

**CALHOUN COUNTY  
ST. MATTHEWS, SOUTH CAROLINA**

**ANNUAL REPORT**

**YEAR ENDED JUNE 30, 2017**

**CALHOUN COUNTY  
ST. MATTHEWS, SOUTH CAROLINA**

**ANNUAL REPORT**

**YEAR ENDED JUNE 30, 2017**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Calhoun County Council  
St. Matthews, 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 unit, each major fund, and the aggregate remaining fund information of Calhoun County, South Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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## 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 County'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 County'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 unit, each major fund, and the aggregate remaining fund information of Calhoun County, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress for retirees' health plan information, and the schedules of the County's proportionate share of the net pension liability and contributions on pages 4 – 13 and 68 – 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

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

## INDEPENDENT AUDITOR'S REPORT

(continued)

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2018, on our consideration of Calhoun County, South Carolina'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 Calhoun County, South Carolina's internal control over financial reporting and compliance.

*McGregor & Co. LLP*

Orangeburg, South Carolina  
January 30, 2018

**CALHOUN COUNTY  
ST. MATTHEWS, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2017**

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

The government-wide financial statements include Calhoun County (known as the primary government) and its blended and discretely presented component units. Legally separate entities for which the County is financially accountable, such as the Sandy Run-Calhoun Fire District, are not included in the financial statements due to their financial insignificance to the County. Information included in this discussion and analysis focuses on the activities of the primary government.

**Financial Highlights:**

- Calhoun County's assets exceeded its liabilities at June 30, 2017 by \$33,295,131 (net position). Of this amount, \$(816,057) is unrestricted net deficit.
- The County's total net position increased \$1,194,673 over the previous year with an increase of \$324,648 resulting from governmental activities.
- At June 30, 2017, the County's governmental fund balance sheet reported a combined ending fund balance of \$12,494,071, a decrease of \$(1,332,792) from the previous fiscal year. Of this amount, \$6,650,041 remains in the various funds of the County as unassigned.
- The General Fund reported a fund balance of \$6,901,735 a decrease from last fiscal year of \$285,486. Calhoun County had budgeted \$1,205,286 as carry over funds from its fund balance to cover the anticipated shortfall of revenue. The unassigned fund balance of \$6,650,041 equates to 56% of General Fund expenditures for the year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the 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 basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.



**CALHOUN COUNTY  
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2017**

**Government-wide financial statements:** The government-wide financial statements are provided as part of the approach mandated by the Governmental Accounting Standards Board (GASB). 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 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 Calhoun 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, physical environment, economic environment, human services, and cultural/recreation.

The government-wide financial statements can be found on pages 14 and 15 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. Calhoun 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.

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.

**CALHOUN COUNTY  
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2017**

Calhoun County maintains 16 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 and Capital Projects 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 schedules elsewhere in this report.

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

The basic governmental funds financial statements can be found on pages 16 through 20 of this report.

*Proprietary funds:* Municipal Water District and Water/Wastewater Fund. Proprietary Funds are used to account for operations (a) that are financed and operated in a manner similar to private enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The proprietary fund financial statements can be found on pages 21 – 25.

*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 26 of this report.

**Notes to the basic 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 basic financial statements can be found on pages 27 through 67 of this report.

**Other information:** In addition to the basic financial statements and accompanying notes, the combining schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund schedules can be found on pages 72 through 77 of this report.

### **Government-wide Financial Analysis**

The government-wide financial statements are provided as part of the new approach mandated by the GASB. GASB sets the uniform standards for presenting government financial reports.

**CALHOUN COUNTY  
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2017**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Calhoun County, assets exceeded liabilities by \$33,295,131 at the close of the most recent fiscal year. The County's increase in net position for this fiscal year amounts to \$1,194,673.

The largest portion of the County's net position (92%) reflects its investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment), less any related debt used to acquire those assets that are 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.

An additional portion of the County's net position (11%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is \$(816,057).

**Calhoun County's Net Position**

	<b>(Dollars in Thousands)</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
Current and other assets	\$ 15,087	\$ 16,593
Capital assets	<u>35,738</u>	<u>32,839</u>
<b>Total assets</b>	<u>50,825</u>	<u>49,432</u>
Deferred outflows of resources	<u>2,317</u>	<u>1,170</u>
Long-term liabilities outstanding	18,731	17,106
Other liabilities	<u>1,031</u>	<u>1,361</u>
<b>Total liabilities</b>	<u>19,762</u>	<u>18,467</u>
Deferred inflows of resources	<u>85</u>	<u>14</u>
<b>Net Position</b>		
Invested in capital assets	30,563	25,340
Restricted	3,548	4,148
Unrestricted	<u>(816)</u>	<u>2,633</u>
<b>Total net position</b>	<u>\$ 33,295</u>	<u>\$ 32,121</u>

**CALHOUN COUNTY  
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The changes in net position displayed below shows the governmental activities and business-type activities during the fiscal year.

**Calhoun County's Changes in Net Position**

	(Dollars in Thousands)	
	<u>2017</u>	<u>2016</u>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 3,350	\$ 3,437
Operating grants	1,107	928
Capital grants and contributions	1,385	1,346
General revenue:		
Taxes:		
Property taxes, levied for general purposes	9,742	9,757
Property taxes, levied for debt services	508	311
State shared revenue	780	735
Sales tax	1,297	1,085
Interest	26	16
Other	187	124
Contributions	10	-
Gain on the sale of capital assets	30	122
Total revenues	<u>18,422</u>	<u>17,861</u>
<b>Expenses:</b>		
General government	4,115	3,347
Finance and taxation	764	834
Public safety	3,753	3,583
Physical environment	2,338	2,349
Water system	1,090	1,009
Health and welfare	2,802	2,924
Cultural and recreational	958	926
Court related	761	760
Agencies	471	571
Interest	175	8
Total expenses	<u>17,227</u>	<u>16,311</u>
Increase in net position	<u>\$ 1,194</u>	<u>\$ 1,550</u>

**CALHOUN COUNTY  
ST. MATTHEWS, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2017**

**Governmental Activities:** Revenues for the County's governmental activities were \$16,313,338 for fiscal year 2017. Taxes constitute the largest source of County revenues, amounting to approximately \$11,547,748 for the fiscal year 2017. Real, personal property, and vehicle taxes of \$10,250,677 represent over 89% of total taxes and 63% of all revenue combined.

**Financial Analysis of Calhoun County's Funds**

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

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

As of June 30, 2017, Calhoun County governmental funds reported combined fund balances of \$12,494,071, a decrease of \$1,332,792 over the prior year balances.

The General Fund is the chief operating fund of the County. At June 30, 2017, total fund balance in the General Fund was \$6,901,735 of which \$6,650,041 was unassigned and \$251,694 was restricted or assigned. As a measure of the General Fund's liquidity, the total and unassigned fund balances compared to total fund expenditures shows percentages of 58% and 56%, respectively. The fund balance of the General Fund decreased by \$285,486 during the current fiscal year.

Other governmental funds are used to account for specific revenues and expenditures. Total fund balances of all other governmental funds decreased by \$1,047,306 from the prior year

**Proprietary funds:** The water/wastewater operations had an operating loss of \$75,742. The Municipal Water Department had operating income of \$176,649 for a total net operating income for both the water/wastewater operations and the Municipal Water Department of \$100,907.

**General Fund Budgetary Highlights**

Budget to actual statement is provided for the General Fund on page 20. The expenditures incurred during the year were within budget limitations.

**CALHOUN COUNTY  
ST. MATTHEWS, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2017**

**Capital asset and Debt Administration**

**Capital assets:** Calhoun County's investment in capital assets for its governmental activities as of June 30, 2017 amounts to \$25,142,198 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, construction in progress, and infrastructure. Each year construction of roads, bridges, and drainage systems (infrastructure) incurred during the current fiscal year is added to the County's capital assets.

**Calhoun County's Capital Assets (Net)**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Land	\$ 1,401,996	\$ 4,500
Construction in progress	66,141	-
Land improvements	747,400	-
Buildings and improvements	13,014,517	-
Machinery and equipment	4,798,434	31,070
Vehicles	5,296,479	59,938
Infrastructure	9,012,027	-
Museum collection	3,127,546	-
Water and wastewater system	-	13,656,408
Total capital assets	<u>37,464,540</u>	<u>13,751,916</u>
Less accumulated depreciation	<u>(12,322,342)</u>	<u>(3,156,173)</u>
Total capital assets, net	<u>\$ 25,142,198</u>	<u>\$ 10,595,743</u>

Additional information on the County's capital assets can be found in Note 6 on pages 41 through 44 of this report.

