety:						
Sheriff:						
Salaries and related	2,455,735	2,455,735	2,421,435	-	2,421,435	34,300
Operations	728,138	728,138	543,963	52,376	596,339	131,799
	<u>3,183,873</u>	<u>3,183,873</u>	<u>2,965,398</u>	<u>52,376</u>	<u>3,017,774</u>	<u>166,099</u>
Emergency Preparedness:						
Salaries and related	73,701	73,701	75,634	-	75,634	(1,933)
Operations	13,835	13,835	7,620	-	7,620	6,215
	<u>87,536</u>	<u>87,536</u>	<u>83,254</u>	<u>-</u>	<u>83,254</u>	<u>4,282</u>
Correctional Center:						
Salaries and related	1,602,432	1,602,432	1,512,879	-	1,512,879	89,553
Operations	439,200	439,200	400,447	(535)	399,912	39,288
	<u>2,041,632</u>	<u>2,041,632</u>	<u>1,913,326</u>	<u>(535)</u>	<u>1,912,791</u>	<u>128,841</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Coroner:						
Salaries and related	48,990	48,990	48,987	-	48,987	3
Operations	79,010	79,010	94,046	-	94,046	(15,036)
	<u>128,000</u>	<u>128,000</u>	<u>143,033</u>	<u>-</u>	<u>143,033</u>	<u>(15,033)</u>
Communications:						
Salaries and related	724,487	724,487	726,093	-	726,093	(1,606)
Operations	4,600	4,600	2,267	-	2,267	2,333
	<u>729,087</u>	<u>729,087</u>	<u>728,360</u>	<u>-</u>	<u>728,360</u>	<u>727</u>
EMS:						
Contract	788,323	788,323	788,323	-	788,323	-
Animal Control:						
Salaries and related	53,788	53,788	53,243	-	53,243	545
Operations	164,600	164,600	155,894	-	155,894	8,706
	<u>218,388</u>	<u>218,388</u>	<u>209,137</u>	<u>-</u>	<u>209,137</u>	<u>9,251</u>
Total Public Safety	<u>7,176,839</u>	<u>7,176,839</u>	<u>6,830,831</u>	<u>51,841</u>	<u>6,882,672</u>	<u>294,167</u>
Physical Environment:						
Facilities Management:						
Salaries and related	343,380	343,380	340,026	-	340,026	3,354
Operations	184,603	184,603	296,260	8	296,268	(11,665)
	<u>527,983</u>	<u>527,983</u>	<u>636,286</u>	<u>8</u>	<u>636,294</u>	<u>(108,311)</u>
Landfill:						
Salaries and related	166,970	166,970	163,492	-	163,492	3,478
Operations	1,485,000	1,485,000	1,643,282	85,305	1,728,587	(243,587)
	<u>1,651,970</u>	<u>1,651,970</u>	<u>1,806,774</u>	<u>85,305</u>	<u>1,892,079</u>	<u>(240,109)</u>
County Engineer:						
Salaries and related	96,086	96,086	95,910	-	95,910	176
Operations	3,650	3,650	1,175	-	1,175	2,475
	<u>99,736</u>	<u>99,736</u>	<u>97,085</u>	<u>-</u>	<u>97,085</u>	<u>2,651</u>
Public Works:						
Salaries and related	596,972	596,972	575,439	-	575,439	21,533
Operations	331,500	331,500	337,541	-	337,541	(6,041)
	<u>928,472</u>	<u>928,472</u>	<u>912,980</u>	<u>-</u>	<u>912,980</u>	<u>15,492</u>
Total Physical Environment	<u>3,208,161</u>	<u>3,208,161</u>	<u>3,453,125</u>	<u>85,313</u>	<u>3,538,438</u>	<u>(330,277)</u>
Economic Environment:						
Planning and Public Service Commission:						
Salaries and related	286,753	286,753	278,240	-	278,240	8,513
Operations	34,675	34,675	15,900	19,067	34,967	(292)
	<u>321,428</u>	<u>321,428</u>	<u>294,140</u>	<u>19,067</u>	<u>313,207</u>	<u>8,221</u>
Development Board:						
Salaries and related	177,542	177,542	137,913	-	137,913	39,629
Operations	163,545	163,545	184,990	-	184,990	(21,445)
	<u>341,087</u>	<u>341,087</u>	<u>322,903</u>	<u>-</u>	<u>322,903</u>	<u>18,184</u>
Total Economic Environment	<u>662,515</u>	<u>662,515</u>	<u>617,043</u>	<u>19,067</u>	<u>636,110</u>	<u>26,405</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	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 Operations	175,882	175,882	164,928	-	164,928	10,954
	10,000	10,000	10,580	-	10,580	(580)
	<u>185,882</u>	<u>185,882</u>	<u>175,508</u>	<u>-</u>	<u>175,508</u>	<u>10,374</u>
Airport Commission:						
Operations	29,750	29,750	38,485	-	38,485	(8,735)
	<u>29,750</u>	<u>29,750</u>	<u>38,485</u>	<u>-</u>	<u>38,485</u>	<u>(8,735)</u>
Total Transportation	<u>215,632</u>	<u>215,632</u>	<u>213,993</u>	<u>-</u>	<u>213,993</u>	<u>1,639</u>
Recreation and Culture:						
Recreation:						
Salaries and related Operations	273,730	273,730	274,741	-	274,741	(1,011)
	163,460	163,460	169,700	433	170,133	(6,673)
	<u>437,190</u>	<u>437,190</u>	<u>444,441</u>	<u>433</u>	<u>444,874</u>	<u>(7,684)</u>
County Archives:						
Salaries and related Operations	54,180	54,180	51,121	-	51,121	3,059
	5,489	5,489	3,904	-	3,904	1,585
	<u>59,669</u>	<u>59,669</u>	<u>55,025</u>	<u>-</u>	<u>55,025</u>	<u>4,644</u>
Total Recreation and Culture	<u>496,859</u>	<u>496,859</u>	<u>499,466</u>	<u>433</u>	<u>499,899</u>	<u>(3,040)</u>
Miscellaneous:						
Agencies:						
Santee-Lynches Council of Government	24,690	24,690	24,690	-	24,690	-
Clarendon Soil and Water Conservation	28,000	28,000	28,000	-	28,000	-
Clemson Extension	33,750	33,750	33,750	-	33,750	-
SC Association of Counties	8,672	8,672	8,672	-	8,672	-
Delegation allowance	14,000	14,000	14,000	-	14,000	-
Behavioral Services	17,500	17,500	17,500	-	17,500	-
Clarendon County Library	540,000	540,000	540,000	-	540,000	-
Clarendon First Steps	3,500	3,500	3,500	-	3,500	-
Santee Wateree RTA	5,000	5,000	5,000	-	5,000	-
Indigent care	51,134	51,134	51,134	-	51,134	-
Council on Aging	5,000	5,000	5,000	-	5,000	-
County Board of Education	10,973	10,973	10,973	-	10,973	-
Paxville CDC	5,000	5,000	5,000	-	5,000	-
American Red Cross	5,000	5,000	5,000	-	5,000	-
County Adult Education	28,000	28,000	28,000	-	28,000	-
Central Carolina Technical College	119,250	119,250	119,250	-	119,250	-
	<u>899,469</u>	<u>899,469</u>	<u>899,469</u>	<u>-</u>	<u>899,469</u>	<u>-</u>
Total Miscellaneous	<u>899,469</u>	<u>899,469</u>	<u>899,469</u>	<u>-</u>	<u>899,469</u>	<u>-</u>
Total Expenditures	<u>\$ 18,998,084</u>	<u>\$ 18,998,084</u>	<u>\$ 19,881,348</u>	<u>\$ 150,852</u>	<u>\$ 20,032,200</u>	<u>\$ (1,034,116)</u>
Other Financing Sources (Uses)						
Sale of Assets	\$ 100,000	\$ 100,000	\$ 48,988	\$ -	\$ 48,988	\$ (51,012)
Transfers In (Out)	(48,000)	(48,000)	(8,680)	-	(8,680)	39,320
	<u>\$ 52,000</u>	<u>\$ 52,000</u>	<u>\$ 40,308</u>	<u>\$ -</u>	<u>\$ 40,308</u>	<u>\$ (11,692)</u>