**Long-term debt:** At the end of the current fiscal year, Calhoun County had the following bonded debt outstanding.

**Calhoun County's Outstanding Debt**

	<u>2017</u>
<b>(Governmental Activities)</b>	
General Obligation Bonds	<u>\$ 908,036</u>
<b>(Business-type Activities)</b>	
Revenue Bonds	<u>\$ 4,213,841</u>

**CALHOUN COUNTY  
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2017**

**Note issued**

Additional information on Calhoun County's long-term debt can be found in Note 10 on pages 58 through 61 of this report.

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

The State of South Carolina has experienced a budget shortfall and has made across the board cuts to all agencies and subdivisions of the State of South Carolina. The Local Government Fund has reduced from the statutory formula over the past few years, but increased its funding over last year's by \$26,022. However, the funding has decreased yet again for the 2017-2018 fiscal year. Calhoun County budgeted \$600,654 for the local government fund revenue for fiscal year 2018 opposed to fiscal year 2017's actual revenue of \$558,699.

Building permits have increased in 2017 which will result in an increase in revenue from permit fees. Additionally, Calhoun County is expecting a slight increase in projected sales tax revenue. The County has a strong fund balance and expects to cover any shortfall in the 2017-2018 fiscal year with reserves.

One of the County's top industrial water customers drastically decreased its consumption by about 40% during the 2016-2017 fiscal year, which negatively impacted the water department's revenue by approximately \$40,000. The wastewater system has been running a deficit but an increase in use and rate increases should reduce the deficit.

Calhoun County has approved a resolution authorizing preparation of a purchase contract for the purchase of the Calhoun Country Club golf facility for the consideration of \$301,500 which includes equipment, all inventory, and all real and personal property.

**CALHOUN COUNTY  
ST. MATTHEWS, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2017**

**Economic Factors and Next Year's Budgets and Rates (continued)**

South Carolina Code of Laws §6-1-320(A) set millage rate limitations as follows:

"...a local governing body may increase the millage rate imposed for general operating purposes above the rate imposed for such purposes for the preceding tax year only to the extent of the increase in the average of the twelve monthly consumer price indices for the most recent twelve-month period consisting of January through December of the preceding calendar year, plus, beginning in 2007, the percentage increase in the previous year in the population of the entity as determined by the Office of Research and Statistics of the State Budget and Control Board. If the average of the twelve monthly consumer price indices experiences a negative percentage, the average is deemed to be zero. If an entity experiences a reduction in population, the percentage change in population is deemed to be zero. However, in the year in which a reassessment program is implemented, the rollback millage, as calculated pursuant to §12-37-251(E), must be used in lieu of the previous year's millage rate."

Section 6-1-320(B) was amended to provide that the millage rate limitation may only be suspended and the millage rate increased upon a two-thirds vote of the membership of the county governing body and ONLY for the following purposes:

- (1) The deficiency of the preceding year;
- (2) Any catastrophic event;
- (3) Compliance with a court order or decree;
- (4) Taxpayer closure outside the control of the governing body that decreased by 10% or more the amount of revenue payable to the taxing jurisdiction in the preceding year; or
- (5) Compliance with a regulation/statute enacted by the federal/state government for which no means of obtaining funds are provided.

The millage rate limitation does not affect millage that is levied to pay bonded indebtedness or payments for real property purchased using a lease-purchase agreement or used to maintain a reserve account.



**CALHOUN COUNTY  
ST. MATTHEWS, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2017**

**Requests for Information**

This financial report is designed to provide a general overview of Calhoun 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 Administrator, Calhoun County Courthouse Annex, 102 Courthouse Drive, Suite 108, St. Matthews, South Carolina 29135.

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Calhoun Economic Development Corp.
<b>ASSETS</b>				
Current assets:				
Cash and Investments - Note 3	\$ 12,206,833	\$ 1,135,618	\$ 13,342,451	\$ 25,035
Receivables:				
Delinquent taxes	493,471		493,471	-
Other	842,605	71,645	914,250	-
Due from fiduciary funds - Note 4	29,894	-	29,894	-
Due from Calhoun Economic Development Commission	37,980	-	37,980	-
Other assets	2,146	-	2,146	-
Total current assets	<u>13,612,929</u>	<u>1,207,263</u>	<u>14,820,192</u>	<u>25,035</u>
Restricted cash:				
Restricted cash - Note 3	-	266,783	266,783	-
Total restricted cash	<u>-</u>	<u>266,783</u>	<u>266,783</u>	<u>-</u>
Non-current assets:				
Non-depreciable capital assets - Note 6	4,595,684	4,500	4,600,184	252,000
Depreciable capital assets-net - Note 6	20,546,514	10,591,243	31,137,757	2,037,897
Total non-current assets	<u>25,142,198</u>	<u>10,595,743</u>	<u>35,737,941</u>	<u>2,289,897</u>
Total assets	<u>38,755,127</u>	<u>12,069,789</u>	<u>50,824,916</u>	<u>2,314,932</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension deferrals - Note 7	2,251,231	66,067	2,317,298	-
Total deferred outflows of resources	<u>2,251,231</u>	<u>66,067</u>	<u>2,317,298</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities (payable from current assets):				
Accounts payable	599,134	94,148	693,282	-
Other liabilities	24,624	-	24,624	-
Accrued interest payable	-	7,698	7,698	-
Unearned revenue	1,629	13,440	15,069	-
Due to Calhoun County	-	-	-	37,980
Accrued compensated absences - Note 10	22,310	-	22,310	-
Closures and maintenance costs payable - Note 10	14,950	-	14,950	-
Bonds payable - Note 10	92,674	-	92,674	-
Leases payable - Note 10	22,545	-	22,545	-
Total current liabilities	<u>777,866</u>	<u>115,286</u>	<u>893,152</u>	<u>37,980</u>
Liabilities (payable from restricted assets):				
Customer deposits	-	90,011	90,011	-
Current portion of revenue bonds payable	-	69,319	69,319	-
Total liabilities (payable from restricted assets):	<u>-</u>	<u>159,330</u>	<u>159,330</u>	<u>-</u>
Non-current liabilities:				
Accrued compensated absences - Note 10	378,556	-	378,556	-
Closures and maintenance costs payable - Note 10	301,231	-	301,231	-
Note Payable - Note 10	-	-	-	2,030,000
Bonds payable - Note 10	815,362	4,144,522	4,959,884	-
Leases payable - Note 10	99,369	-	99,369	-
Net pension liability - Note 7	11,612,287	338,680	11,950,967	-
OPEB liability - Note 8	1,019,128	-	1,019,128	-
Total long-term liabilities	<u>14,225,933</u>	<u>4,483,202</u>	<u>18,709,135</u>	<u>2,030,000</u>
Total liabilities	<u>15,003,799</u>	<u>4,757,818</u>	<u>19,761,617</u>	<u>2,067,980</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension deferrals - Note 7	83,555	1,911	85,466	-
Total deferred inflows of resources	<u>83,555</u>	<u>1,911</u>	<u>85,466</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	24,112,248	6,451,221	30,563,469	-
Restricted for:				
Capital projects	3,072,129	-	3,072,129	-
Debt service	68,367	107,451	175,818	-
Victim's fund	2,960	-	2,960	-
Local option sales tax reserve	296,812	-	296,812	-
Unrestricted	(1,833,512)	817,455	(816,057)	246,952
Total net position	<u>\$ 25,919,004</u>	<u>\$ 7,376,127</u>	<u>\$ 33,295,131</u>	<u>\$ 246,952</u>

See Notes to the Basic Financial Statements.

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

Functions/Programs Primary Government:	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Calhoun Economic Development Corp.	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		Total
General government	\$ 4,115,417	\$ 163,154	\$ 76,926	\$ -	\$ (3,875,337)	\$ -	\$ (3,875,337)	
Finance and taxation	763,500	103,594	-	-	(659,906)	-	(659,906)	
Public safety	3,752,745	401,394	86,417	259,995	(3,004,939)	-	(3,004,939)	
Physical environment	2,338,170	152,646	300,121	1,088,817	(796,586)	-	(796,586)	
Health and welfare	2,802,376	1,005,643	345,952	35,612	(1,415,169)	-	(1,415,169)	
Culture/Recreation	958,453	1,796	132,946	-	(823,711)	-	(823,711)	
Court related	760,512	330,311	164,831	-	(265,370)	-	(265,370)	
Agencies	471,040	-	-	-	(471,040)	-	(471,040)	
Interest	26,477	-	-	-	(26,477)	-	(26,477)	
Total governmental activities	\$ 15,988,690	\$ 2,158,538	\$ 1,107,193	\$ 1,384,424	\$ (11,338,535)	\$ -	\$ (11,338,535)	
Business-type Activities:								
Water/wastewater plant	\$ 168,818	\$ 93,076	\$ -	\$ -	(75,742)	(75,742)	(75,742)	
Municipal water system	921,480	1,098,129	-	-	176,649	176,649	176,649	
Interest	149,008	-	-	-	(149,008)	(149,008)	(149,008)	
Total business-type activities	\$ 1,239,306	\$ 1,191,205	\$ -	\$ -	(48,101)	(48,101)	(48,101)	
Component Unit:								
Calhoun Economic Development corp	\$ 13,676	\$ -	\$ -	\$ 8,521	\$ -	\$ -	\$ (5,155)	(5,155)
	\$ 13,676	\$ -	\$ -	\$ 8,521	\$ -	\$ -	\$ (5,155)	(5,155)
General Revenues:								
Taxes:								
Property taxes, levied for general purposes		9,742,327			9,742,327		9,742,327	
Property taxes, levied for debt services		508,350			508,350		508,350	
Sales tax		1,297,071			1,297,071		1,297,071	
Franchise fees		3,234			3,234		3,234	
State shared revenues		780,574			780,574		780,574	
Interest earnings		25,587			25,587	86	25,673	
Miscellaneous		183,770			183,770		183,770	
Gain on sale of capital assets		30,140			30,140		30,140	31
Contributions		10,170			10,170		10,170	
Transfers		(918,040)			(918,040)	918,040	-	
Total general revenues and transfers		11,663,183			11,663,183	918,126	12,581,309	31
Change in net position		324,648			324,648	870,025	1,194,673	(5,124)
Net position - beginning - as restated - Note 17		25,594,356			25,594,356	6,506,102	32,100,458	252,076
Net position - ending		\$ 25,919,004			\$ 25,919,004	\$ 7,376,127	\$ 33,295,131	\$ 246,952

**CALHOUN COUNTY, SOUTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	GENERAL	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash and investments	\$ 6,588,202	\$ 3,055,990	\$ 2,562,641	\$ 12,206,833
Accounts receivable				
Property taxes	435,214	3,759	54,498	493,471
Other	606,070		236,534	842,604
Due from other funds	100,000	-	889	100,889
Due from fiduciary funds	29,894	-	-	29,894
Due from CC Economic Develop.	-	37,980	-	37,980
Other assets	2,146	-	-	2,146
Total assets	<u>\$ 7,761,526</u>	<u>\$ 3,097,729</u>	<u>\$ 2,854,562</u>	<u>\$ 13,713,817</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	399,064	\$ 21,841	\$ 178,228	\$ 599,133
Due to other funds	889	-	100,000	100,889
Unearned revenue	-	-	1,629	1,629
Payroll taxes and withholdings	24,624	-	-	24,624
Total liabilities	<u>424,577</u>	<u>21,841</u>	<u>279,857</u>	<u>726,275</u>
Deferred Inflows of Resources				
Unavailable Revenue - Property Taxes	435,214	3,759	54,498	493,471
Total Deferred Inflows of Resources	<u>435,214</u>	<u>3,759</u>	<u>54,498</u>	<u>493,471</u>
Fund balances:				
Restricted	111,841	-	2,422,830	2,534,671
Assigned	139,853	3,072,129	97,377	3,309,359
Unassigned	6,650,041	-	-	6,650,041
Total fund balances	<u>6,901,735</u>	<u>3,072,129</u>	<u>2,520,207</u>	<u>12,494,071</u>
Total Liabilities, Deferred Inflows of Resources, and Fund balances	<u>\$ 7,761,526</u>	<u>\$ 3,097,729</u>	<u>\$ 2,854,562</u>	<u>\$ 13,713,817</u>

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2017**

Total fund balance - total governmental funds	\$ 12,494,071
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Delinquent taxes receivable will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as unavailable revenue in the funds.	493,471
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	25,142,198
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Due within a year	(130,855)
Due in more than one year	(1,616,142)
Other Post Employment Benefits(OPEB) liability represents the future unfunded costs associated with current benefit designs.	(1,019,128)
Net pension liability represents the proportionate share of the future unfunded costs associated with the County's participation in the SC Retirement System.	<u>(9,444,611)</u>
Total net position - total governmental activities	<u><u>\$ 25,919,004</u></u>

See Notes to the Basic Financial Statements.

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

	GENERAL	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>				
Taxes	\$ 8,179,594	\$ 1,208,828	\$ 948,018	\$ 10,336,440
Rent	100,694	-	-	100,694
Intergovernmental	1,031,363	200,000	1,818,143	3,049,506
Charges for services	1,015,022	-	-	1,015,022
Fines and forfeitures	179,546	-	-	179,546
Local sources	256,661	56,741	2,156,612	2,470,014
Interest	20,041	-	5,407	25,448
Miscellaneous	136,902	-	-	136,902
Total revenues	<u>10,919,823</u>	<u>1,465,569</u>	<u>4,928,180</u>	<u>17,313,572</u>
<b>EXPENDITURES</b>				
Current:				
Administration	571,138	-	-	571,138
Public works	921,534	-	202,929	1,124,463
Public buildings	588,028	112,268	-	700,296
Finance and taxation	708,069	-	-	708,069
Judicial	698,946	-	-	698,946
Public safety	2,262,677	-	1,178,089	3,440,766
Health and welfare	1,957,171	-	489,997	2,447,168
Culture and recreation	784,483	-	42,997	827,480
Miscellaneous	628,677	-	-	628,677
Employee fringe benefits	2,666,797	-	-	2,666,797
Agencies	85,433	-	385,607	471,040
Debt service:				
Principal	-	21,695	451,964	473,659
Interest and fiscal charges	-	5,628	20,849	26,477
Capital outlay	-	1,370,520	1,932,829	3,303,349
Total expenditures	<u>11,872,952</u>	<u>1,510,111</u>	<u>4,705,261</u>	<u>18,088,324</u>
Excess revenues over (under) expenditures before other financial sources (uses)	<u>(953,129)</u>	<u>(44,542)</u>	<u>222,919</u>	<u>(774,752)</u>
Other financing sources (uses)				
Bond proceeds	-	360,000	-	360,000
Transfers in (out)	667,643	(785,511)	(800,172)	(918,040)
Total other financing sources (uses)	<u>667,643</u>	<u>(425,511)</u>	<u>(800,172)</u>	<u>(558,040)</u>
Net changes in fund balances	(285,486)	(470,053)	(577,253)	(1,332,792)
Fund balances at beginning of year	<u>7,187,221</u>	<u>3,542,182</u>	<u>3,097,460</u>	<u>13,826,863</u>
Fund balances at end of year	<u>\$ 6,901,735</u>	<u>\$ 3,072,129</u>	<u>\$ 2,520,207</u>	<u>\$ 12,494,071</u>

**CALHOUN COUNTY, SOUTH CAROLINA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017**

Net changes in fund balances - total governmental funds		\$ (1,332,792)
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	3,313,519	
Less current year depreciation	<u>(1,036,040)</u>	2,277,479
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
Loss on sale of capital assets		(6,601)
Bond proceeds provide current financial resources to governmental funds, repayment of bond principal and capital lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and the proceeds increase them.		
Bond proceeds	(360,000)	
Bond principal payment	<u>473,659</u>	113,659
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 OPEB liability	(111,542)	
Change in Net Pension liability	(562,952)	
Change in compensated absences	19,294	
Change in closure and maintenance costs payable	<u>13,311</u>	(641,889)
Some property taxes will not be collected for several months after the County's fiscal year-end; they are not considered "available" revenues in the governmental funds.		
		<u>(85,208)</u>
Change in net position of governmental activities		<u><u>\$ 324,648</u></u>

See Notes to the Basic Financial Statements.

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

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Property taxes:			
Current	\$ 5,800,000	\$ 5,735,924	\$ (64,076)
Delinquent	300,000	344,220	44,220
Fee in lieu of taxes	1,832,055	2,099,450	267,395
Interest income	-	20,041	20,041
Other local sources	1,798,104	1,688,825	(109,279)
State sources	868,619	922,109	53,490
Federal sources	80,780	109,254	28,474
<b>TOTAL REVENUES</b>	<u>10,679,558</u>	<u>10,919,823</u>	<u>240,265</u>
<b>EXPENDITURES</b>			
Current	<u>12,544,844</u>	<u>11,872,952</u>	<u>671,892</u>
<b>TOTAL EXPENDITURES</b>	<u>12,544,844</u>	<u>11,872,952</u>	<u>671,892</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,865,286)</u>	<u>(953,129)</u>	<u>912,157</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in/ out	<u>660,000</u>	<u>667,643</u>	<u>7,643</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>660,000</u>	<u>667,643</u>	<u>7,643</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<u>\$ (1,205,286)</u>	<u>(285,486)</u>	<u>\$ 919,800</u>
<b>Fund Balance at Beginning of Year</b>		<u>7,187,221</u>	
<b>Fund Balance at End of Year</b>		<u>\$ 6,901,735</u>	

See Notes to the Basic Financial Statements.