FIDUCIARY FUND

AGENCY FUNDS

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

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2015**

	School Districts Debt Service	School Districts Operations	Hospital Debt Service	Probate Judge	Master-In Equity	Municipalities
ASSETS						
Cash	\$ 2,180,415	\$ -	\$ 659,110	\$ 3,309	\$ 2,450	\$ -
Delinquent taxes receivable	162,238	1,731,114	172,989	-	-	-
Due from credit card	-	-	-	-	-	-
Due from General Fund	69	33,766	68	-	-	80
Due from others	-	-	-	491	-	-
Due from other magistrates	-	-	-	-	-	-
Total assets	<u>\$ 2,342,722</u>	<u>\$ 1,764,880</u>	<u>\$ 832,167</u>	<u>\$ 3,800</u>	<u>\$ 2,450</u>	<u>\$ 80</u>
LIABILITIES						
Due to trust fund holders	\$ 2,342,722	\$ 1,764,880	\$ 832,167	\$ 380	\$ 2,450	\$ 80
Due to Treasurer	-	-	-	3,420	-	-
Due to Treasurer - cash overage (shortage)	-	-	-	-	-	-
Due to other magistrates	-	-	-	-	-	-
Total liabilities	<u>\$ 2,342,722</u>	<u>\$ 1,764,880</u>	<u>\$ 832,167</u>	<u>\$ 3,800</u>	<u>\$ 2,450</u>	<u>\$ 80</u>

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2015

	<u>Magistrates</u>			Clerk of Court	Tax Collector	Total
	General Account	Civil Account	Part- Time			
ASSETS						
Cash	\$ 82,497	\$ 6,900	\$ 138	\$ 542,862	\$ 1,051,046	\$ 4,528,727
Delinquent taxes receivable	-	-	-	-	-	2,066,341
Due from credit card	2,654	-	-	-	-	2,654
Due from General Fund	-	-	-	-	-	33,983
Due from others	-	-	-	-	-	491
Due from other magistrates	138	-	-	-	-	138
Total assets	<u>\$ 85,289</u>	<u>\$ 6,900</u>	<u>\$ 138</u>	<u>\$ 542,862</u>	<u>\$ 1,051,046</u>	<u>\$ 6,632,334</u>
LIABILITIES						
Due to trust fund holders	\$ 23,816	\$ -	\$ -	\$ 504,134	\$ 1,051,046	\$ 6,521,675
Due to Treasurer	61,976	6,900	-	27,552	-	99,848
Due to Treasurer - cash overage (shortage)	(503)	-	-	11,176	-	10,673
Due to other magistrates	-	-	138	-	-	138
Total liabilities	<u>\$ 85,289</u>	<u>\$ 6,900</u>	<u>\$ 138</u>	<u>\$ 542,862</u>	<u>\$ 1,051,046</u>	<u>\$ 6,632,334</u>