**CALHOUN COUNTY, SOUTH CAROLINA  
 COMBINED STATEMENT OF FUND NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2017**

	<b>Business-Type Activities-Enterprise Funds</b>		
	<b>Water/ Wastewater Plant</b>	<b>Municipal Water System</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash	27,083	\$ 1,108,535	\$ 1,135,618
Accounts receivable	16,647	54,794	71,441
Other	-	204	204
<b>Total Current Assets</b>	<b>43,730</b>	<b>1,163,533</b>	<b>1,207,263</b>
<b>Restricted Cash</b>	<b>-</b>	<b>266,783</b>	<b>266,783</b>
<b>Property, Plant, and Equipment</b> (Net of accumulated depreciation - Note 7)	<b>3,832,943</b>	<b>6,762,800</b>	<b>10,595,743</b>
<b>TOTAL ASSETS</b>	<b>3,876,673</b>	<b>8,193,116</b>	<b>12,069,789</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferral	-	66,067	66,067
Total deferred outflows of resources	-	66,067	66,067

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA  
 COMBINED STATEMENT OF FUND NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2017**

	<b>Business-Type Activities-Enterprise Funds</b>		
	<b>Water/ Wastewater Plant</b>	<b>Municipal Water System</b>	<b>Total</b>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Current Liabilities:</b>			
Accounts payable	1,806	92,342	94,148
Accrued interest payable	-	7,698	7,698
Unearned revenue	-	13,440	13,440
<b>Total Current Liabilities</b>	<b>1,806</b>	<b>113,480</b>	<b>115,286</b>
<b>Current Liabilities (Payable from Restricted Assets)</b>			
Meter deposits payable	-	90,011	90,011
Current portion of revenue bonds payable - Note 10	-	69,319	69,319
<b>Total Current Liabilities (Payable from Restricted Assets)</b>	<b>-</b>	<b>159,330</b>	<b>159,330</b>
<b>Noncurrent Liabilities</b>			
Revenue bonds payable - Note 10	-	4,144,522	4,144,522
Net pension liability - Note 8	-	338,680	338,680
<b>Total Liabilities</b>	<b>1,806</b>	<b>4,756,012</b>	<b>4,757,818</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Net difference between projected and actual earnings on pension plan investments	-	1,911	1,911
	-	1,911	1,911
<b>Net Position</b>			
Net Investment in capital assets	3,832,943	2,618,278	6,451,221
Restricted for:			
Expendable:			
Debt retirement	-	107,451	107,451
Unrestricted	41,924	775,531	817,455
<b>Total Net Position</b>	<b>\$ 3,874,867</b>	<b>\$ 3,501,260</b>	<b>\$ 7,376,127</b>

See Notes to the Basic Financial Statements.

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

	<b>Business-Type Activities-Enterprise Funds</b>		
	<b>Water/ Wastewater Plant</b>	<b>Municipal Water System</b>	<b>Total</b>
<b>Operating Revenues:</b>			
Water/wastewater revenue	\$ 93,076	\$ 1,062,899	\$ 1,155,975
Tap fees	-	35,230	35,230
<b>Total Operating Revenues</b>	<b>93,076</b>	<b>1,098,129</b>	<b>1,191,205</b>
<b>Operating Expenses:</b>			
Operating and maintenance	121,954	699,191	821,145
Depreciation expense	46,864	222,289	269,153
<b>Total Operating Expenses</b>	<b>168,818</b>	<b>921,480</b>	<b>1,090,298</b>
<b>Operating Income (Loss)</b>	<b>(75,742)</b>	<b>176,649</b>	<b>100,907</b>
<b>Non-Operating Income (Expense):</b>			
Interest expense	-	(149,008)	(149,008)
Interest income	19	67	86
<b>Net Non-Operating Income (Expense)</b>	<b>19</b>	<b>(148,941)</b>	<b>(148,922)</b>
<b>Income (loss) before capital contributions and transfers</b>	<b>(75,723)</b>	<b>27,708</b>	<b>(48,015)</b>
<b>Transfers in/out</b>	<b>3,383,006</b>	<b>(2,464,966)</b>	<b>918,040</b>
<b>Change in net position</b>	<b>3,307,283</b>	<b>(2,437,258)</b>	<b>870,025</b>
<b>Net Position - Beginning of Year - Restated - Note 17*</b>	<b>567,584</b>	<b>5,938,518</b>	<b>6,506,102</b>
<b>Net Position - End of Year</b>	<b>\$ 3,874,867</b>	<b>\$ 3,501,260</b>	<b>\$ 7,376,127</b>

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA  
COMBINED STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2017**

	<b>Business-Type Activities-Enterprise Funds</b>		
	<b>Water/ Wastewater Plant</b>	<b>Municipal Water System</b>	<b>Total</b>
<b>Cash Flows From Operating Activities:</b>			
Cash received from customers	\$ 83,030	\$ 1,081,480	\$ 1,164,510
Cash paid to suppliers for goods and services	(122,819)	(469,105)	(591,924)
Cash paid to employees for services	-	(206,369)	(206,369)
<b>Net Cash Provided by (Used For) Operating Activities</b>	<u>(39,789)</u>	<u>406,006</u>	<u>366,217</u>
<b>Cash Flows From Non Capital Financing Activities:</b>			
Transfers from other funds	918,039	-	918,039
<b>Net Cash Provided by Non Capital Financing Activities</b>	<u>918,039</u>	<u>-</u>	<u>918,039</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Principal paid on bonds	-	(67,871)	(67,871)
Interest paid on bonds	-	(147,901)	(147,901)
Purchase of capital assets	(918,039)	-	(918,039)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(918,039)</u>	<u>(215,772)</u>	<u>(1,133,811)</u>
<b>Cash Flows From Investing Activities:</b>			
Interest income	19	67	86
<b>Net Provided by (Used For) Investing Activities</b>	<u>19</u>	<u>67</u>	<u>86</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(39,770)	190,301	150,531
Cash and Cash Equivalents at Beginning of Year	66,853	1,185,017	1,251,870
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 27,083</u>	<u>\$ 1,375,318</u>	<u>\$ 1,402,401</u>
Classified as:			
Current Assets	\$ 27,083	\$ 1,108,535	\$ 1,135,618
Restricted Assets	-	266,783	266,783
<b>Totals</b>	<u>\$ 27,083</u>	<u>\$ 1,375,318</u>	<u>\$ 1,402,401</u>

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA  
COMBINED STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2017**

	<u>Business-Type Activities-Enterprise Funds</u>		
	<u>Water/ Wastewater Plant</u>	<u>Municipal Water System</u>	<u>Total</u>
<b>Reconciliation of Net Operating Income (Loss)</b>			
<b>Net Cash Provided by Operating Activities</b>			
Operating income (loss)	\$ (75,742)	\$ 176,649	\$ 100,907
<b>Adjustments to reconcile operating income by operating activities:</b>			
Depreciation and amortization expense	46,864	222,289	269,153
Pension expense difference	-	14,192	14,192
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(10,046)	(21,651)	(31,697)
Increase (decrease) in accounts payable	(865)	9,525	8,660
Increase (decrease) in deposits payable	-	5,002	5,002
Total Adjustments	<u>35,953</u>	<u>229,357</u>	<u>265,310</u>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>\$ (39,789)</u>	<u>\$ 406,006</u>	<u>\$ 366,217</u>

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**JUNE 30, 2017**

**ASSETS**

Cash	\$ 11,257,097
Property taxes receivable	742,281
Due from others	<u>1,218</u>
 Total Assets	 <u><u>\$ 12,000,596</u></u>

**LIABILITIES**

Due to trust fund holders	\$ 11,965,922
Outstanding bonds	4,714
Held for jurors	241
Due to Treasurer - overage - Note 9	(176)
Due to other funds	<u>29,895</u>
 Total Liabilities	 <u><u>\$ 12,000,596</u></u>

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

Calhoun County was chartered in 1908. Section 47-26 of the 1962 Code of Laws, as amended (Home Rule Act 283 of 1975), required that counties adopt a specific form of government, and a charter was issued for Calhoun County adopting the Council form of Government.

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. FINANCIAL 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. As required by generally accepted accounting principles, the financial reporting entity consists of (1) the primary government (the County), (2) organizations for which the County is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

**Blended Component Units**

**Calhoun County Library**

This organization is administered by a Board appointed by County Council. The library is financially dependent on the County, and the County has ultimate control over all activities of the library. The library is presented as a department of the County.

**Calhoun County Museum**

This organization is administered by a Historical Commission appointed by County Council. The museum is financially dependent on the County, and the County has ultimate control over all activities of the museum. The museum is presented as a department of the County.

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**A. FINANCIAL REPORTING ENTITY (continued)**

**Blended Component Units (continued)**

**Calhoun County Council on Aging**

Calhoun County Council on Aging is funded by state, federal and county funds to provide services to senior citizens of the County. The County provided \$136,000 of funds to the Council on Aging during 2016-17. The Board which administers the Council on Aging is appointed by County Council. The County oversees financial activities of the Council on Aging and owns its building. The Council on Aging is presented as a special revenue fund of the County.

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.

**Other Component Units**

**Calhoun Economic Development Corporation**

Calhoun Economic Development Corporation was organized on June 18, 2015 to promote essential governmental endeavors and functions in economic development. It has a separate board appointed by Calhoun County Council. Calhoun County has the ability to influence operations of the Calhoun Economic Development Corporation significantly. The corporation is a discretely presented component unit. Separately issued financial statements are available.

**Sandy Run Fire District**

Sandy Run Fire District was organized to provide fire protection for the Sandy Run Community of Calhoun County. It has a separate board appointed by Calhoun County Council. The District's net assets are not significant to the County and therefore, it is not included as a component unit in this report.

**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 basic financial statements



**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

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

**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). 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. A separate column is included for the discretely presented component unit.

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

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

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

**2. Fund Financial Statements** (continued)

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.

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 trust funds. The trust 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.

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

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

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

The County reports the following major enterprise funds:

**Municipal Water System** – This fund accounts for user charges, fees and other resources and all costs associated with the operation of the water and sewer system.

**Water/Wastewater Plant** – This fund accounts for activity related to the operation of the wastewater system at the rest area.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**C. Basis of Presentation**

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.

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**C. Basis of Presentation (continued)**

**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 most of the capital assets purchased by the County.

**Proprietary Fund Types**

**Enterprise Funds** - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The County has established two enterprise funds. These funds are the Water System and Wastewater Plant.

**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** – This fund is 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:**

**Fiduciary Fund Types** - Fiduciary Fund Types are used to account for assets held by the County in a trustee capacity for individuals and other County agencies or governments. The County has eight agency fund types as follows:

Agency Funds include funds held for individuals by the County Clerk of Court, Judge of Probate, the Master-in-Equity, the County Magistrates, and funds held by the County Treasurer for the Calhoun County School District. It also includes funds held by the Delinquent Tax Collector. Agency Funds are custodial

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**C. Basis of Presentation (continued)**

**2. Other Fund Types: (continued)**

in nature (assets equal liabilities) and do not involve measurement of results of operations.

**3. Non-current Governmental Assets/Liabilities:**

GASB Statement 34 requires non-current governmental assets, such as land and buildings and non-current governmental liabilities, such as general obligation bonds and capital leases, be reported in the governmental activities column in the government-wide statement of net position.

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

**1. Cash and Cash Equivalents**

Cash includes operating accounts, investments in certificates of deposit and investment in the state investment pool. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

**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." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**3. 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, except for the museum collection. The museum collection has been recorded at the insurance replacement value, as determined by a certified appraiser.

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.

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

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

**3. Capital Assets (continued)**

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets 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:

<b>Assets</b>	<b>Years</b>
Building and improvements	15 – 50
Machinery and equipment	3 – 10
Water and waste water system	40
Infrastructure	75
Vehicles	8

**4. 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.

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.

**5. 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.

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

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

**6. 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 government activities column in the government-wide statement of net position.

**7. 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 Statement No. 71 (an amendment of GASB No. 68) entitled *Pension Transition for Contribution 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.

**8. Fund Balances**

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

***Nonspendable Fund Balance*** – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

***Restricted Fund Balance*** – includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

***Committed Fund Balance*** – includes amounts that can only be used for the specific purposes determined by a formal action of the County's highest level of decision-making authority, the County Council of Calhoun County. Commitments may be changed or lifted only by the County taking the same formal action that imposed the constraint originally (for example: resolution and ordinance).

***Assigned*** – includes amounts that contain self-imposed constraints of the government to be used for a particular purpose.

***Unassigned*** – includes amounts that are not constrained for any particular purpose. They appear only in the general fund or in another fund as negative fund balances.

**9. Net Position/Fund Equity**

Net position in government-wide and proprietary fund financial statements are classified as invested in capital assets, restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute. The government-wide statement of net position reports \$33,295,131 of which \$299,772 is restricted by enabling legislation. The County will use restricted amounts first when both restricted and unrestricted fund balances are available. Additionally, the County would use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

**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.



**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

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. This transfer cannot exceed \$10,000 or 10% of said department's budget; however, any revisions that alter the total expenditures of any fund must be approved by the County Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Revenue Funds (Accommodation Tax Fund and the Fire Department), and Capital Projects Funds.
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.

**NOTE 3 - CASH AND INVESTMENTS**

**Deposits**

At year-end, the carrying amount of the County's deposits and investments was \$24,866,331 and the bank balance was \$24,955,197. To reconcile this information to the financial statements, we include the following:

Cash and investments	\$ 24,863,942
Cash on hand	<u>2,389</u>
<b>Total</b>	<b><u>\$ 24,866,331</u></b>
Cash – Governmental Activities	\$ 12,206,833
Business Type Activities	1,404,401
Fiduciary Activities	<u>11,257,097</u>
	<b><u>\$ 24,866,331</u></b>
Deposits	\$ 18,249,716
Investments	<u>6,616,615</u>
	<b><u>\$ 24,866,331</u></b>

Of the bank balance of \$19,495,155 excluding the investment pool funds, \$1,631,542 is secured by FDIC insurance and \$17,863,613 is secured by collateral pledged in the County's name.

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**Restricted Cash**

Restricted cash in the Proprietary Fund was composed of the following:

Bond cushion	\$ 176,909
Meter deposits	<u>89,874</u>
	<u>\$ 266,783</u>

Custodial credit risk for deposits is the risk that in the event of a bank failure, the County's deposits may not be returned or the County will not be able to recover collateral securities in the possession of an outside party. The County does not have a written policy related to allowable deposits, investments, or custodial credit risk, but does have an agreement with its banking institution that securities be pledged to cover any deposits in excess of federal depository insurance coverage.

**Credit Risk**

Credit Risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations. Generally, the County's investing activities are managed under the custody of the County Treasurer. Investing is performed in accordance with investment policies adopted by the County Council complying with State Statutes and the County Charter. County funds may be invested in: (1) direct obligations of the United States government or its agencies; (2) obligations of this State or any of its political subdivisions; (3) collateralized or insured certificates of deposit and other evidences of deposits at banks, savings banks, savings and loan associations, and credit unions located in the County when secured by an agency of the Federal government; (4) certificates of deposit where the certificates are collaterally secured by securities of type described in items (1) and (2) above held by the third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest, but the collateral is not required to the extent the certificates of deposit are insured by an agency of the federal government; or (5) no load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution where acting as trustee or agent for a bond or other debt issue of that county treasurer, if the particular portfolio of the investment company or investment trust in which the investment is (i) limited to obligations described in items (1) and (2) above, and (ii) have among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method. The portfolio may also consist of repurchase agreements when collateralized by obligations described in items (1) and (2) above.

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

Investments are carried at fair value, and are composed of the following:

	<b>Maturities</b>	<b>Fair Value</b>
State investment pool	18 months to 2 years	\$ 5,460,042
Certificates of deposit	6 months to 1 year	<u>1,156,573</u>
		<u>\$ 6,616,615</u>

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

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

**Interest Rate Risk**

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

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

**Foreign Currency Risk**

The County has no foreign currency investments.