CLARENDON COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 JUNE 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
Municipalities				
Assets				
Due from General Fund	\$ 83	\$ 1,684,517	\$ 1,684,520	\$ 80
Total Assets	<u>\$ 83</u>	<u>\$ 1,684,517</u>	<u>\$ 1,684,520</u>	<u>\$ 80</u>
Liabilities				
Due to trust fund holders	\$ 83	\$ 1,619,577	\$ 1,619,580	\$ 80
Total Liabilities	<u>\$ 83</u>	<u>\$ 1,619,577</u>	<u>\$ 1,619,580</u>	<u>\$ 80</u>
School Districts Debt Service				
Assets				
Cash and investments	\$ 1,426,205	\$ 6,429,418	\$ 5,675,208	\$ 2,180,415
Due from General Fund	69	1,591,077	1,591,077	69
Delinquent taxes receivable	172,405	8,684	18,851	162,238
Total Assets	<u>\$ 1,598,679</u>	<u>\$ 8,029,179</u>	<u>\$ 7,285,136</u>	<u>\$ 2,342,722</u>
Liabilities				
Due to trust fund holders	\$ 1,598,679	\$ 6,404,950	\$ 5,660,907	\$ 2,342,722
Total Liabilities	<u>\$ 1,598,679</u>	<u>\$ 6,404,950</u>	<u>\$ 5,660,907</u>	<u>\$ 2,342,722</u>
School District Operations				
Assets				
Delinquent taxes receivable	\$ 1,606,281	\$ 124,833	\$ -	\$ 1,731,114
Due from General Fund	551	10,145,132	10,111,917	33,766
Total Assets	<u>\$ 1,606,832</u>	<u>\$ 10,269,965</u>	<u>\$ 10,111,917</u>	<u>\$ 1,764,880</u>
Liabilities				
Due to trust fund holders	\$ 1,606,832	\$ 43,813,207	\$ 43,655,159	\$ 1,764,880
Total Liabilities	<u>\$ 1,606,832</u>	<u>\$ 43,813,207</u>	<u>\$ 43,655,159</u>	<u>\$ 1,764,880</u>

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
Hospital Debt Service				
Assets				
Cash and investments	\$ 629,661	\$ 2,105,794	\$ 2,076,345	\$ 659,110
Due from General Fund	69	1,600,257	1,600,258	68
Delinquent taxes receivable	172,412	577	-	172,989
Total Assets	<u>\$ 802,142</u>	<u>\$ 3,706,628</u>	<u>\$ 3,676,603</u>	<u>\$ 832,167</u>
Liabilities				
Due to trust fund holders	\$ 802,142	\$ 1,564,924	\$ 1,534,899	\$ 832,167
Total Liabilities	<u>\$ 802,142</u>	<u>\$ 1,564,924</u>	<u>\$ 1,534,899</u>	<u>\$ 832,167</u>
Probate Judge				
Assets				
Cash	\$ 460	\$ 69,381	\$ 66,532	\$ 3,309
Due from trust fund holders	-	491	-	491
Total Assets	<u>\$ 460</u>	<u>\$ 69,872</u>	<u>\$ 66,532</u>	<u>\$ 3,800</u>
Liabilities				
Due to Treasurer	-	\$ 3,420	-	\$ 3,420
Due to trust fund holders	\$ 460	-	\$ 80	380
Total Liabilities	<u>\$ 460</u>	<u>\$ 3,420</u>	<u>\$ 80</u>	<u>\$ 3,800</u>
Master In Equity				
Assets				
Cash	\$ 4,950	\$ 219,323	\$ 221,823	\$ 2,450
Total Assets	<u>\$ 4,950</u>	<u>\$ 219,323</u>	<u>\$ 221,823</u>	<u>\$ 2,450</u>
Liabilities				
Due to Treasurer	\$ -	\$ -	\$ -	\$ -
Due to trust fund holders	4,950	-	2,500	2,450
Total Liabilities	<u>\$ 4,950</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 2,450</u>

CLARENDON COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 JUNE 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
Magistrate: General Account				
Assets				
Cash	\$ 89,002	\$ 784,524	\$ 791,029	\$ 82,497
Due from credit card	3,140	2,654	3,140	2,654
Due from other magistrates	32	753	647	138
Total Assets	<u>\$ 92,174</u>	<u>\$ 787,931</u>	<u>\$ 794,816</u>	<u>\$ 85,289</u>
Liabilities				
Due to Treasurer	\$ 69,235	\$ 61,976	\$ 69,235	\$ 61,976
Due to trust fund holders	23,533	23,817	23,534	23,816
Due to Treasurer - cash overage/(shortage)	(594)	-	(91)	(503)
Total Liabilities	<u>\$ 92,174</u>	<u>\$ 85,793</u>	<u>\$ 92,678</u>	<u>\$ 85,289</u>
Magistrate: Civil Account				
Assets				
Cash	\$ 6,050	\$ 75,105	\$ 74,255	\$ 6,900
Total Assets	<u>\$ 6,050</u>	<u>\$ 75,105</u>	<u>\$ 74,255</u>	<u>\$ 6,900</u>
Liabilities				
Due to Treasurer	\$ 6,050	\$ 850	\$ -	\$ 6,900
Total Liabilities	<u>\$ 6,050</u>	<u>\$ 850</u>	<u>\$ -</u>	<u>\$ 6,900</u>
Magistrate: Part-time				
Assets				
Cash	\$ 32	\$ 106	\$ -	\$ 138
Total Assets	<u>\$ 32</u>	<u>\$ 106</u>	<u>\$ -</u>	<u>\$ 138</u>
Liabilities				
Due to other magistrates	\$ 32	\$ 106	\$ -	\$ 138
Total Liabilities	<u>\$ 32</u>	<u>\$ 106</u>	<u>\$ -</u>	<u>\$ 138</u>

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
Clerk of Court				
Assets				
Cash	\$ 630,332	\$ -	\$ 87,470	\$ 542,862
Total Assets	<u>\$ 630,332</u>	<u>\$ -</u>	<u>\$ 87,470</u>	<u>\$ 542,862</u>
Liabilities				
Due to Treasurer	\$ 27,359	\$ 193	\$ -	\$ 27,552
Due to trust fund holders	588,665	-	84,531	504,134
Due to Treasurer - cash overage/(shortage)	14,308	-	3,132	11,176
Total Liabilities	<u>\$ 630,332</u>	<u>\$ 193</u>	<u>\$ 87,663</u>	<u>\$ 542,862</u>
Tax Collector				
Assets				
Cash	\$ 898,418	\$ 152,628	\$ -	\$ 1,051,046
Total Assets	<u>\$ 898,418</u>	<u>\$ 152,628</u>	<u>\$ -</u>	<u>\$ 1,051,046</u>
Liabilities				
Due to Treasurer	\$ -	\$ -	\$ -	\$ -
Due to trust fund holders	898,418	152,628	-	1,051,046
Total Liabilities	<u>\$ 898,418</u>	<u>\$ 152,628</u>	<u>\$ -</u>	<u>\$ 1,051,046</u>
Total All Agency Funds				
Assets				
Cash and Investments	\$ 3,685,110	\$ 9,836,279	\$ 8,992,662	\$ 4,528,727
Delinquent taxes receivable	1,951,098	134,094	18,851	2,066,341
Due from trust fund holders	-	491	-	491
Due from credit card	3,140	2,654	3,140	2,654
Due from General Fund	772	15,020,983	14,987,772	33,983
Due from other magistrates	32	753	647	138
Total Assets	<u>\$ 5,640,152</u>	<u>\$ 24,995,254</u>	<u>\$ 24,003,072</u>	<u>\$ 6,632,334</u>
Liabilities				
Due to Treasurer	\$ 102,644	\$ 66,439	\$ 69,235	\$ 99,848
Due to Treasurer - cash overage/(shortage)	13,714	-	3,041	10,673
Due to trust fund holders	5,523,762	53,579,103	52,581,190	6,521,675
Due to other magistrates	32	106	-	138
Total Liabilities	<u>\$ 5,640,152</u>	<u>\$ 53,645,648</u>	<u>\$ 52,653,466</u>	<u>\$ 6,632,334</u>

**CLARENDON COUNTY, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES
SPECIAL REVENUE FUND - VICTIMS RIGHTS FUND
JUNE 30, 2015**