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 4 - INTERFUND BALANCES**

**Due From or To Other Funds**

Interfund receivables and payables represent fund transfers of a nonmandatory nature, without interest, and with no specified time for repayment. A summary of individual fund interfund receivables and payables at June 30, 2017, follows:

<b>Fund</b>	<b><u>Interfund Receivables</u></b>	<b><u>Interfund Payables</u></b>
General Fund	\$ 129,894	\$ 889
Special Revenue Fund:		
Library Lottery	889	-
Local Option Fund	-	100,000
Trust and Agency Funds:		
Magistrates	-	29,894
	<u>\$ 130,783</u>	<u>\$ 130,783</u>

<b>Operating Transfers</b>	<b><u>Transfer In</u></b>	<b><u>Transfer Out</u></b>
General Fund	\$ 740,000	\$ 72,357
Capital Projects Fund	-	785,511
Special Revenue Fund:		
Local Option Fund	-	700,000
Child Support Fund	-	40,000
Grants Fund	73,367	133,539
County Fire	6,552	-
County Fire Debt	-	6,552
Enterprise Funds:		
Water System	<u>3,383,006</u>	<u>2,464,966</u>
	<u>\$ 4,202,925</u>	<u>\$ 4,202,925</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 5 - 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.

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 5 - PROPERTY TAXES (continued)**

In Calhoun 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 November 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.

Property taxes at the fund level are recorded as receivables and deferred 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 6 - CAPITAL ASSETS**

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

	Balance June 30, 2016	Reclassi- fications	Additions	Deletions	Balance June 30, 2017
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 1,391,826	\$ -	\$ 10,170	\$ -	\$ 1,401,996
Construction in Progress	39,830	(39,830)	66,141	-	66,141
Museum collection	<u>3,127,547</u>	-	-	-	<u>3,127,547</u>
Total capital assets not being depreciated	<u>4,559,203</u>	<u>(39,830)</u>	<u>76,311</u>	<u>-</u>	<u>4,595,684</u>
Capital assets, being depreciated:					
Building and improvements	12,748,828	19,500	246,189	-	13,014,517
Infrastructure	8,122,882	20,330	868,815	-	9,012,027
Land improvements	747,400	-	-	-	747,400
Vehicles	3,341,927	-	1,982,839	28,287	5,296,479
Equipment, furniture and fixtures	<u>4,659,069</u>	-	<u>139,365</u>	-	<u>4,798,434</u>
Total capital assets being depreciated	<u>29,620,106</u>	<u>39,830</u>	<u>3,237,208</u>	<u>28,287</u>	<u>32,868,858</u>

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

	Balance June 30, 2016 as restated	Reclassi- fications	Additions	Deletions	Balance June 30, 2017
Less accumulated depreciation for:					
Building and improvements	3,058,217	-	328,717	-	3,386,934
Land improvements	180,094	-	23,725	-	203,819
Infrastructure	2,251,519	-	116,980	-	2,368,499
Vehicles	2,392,666	-	341,228	21,686	2,712,208
Equipment, furniture and fixtures	<u>3,425,492</u>	-	<u>225,390</u>	-	<u>3,650,882</u>
Total accumulated depreciation	<u>11,307,988</u>	-	<u>1,036,040</u>	<u>21,686</u>	<u>12,322,342</u>
Total capital assets, being depreciated, net	<u>18,312,118</u>	-	<u>2,201,168</u>	<u>6,601</u>	<u>20,546,515</u>
Governmental activities capital assets	<u>\$22,871,321</u>	\$ -	<u>\$2,277,478</u>	\$ 6,601	<u>\$25,142,198</u>
<b>Business-type activities</b>					
Capital assets, not being depreciated:					
Land	\$ 4,500	\$ -	\$ -	\$ -	\$ 4,500
Construction in Progress	<u>2,464,965</u>	<u>(2,464,965)</u>	-	-	-
Total capital assets not being depreciated	<u>2,469,465</u>	<u>(2,464,965)</u>	-	-	<u>4,500</u>
Capital assets, being depreciated:					
Water System	10,187,682	20,105	-	-	10,207,787
Wastewater System	65,617	2,464,965	918,039	-	3,448,621
Furniture and fixtures	51,175	(20,105)	-	-	31,070
Vehicles	<u>59,938</u>	-	-	-	<u>59,938</u>
Total capital assets being depreciated	<u>10,364,412</u>	<u>2,464,965</u>	<u>918,039</u>	-	<u>13,747,416</u>
Less accumulated depreciation	<u>2,887,020</u>	-	<u>269,153</u>	-	<u>3,156,173</u>
Total capital assets, being depreciated, net	<u>7,477,392</u>	<u>2,464,965</u>	<u>648,886</u>	-	<u>10,591,243</u>
Business-type activities capital assets, net	<u>\$ 9,946,857</u>	\$ -	<u>\$ 648,886</u>	\$ -	<u>\$10,595,743</u>

Proprietary Fund capital assets are recorded at cost, and transfers from other funds and donated assets are recorded at their estimated fair value at the time of transfer and contribution. Repairs and maintenance are recorded as expenses. The sale or disposal of capital assets is recorded by removing the cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

The following is a summary of the proprietary fund capital assets at June 30, 2017:

	<u>Water/ Wastewater Plant</u>	<u>Municipal Water System</u>	<u>Total Proprietary Funds</u>
Land	\$ -	\$ 4,500	\$ 4,500
Water system	782,270	9,425,517	10,207,787
Wastewater system	3,448,620	-	3,448,620
Vehicles	-	59,939	59,939
Furniture, fixtures, and software	-	31,070	31,070
Less, accumulated depreciation	<u>(397,947)</u>	<u>(2,758,226)</u>	<u>(3,156,173)</u>
Net Property, Plant and Equipment	<u>\$ 3,832,943</u>	<u>\$ 6,762,800</u>	<u>\$10,595,743</u>

The depreciation and amortization expense for the Water/Wastewater Plant and the Water System was \$269,153 for the year ended June 30, 2017.

Depreciation expense was charged to functions/programs of the government activities as follows:

Administration	\$ 162,190
Public Safety	219,304
Physical Environment	435,847
Health and Welfare	150,560
Cultural and Recreation	<u>68,139</u>
Total depreciation expense-governmental activities	<u>\$1,036,040</u>

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**Component Unit**

**Calhoun Economic Development Corporation**

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

	<u>Balance June 30, 2016</u>	<u>Reclassi- fications</u>	<u>Addi- tions</u>	<u>Retire- ments</u>	<u>Balance June 30, 2017</u>
Assets not being depreciated:					
Land	\$ 252,000	\$ -	\$ -	\$ -	\$ 252,000
Construction in progress	<u>597,238</u>	<u>(597,238)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets not being depreciated	<u>849,238</u>	<u>(597,238)</u>	<u>-</u>	<u>-</u>	<u>252,000</u>
Assets being depreciated:					
Building	<u>-</u>	<u>597,238</u>	<u>1,454,335</u>	<u>-</u>	<u>2,051,573</u>
Total assets being depreciated	<u>-</u>	<u>597,238</u>	<u>1,454,335</u>	<u>-</u>	<u>2,051,573</u>
Less accumulated depreciation for:					
Building	<u>-</u>	<u>-</u>	<u>13,676</u>	<u>-</u>	<u>13,676</u>
Total assets being depreciated, net	<u>-</u>	<u>597,238</u>	<u>1,440,659</u>	<u>-</u>	<u>2,037,897</u>
Total capital assets, net	<u>\$ 849,238</u>	<u>\$ -</u>	<u>\$ 1,440,659</u>	<u>\$ -</u>	<u>\$ 2,289,897</u>



**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 7 - RETIREMENT PLAN**

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

The County participates in the South Carolina Retirement System (SCRS), and the South Carolina Police Officers Retirement System (PORS). The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (Systems) and serves as a co-trustee of the Systems in conducting that review. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

***Plan Descriptions***

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

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

***Membership***

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

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

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 7 - RETIREMENT PLAN (continued)**

***Membership (continued)***

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

***Benefits***

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

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

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

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 7 - RETIREMENT PLAN (continued)**

***Benefits (continued)***

- **PORS** – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty. The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

***Contributions***

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

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

**SCRS**

Employee Class Two	8.66%
Employee Class Three	8.66%

**PORS**

Employee Class Two	9.24%
Employee Class Three	9.24%

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 7 - RETIREMENT PLAN (continued)**

***Contributions (continued)***

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

**SCRS**

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

**PORS**

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

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>SCRS</u></b>			
Employee Contributions	\$ 355,350	\$ 347,536	\$ 317,594
Employer Contributions	468,192	464,664	426,768
Employer Group Life Contributions	<u>6,155</u>	<u>6,387</u>	<u>5,954</u>
<b>Total</b>	<b><u>\$ 829,697</u></b>	<b><u>\$ 818,587</u></b>	<b><u>\$ 750,316</u></b>
<b><u>PORS</u></b>			
Employee Contributions	\$ 129,212	\$ 112,324	\$ 108,480
Employer Contributions	193,538	171,442	167,814
Employer Group Life Contributions	<u>5,594</u>	<u>5,141</u>	<u>5,160</u>
<b>Total</b>	<b><u>\$ 328,344</u></b>	<b><u>\$ 288,907</u></b>	<b><u>\$ 281,454</u></b>

The County contributed 100% of the required contributions for the current year and each of the two preceding years.