	Clerk of Court	Magistrates	Total
Court Fines			
Court fines collected	\$ 13,002	\$ 346,682	\$ 359,684
Court fines retained by County	<u>7,141</u>	<u>329,572</u>	<u>336,713</u>
Court fines remitted to State Treasurer	<u>\$ 5,861</u>	<u>\$ 17,110</u>	<u>\$ 22,971</u>
Court Assessments			
Court assessments collected	\$ 9,677	\$ 305,873	\$ 315,550
Court assessments retained by County	<u>3,200</u>	<u>32,198</u>	<u>35,398</u>
Court assessments remitted to State Treasurer	<u>\$ 6,477</u>	<u>\$ 273,675</u>	<u>\$ 280,152</u>
Court Surcharges			
Court surcharges collected	\$ 18,078	\$ 188,104	\$ 206,182
Court surcharges retained by County	<u>9,943</u>	<u>13,524</u>	<u>23,467</u>
Court assessments remitted to State Treasurer	<u>\$ 8,135</u>	<u>\$ 174,580</u>	<u>\$ 182,715</u>
Victims Services			
Court assessments allocated to Victim Services	\$ 3,200	\$ 32,198	\$ 35,398
Court surcharges allocated to Victim Services	<u>9,943</u>	<u>13,524</u>	<u>23,467</u>
Funds allocated to Victim Services	<u>\$ 13,143</u>	<u>\$ 45,722</u>	58,865
Victim Services expenditures			<u>(82,865)</u>
			<u>\$ (24,000)</u>
Beginning balance - July 1, 2014		\$ -	
Excess of expenditures over revenue for current year		(24,000)	
Mutual Aid Agreement(s) - Municipalities		24,000	
Interest Income		<u>-</u>	
Ending Balance - June 30, 2015		<u>\$ -</u>	

**CLARENDON COUNTY, SOUTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2015**

Real and Other Personal Property Assessed Value	\$	76,044,140
Vehicles Assessed Value		11,541,935
Public Utilities and Railroads		7,698,303
Fee-in-Lieu-of Taxes		4,305,113
Other Business Personal Property		2,221,260
Manufacturer's Assessed Value		1,090,590
Merchants Inventory Value		<u>688,290</u>
Total Taxable Assessed Value		<u>103,589,631</u>
Debt Limit - Eight Percent (8%) of Total Taxable Assessed Value		8,287,170
Amount of Debt Applicable to Debt Limit:		<u>5,462,582</u>
LEGAL DEBT MARGIN	\$	<u><u>2,824,588</u></u>

PARTNERS		ASSOCIATES					
C.C. McGregor, CPA 1906–1968	W.C. Stevenson, CPA	D.L. Richardson, CPA	D.K. Strickland, CPA	V.K. Laroche, CPA	J.R. Matthews II, CPA	M.L. Goode, CPA	
	B.T. Kight, CPA	E.C. Inabinet, CPA	J.P. McGuire, CPA	G.N. Mundy, CPA	G.P. Davis, CPA	B.A.G. Felch, CPA	
	G.D. Skipper, CPA	S.S. Luoma, CPA	L.H. Kelly, CPA	M.L. Layman, CPA	H.J. Darver, CPA	H.S. Mims, CPA	
	L.R. Leaphart, Jr, CPA	T.M. McCall, CPA		P.A. Betette, Jr, CPA	D.M. Herpel, CPA		
	M.J. Binnicker, CPA	H.D. Brown, Jr, CPA		S. Wo, CPA	H.O. Crider, Jr, CPA		
	W.W. Francis, CPA	L.B. Salley, CPA		C.D. Hinchee, CPA	F.C. Gillam, 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, 2015, 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 27, 2016.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

McGregor & Co. LLP

Orangeburg, South Carolina
January 27, 2016

PARTNERS			ASSOCIATES			
C.C. McGregor, CPA 1906–1968	W.C. Stevenson, CPA B.T. Kight, CPA G.D. Skipper, CPA L.R. Leaphart, Jr, CPA M.J. Binnicker, CPA W.W. Francis, CPA	D.L. Richardson, 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	V.K. Laroche, CPA G.N. Mundy, CPA M.L. Layman, CPA P.A. Betette, Jr, CPA S. Wo, CPA C.D. Hincee, CPA	J.R. Matthews II, CPA G.P. Davis, CPA H.J. Darver, CPA D.M. Herpel, CPA H.O. Crider, Jr, CPA F.C. Gillam, CPA	M.L. Goode, CPA B.A.G. Felch, CPA H.S. Mims, CPA

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

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 Circular A-133 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, 2015. 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133
(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, 2015.