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

At June 30, 2017, the County reported a liability of \$9,390,218 for its proportionate share of the net pension liability for SCRS and a liability of \$2,560,749 for its proportionate share of the net pension liability for PORS. The net pension liability of the defined benefit plan was determined based on the most recent actuarial valuation as of July 1, 2015, using membership as of that date projected forward to the end of the retirement plan's fiscal year, and financial information of the pension trust funds as of June 30, 2016. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental units, actuarially determined.

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 7 - RETIREMENT PLAN (continued)**

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

At the retirement plan's year end of June 30, 2016, the County's proportion was .043962% and .100960% for SCRS and PORS, respectively.

For the year ended June 30, 2017, the County recognized pension expense of \$1,250,628, including \$979,589 for SCRS and \$271,039 for PORS, respectively.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b><u>SCRS</u></b>		
Differences between expected and actual experience	\$ 97,341	\$ 9,902
Net difference between projected and actual earnings on pension plan investments	790,020	-
Deferred amounts from changes in proportionate share and differences between County contributions and proportionate share of contributions	400,869	19,557
County contributions subsequent to the measurement date	474,348	-
<b>Totals</b>	<b>\$1,762,578</b>	<b>\$ 29,459</b>
<b><u>PORS</u></b>		
Differences between expected and actual experience	\$ 37,997	\$ -
Net difference between projected and actual earnings on pension plan investments	290,366	-
Deferred amounts from changes in proportionate share and differences between County contributions and proportionate share of contributions	27,128	56,007
County contributions subsequent to the measurement date	199,229	-
<b>Totals</b>	<b>\$ 554,720</b>	<b>\$ 56,007</b>

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 7 - RETIREMENT PLAN (continued)**

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

The amount of \$ 474,348 for SCRS and \$ 199,229 for PORS reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018 .

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

<b>Difference between expected and actual experience<sup>1</sup></b>		
	<b>SCRS</b>	<b>PORS</b>
	<b>June 30, 2016</b>	<b>June 30, 2016</b>
Initial Balance	\$ 281,719	\$ 83,482
Amortized <sup>2</sup> period ending June 30,		
2014	\$ (66,041)	\$ (13,376)
2015	(61,625)	(14,801)
2016	(66,614)	(17,308)
2017	(66,614)	(17,308)
2018	(15,733)	(15,382)
2019	(4,217)	(3,641)
2020	(875)	(1,666)
<b>Difference between projected and actual investment earnings<sup>3</sup></b>		
	<b>SCRS</b>	<b>PORS</b>
	<b>June 30, 2016</b>	<b>June 30, 2016</b>
Initial Balance	\$ 755,705	\$ 283,133
Amortized <sup>2</sup> period ending June 30,		
2014	\$ 159,526	\$ 55,910
2015	25,930	7,950
2016	(151,141)	(56,627)
2017	(151,141)	(56,627)
2018	(151,141)	(56,626)
2019	(310,667)	(112,536)
2020	(177,071)	(64,577)

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

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

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

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 7 - RETIREMENT PLAN (continued)**

***Actuarial Assumptions***

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

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

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

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

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

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

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 7 - RETIREMENT PLAN (continued)**

***Net Pension Liability***

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

<b>System</b>	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Employers' Net Pension Liability(Asset)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
SCRS	\$45,356,214,752	\$23,996,362,354	\$21,359,852,398	52.9%
PORS	6,412,510,458	3,876,035,732	2,536,474,726	60.4%

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

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

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

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



**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 7 - RETIREMENT PLAN (continued)**

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

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

***Discount Rate***

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

***Sensitivity Analysis***

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

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 7 - RETIREMENT PLAN (continued)**

***Sensitivity Analysis (continued)***

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

<u>System</u>	<u>1.00% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1.00% Increase (8.50%)</u>
SCRS	\$ 26,645,831	\$ 9,390,218	\$ 7,455,724
PORS	\$ 3,356,180	\$ 2,560,749	\$ 1,846,049

***Additional Financial and Actuarial Information***

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

***Payables to the Pension Plan***

As of June 30, 2017, the County had \$11,291 in payables outstanding to the pension plans for its legally required contributions.

**NOTE 8 - OTHER POST EMPLOYMENT BENEFITS**

**Background**

Beginning in fiscal year ended June 30, 2010, Calhoun County implemented Governmental Accounting Standards Board (GASB) Statement No. 45 for other post-employment benefits (OPEB) offered to retirees. This standard addresses how local governments should account for and report their costs related to post-employment health care and other non-pension benefits, such as the County's retiree health benefit subsidy. Historically, the County's subsidy was funded on a pay-as-you-go basis but GASB 45 requires that the County accrue the cost of the retiree health subsidy and other post-employment 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 post-employment benefits and the financial impact on the County. This funding methodology mirrors the funding approach used for pension benefits.

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 8 - OTHER POST EMPLOYMENT BENEFITS (continued)**

**Plan Description**

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

Calhoun County (the "County") provides continued post-retirement health coverage for employees who meet eligibility requirements upon retirement. Insurance coverage is fully insured through the South Carolina Health Plan. The County pays into the health reimbursement account monthly for retirees as follows:

- Pre 65 retirees – The County will contribute \$669 per month.
- Post 65 retirees – The County will contribute \$350 per month.

No medical inflation has been calculated. Retirees will be required to pay their full medical premium and file for reimbursement of their premiums and deductible and co-insurance expenses.

**Eligibility** – Employees must retire under the State of South Carolina Retirement System and meet the following criteria:

- Hired before July 1, 2006 – Age 55 with 18 years of service or any age with 30 years of service.
- Hired from July 1, 2006 through June 30, 2011 – Age 60 with 28 years of service

**Other Plan Provisions**

- Employees hired after July 1, 2011 are not eligible to participate in the medical plan for Calhoun County.
- Coverage is not provided upon disability termination during active service.
- Dependant coverage (medical and dental) is not available for reimbursement through the County health reimbursement account.

**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 post employment 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 costs 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 Board are 0 percent.

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 8 - OTHER POST EMPLOYMENT BENEFITS (continued)**

The County's annual OPEB cost and the net OPEB obligation 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 2017 is as follows:

Annual required contribution	\$ 220,286
Interest on net OPEB obligation	40,841
Adjustment to annual required contribution	<u>(53,318)</u>
Annual OPEB cost (expense)	207,809
Estimated contributions made	<u>(96,268)</u>
Increase (decrease) in net OPEB obligation	111,541
Net OPEB obligation, beginning of year	<u>907,587</u>
Net OPEB obligation, end of year	<u>\$1,019,128</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.

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 8 - OTHER POST EMPLOYMENT BENEFITS (continued)**

**Trend Information:**

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2017 were as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Employer Amount Contributed</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2017	\$ 207,809	\$ 96,268	46%	\$1,019,128
June 30, 2016	\$ 209,560	\$ 82,187	39%	\$ 907,587
June 30, 2015	\$ 171,152	\$ 82,845	48%	\$ 780,214

**Funded Status and Funding Progress:**

As of June 30, 2017, the most recent actuarial valuation date, the plan was -0-percent funded. The actuarial accrued liability for benefits was \$2,825,964, and the actuarial value of assets was \$-0- resulting in an unfunded actuarial accrued liability (UAAL) of \$2,825,964. For the fiscal year ended June 30, 2017, the covered payroll (annual payroll of active employees covered by the plan) was \$5,323,489 and the ratio of the UAAL to the covered payroll was 53%.

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 9 - OVERAGES IN TRUST AND AGENCY FUNDS**

As of June 30, 2017, excess funds were on deposit in the checking accounts of several trust and agency funds. These overages, totaling \$176, represent the amount that cash on deposit exceeds identifiable liabilities. (These monies will remain within the funds until proper identification can be made of the court or individual to whom they belong.)

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 10 - LONG-TERM DEBT**

**A. Primary Government**

**Governmental Activities**

The long-term debt transactions of Calhoun County were as follows:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2017</u>	<u>Due Within One Year</u>
Accrued Compensated Absences	\$ 420,160	\$ 15,673	\$ 34,967	\$ 400,866	\$ 22,310
Closure and Maintenance Costs	329,492	1,639	14,950	316,181	14,950
General Obligation Bond Series 2016	-	360,000	360,000	-	-
Capital Lease Motorola	143,609	-	21,695	121,914	22,545
Fire Bond	<u>1,000,000</u>	<u>-</u>	<u>91,964</u>	<u>908,036</u>	<u>92,674</u>
<b>Total long-term debt</b>	<b><u>\$1,893,261</u></b>	<b><u>\$ 377,312</u></b>	<b><u>\$ 523,576</u></b>	<b><u>\$1,746,997</u></b>	<b><u>\$ 152,479</u></b>

**General Obligation Bond**

\$1,000,000 bond issued March 17, 2016 (Series 2016) to provide for facilities for the Calhoun County rural Fire County. Due in annual payments of \$111,833, including interest at 2.11%, due on March 1 of each year. First payment is due March 1, 2017.