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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

McGregor & Co. LLP

Orangeburg, South Carolina
January 27, 2016

**CLARENDON COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

Grantor	Grantor Number	Federal CFDA Number	Award Amount	Total Awards Expended
U. S. DEPARTMENT OF JUSTICE:				
Through SC Department of Public Safety:				
Criminal Domestic Violence Investigator	2013-MU-BX-0007	16.738	\$ 66,545	\$ 66,252
Magistrate Records Mgmt	2010-DJ-BX-0088	16.738	6,785	1,739
Justice Assistance 2013	2013-DJ-BX-0467	16.738	12,190	12,189
Justice Assistance 2014	2014-DJ-BX-0414	16.738	11,007	10,936
Ballistic Vests 2013	N/A	16.803	7,620	787
Ballistic Vests 2014	N/A	16.803	2,919	1,467
U.S. DEPARTMENT OF HOMELAND SECURITY				
Through SC Emergency Management Division:				
LEMPG 2013 - Supplemental	13EMPG02	97.042	14,000	14,000
Local Emergency Mgmt. Planning 2014	14EMPG01	97.042	58,288	58,288
Local Emergency Mgmt. Planning 2016	16EMPG01	97.042	58,368	294
Local SAFER Assistance	EMW-2011-FF-00690	97.083	165,312	47,513
Local SAFER Assistance	EMW-2012-FF-00457	97.083	478,000	68,108
U. S. DEPARTMENT OF TRANSPORTATION				
Federal Aviation Administration				
Airport Improvement Program	3-45-0038-008-2012	20.106	529,560	27,843
FAA Fuel Farm	3-45-0038-009-2014	20.106	297,473	215,723
U. S. DEPARTMENT OF AGRICULTURE				
Communities Facilities Grants:				
Clarendon County Fire Department	N/A	10.766	40,399	375
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Through Department of Social Services:				
Office of Child Support Enforcement:				
Filing Fees	G-04SC404	93.563		15,750
Federal Financial Assistance	G-04SC404	93.563		35,111
Clerk of Court Incentive (IV-D)	G-04SC404	93.563		27,100
Family Court	G-04SC404	93.563		121,312
Sheriff's Department	G-04SC404	93.563		11,819
TOTAL FEDERAL ASSISTANCE				<u>\$ 736,606</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTE TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

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 in Accordance With OMB Circular A-133*.
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 Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The programs tested as major programs included:

- FAA Fuel Farm	CFDA# 20.106
- Airport Improvement Grant	CFDA# 20.106
- LEMPG Grants	CFDA# 97.042
- Local SAFER Assistance	CFDA# 97.083
8. The threshold used for distinguishing Type A and Type B programs was \$300,000.
9. Clarendon County was not determined to be a low-risk auditee.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015**

I. Financial Statement Findings

None.

II. Major Federal Award Programs Findings

None.

**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, 2011 through 2015 (audited) and the budget for fiscal year 2016.

(000's omitted)	2011	2012	2013	2014	2015	2016 Budget
REVENUES						
Taxes	\$ 13,763	\$ 13,473	\$ 13,817	\$ 14,499	\$ 15,244	\$ 15,766
Licenses and permits	97	88	96	105	100	113
Intergovernmental	2,081	1,973	2,373	3,559	2,877	1,656
Charges for service	1,175	1,210	1,161	1,138	1,219	1,185
Fine and forfeitures	575	544	449	448	456	459
Investment income	18	5	2	2	5	2
Miscellaneous	701	687	458	527	551	529
Total revenue	<u>18,410</u>	<u>17,980</u>	<u>18,356</u>	<u>20,278</u>	<u>20,452</u>	<u>19,710</u>
EXPENDITURES						
General government	4,969	4,910	5,097	6,291	5,488	5,294
Public safety	6,489	6,707	6,794	6,881	6,854	7,428
Physical environment	3,098	2,947	3,082	3,271	3,453	3,325
Transportation	207	189	219	199	454	213
Economic environment	726	714	726	632	617	659
Agencies	1,103	1,006	1,023	906	899	843
Culture and recreation	433	453	488	503	530	515
Court related	1,407	1,389	1,516	1,529	1,586	1,523
Total expenditures	<u>18,432</u>	<u>18,315</u>	<u>18,945</u>	<u>20,212</u>	<u>19,881</u>	<u>19,800</u>
Excess of revenues over/(under) expenditures	(22)	(335)	(589)	66	571	(90)
OTHER SOURCES (USES)						
Sale of assets	8	101	192	2	49	25
Transfers	(884)	(264)	(18)	(29)	(9)	(35)
Net other financing sources	<u>(876)</u>	<u>(163)</u>	<u>174</u>	<u>(27)</u>	<u>40</u>	<u>(10)</u>
Net change in fund balance	<u>(898)</u>	<u>(498)</u>	<u>(415)</u>	<u>39</u>	<u>611</u>	<u>(100)</u>
Equity transfer	<u>(1,748)</u>	-	-	-	-	-
Fund balance at beginning of year	<u>6,481</u>	<u>3,835</u>	<u>3,337</u>	<u>2,922</u>	<u>2,961</u>	<u>3,572</u>
Fund balance at end of year	<u>\$ 3,835</u>	<u>\$ 3,337</u>	<u>\$ 2,922</u>	<u>\$ 2,961</u>	<u>\$ 3,572</u>	<u>\$ 3,472</u>
Ending fund balance as % of total expenditures	20.8%	18.2%	15.4%	14.6%	18.0%	17.5%

**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>
2005	51,720	1,279	8,005	1,823	11,824	1,599	76,250
2006	53,271	1,414	8,073	1,827	11,166	1,488	77,239
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

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 2015 (tax year 2014) and the prior year are reflected below:

(000's omitted)

<u>Taxpayer</u>	<u>Fiscal Year 2015 (Tax Year 2014)</u>			<u>Fiscal Year 2014 (Tax Year 2013)</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	\$ 875	1	3.31%	\$ 875	1	3.36%
Santee Electric Co-op, Inc.	813	2	2.26%	795	2	2.28%
Duke Energy Progress, Inc.	690	3	1.68%	632	3	1.60%
Black River Electric Co-op	262	4	0.76%	257	4	0.76%
FTC Communications	248	5	0.63%	221	7	0.58%
Wal-Mart Real Estate	231	6	0.53%	227	6	0.54%
CSX Transport	191	7	0.56%	233	5	0.71%
Central Electric Power Co-op, Inc.	178	8	0.47%	171	8	0.46%
ACM Investment Co., LLC	98	9	0.30%	118	9	0.31%
Suri Industries	67	10	0.27%	-	-	-
Farmers Telephone Co-op	-	-	-	11	10	0.28%
Totals	<u>\$ 3,653</u>		<u>10.77%</u>	<u>\$ 3,540</u>		<u>10.88%</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

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
July	\$ 22,780	\$ 22,326	\$ 23,088	\$ 25,312	\$ 18,928
August	19,567	20,884	22,192	20,781	27,812
September	19,458	20,143	25,044	30,687	27,815
October	15,102	19,169	18,876	27,162	20,200
November	24,368	17,421	19,241	21,481	16,447
December	22,548	20,923	22,203	23,175	34,205
January	21,707	22,306	22,813	22,128	26,609
February	29,372	28,259	24,440	25,594	27,791
March	17,065	27,861	24,643	27,096	26,089
April	19,597	22,618	20,006	23,850	28,919
May	25,019	22,785	21,502	25,696	24,902
June	<u>23,732</u>	<u>23,224</u>	<u>21,663</u>	<u>28,040</u>	<u>31,487</u>
Total	<u>\$ 260,315</u>	<u>\$ 267,919</u>	<u>\$ 265,711</u>	<u>\$ 301,002</u>	<u>\$ 311,204</u>