\$ 908,036

Total General Obligation Bond payable

\$ 908,036

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

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 92,674	\$ 19,160
2019	94,629	17,204
2020	96,626	15,207
2021	98,665	13,169
2022	100,746	11,087
2023-2027	<u>424,696</u>	<u>22,637</u>
	<u>\$ 908,036</u>	<u>\$ 98,464</u>

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 10 - LONG-TERM DEBT (continued)**

**A. Primary Government**

**Capital Lease**

\$164,486 - Lease/purchase agreement to finance the purchase of radio equipment. Due in annual payments of \$27,323, including interest, due on July 2 of each year. First payment due July 1, 2016 and ending payment due on July 1, 2022. The equipment's gross cost of \$164,486 and the accumulated depreciation is \$16,449.

\$ 121,914

Total Capital Lease

\$ 121,914

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

**Year ending  
June 30,**

2018	\$	27,323
2019		27,323
2020		27,323
2021		27,323
2022		<u>27,323</u>
Total Minimum Lease Payment		136,615
Less Amount Representing Interest		<u>14,701</u>
Present Value of Net Minimum Lease Payment		<u>\$ 121,914</u>

**Business-type Activities:**

The following is a summary of long-term debt transactions of the Business-type Activities:

		<b>Revenue <u>Bonds</u></b>
Balance June 30, 2016	\$	4,281,712
Issued during the period		
Retired during the period		<u>(67,871)</u>
Balance at June 30, 2017		<u>\$ 4,213,841</u>

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 10 - LONG-TERM DEBT (continued)**

**A. Primary Government**

Details of long-term debt at June 30, 2017 are as follows:

	<b>Revenue Bonds</b>
\$265,000 FHA Revenue Bonds due in monthly installments of \$1,302 through December 15, 2033, with interest at 5.125% .	\$ 172,015
\$1,632,400 Water and Sewer System Revenue Bond payable over 40 years, interest at 4.5%, first payment due August 26, 2008 with monthly payments of \$7,346, through July 25, 2048.	1,478,280
\$2,713,000 Water and Sewer System Revenue Bond, issued in August, 2013, payable over 40 years, interest at 2.75%, first payment due September 1, 2013 with monthly payments of \$9,333, through August 1, 2053.	<u>2,563,546</u> 4,213,841
Less current portion	<u>(69,319)</u>
Long-term portion	<u>\$ 4,144,522</u>

The annual requirements to amortize all debt outstanding of the proprietary funds as of June 30, 2017, including bond interest payments of \$7,060,787 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Revenue Bonds Interest</u>	<u>Total</u>
2018	\$ 69,319	\$ 144,721	\$ 214,040
2019	73,600	142,171	215,771
2020	76,248	139,523	215,771
2021	78,998	136,772	215,770
2022	81,856	133,915	215,771
2023-2027	456,189	622,665	1,078,854
2028-2032	546,398	532,456	1,078,854
2033-2037	591,393	428,754	1,020,147
2038-2042	681,747	318,987	1,000,734
2043-2047	813,192	187,542	1,000,734
2048-2052	615,667	57,219	672,886
2053-2054	<u>129,234</u>	<u>2,221</u>	<u>131,455</u>
	<u>\$ 4,213,841</u>	<u>\$ 2,846,946</u>	<u>\$ 7,060,787</u>



**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 10 - LONG-TERM DEBT** (continued)

**Component Units**

**Calhoun Economic Development Corporation**

Note payable to S.C. Public Service Authority to be used for the construction of a 50,000 square foot industrial building in the I-26 Industrial Park. No interest will be charged for the first three years of the loan. The first payment is due October 12, 2018.

\$ 2,030,000

The maturities of long-term debt are as follows:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ -	
2019	290,000	(1)
2020	290,000	(1)
2021	290,000	(2)
2022	290,000	(2)
2023-2025	<u>870,000</u>	(2)
	<u>\$ 2,030,000</u>	

- (1) Upon 10/1/2018 the interest rate will be set at ½ of the Municipal Market Data (MMD) Index; upon 10/1/2019 the interest rate will be set at ½ of the Municipal Market Data (MMD) Index.
- (2) Upon 10/1/2020 and upon each October 1<sup>st</sup> thereafter for the remainder of the loan term, the interest rate for any Outstanding Principal Balance shall be reset to the current rate of interest on 10-Year Treasury Notes.

**NOTE 11 - OPERATING LEASE**

The County entered into an operating lease with the US Department of Agriculture to lease the Agriculture Building built by the County to the US Department of Agriculture. The lease will expire December 2018. The current annual rent is \$34,200. The cost of the building is \$565,318 with accumulated depreciation of \$151,694.

The future minimum lease payments to be received are as follows:

June 30, 2018	\$ 34,200
June 30, 2019	<u>18,100</u>
	<u>\$ 52,300</u>

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 12 - DEFERRED COMPENSATION PLANS**

All state and local government employees can participate in a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, administered by the state public employee retirement system through a state-approved nongovernmental third party, permits governmental employees to defer a portion of their salaries until future years. The deferred compensation is not available to an employee until termination, retirement, death or unforeseeable emergency. The State Attorney General issued an opinion that amounts deferred by local governmental units and administered through the statewide plan remain assets and liabilities of the local government unit. In prior years, the County included the cumulative amounts deferred in the agency fund of the County. However, effective July 24, 1998, the funds were placed in trust by the SC Deferred Compensation Commission. Therefore, the funds are no longer an asset of the County, subject only to claims of its general creditors, but are held in trust for exclusive benefits of participants and their beneficiaries.

**NOTE 13 - CLOSURE AND POST CLOSURE CARE COSTS**

State and federal regulations require that Calhoun County place a final cover on the portion of its landfill that holds municipal waste. The County has to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. Calhoun County closed the landfill in August, 1994 to municipal waste, but it will remain open for inert waste. The recognition of these landfill closure and postclosure costs is based on the amount of available landfill space used during the year. The estimated liability for landfill closure and postclosure care costs has a balance of \$316,181 as of June 30, 2017, which is based on the following estimated percentages:

Municipal landfill (MSWLF)	100%
Construction and debris landfill (C&D)	97%

The estimated remaining useful life of the C&D landfill is 60 months. The estimated costs of landfill closure and postclosure care costs for twenty years increased by \$1,639 in the current year and the balance of the liability for the C&D landfill is \$211,531 at June 30, 2017. In addition, \$14,950 was expended to close and monitor the MSWLF. The amounts were accrued in previous years.

The estimated total current cost of the landfill closure and postclosure care is based on the amount that would be paid if all equipment, facilities and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2017. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Calhoun County has not accumulated or segregated funds to meet this liability.

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 14 - 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.

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

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

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

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 15 - FUND BALANCE REPORTING AND NET POSITION**

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

The County's fund balances as of June 30, 2017 were classified as follows:

<u>Description</u>	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>
<b>Restricted:</b>				
LOST Reserve	\$ -	\$ -	\$ 261,808	\$ 261,808
Grants	-	-	457,696	457,696
Debt Service	-	-	68,367	68,367
Victim's Fund	-	-	5,119	5,119
Library Lottery	-	-	889	889
E-911 Funds	-	-	324,722	324,722
Tech/Gressette	-	-	36,543	36,543
Sandy Run Fire Department	-	-	205,299	205,299
Council on Aging	-	-	519,118	519,118
Sheriff Department Drug Funds	-	-	6,490	6,490
Child Support Funds	111,841	-	10,912	122,753
Rural Fire District	-	-	296,812	296,812
Rural Fire Debt Service	-	-	229,055	229,055
<b>Assigned:</b>				
Banks Estate Fund	-	-	97,377	97,377
Capital Projects	-	3,072,129	-	3,072,129
Museum Funds	67,270	-	-	67,270
EMS Donations	5,106	-	-	5,106
Library donations	3,073	-	-	3,073
Animal control donations	28,083	-	-	28,083
Library Lottery	36,321	-	-	36,321
<b>Unassigned</b>	<u>6,650,041</u>	<u>-</u>	<u>-</u>	<u>6,650,041</u>
<b>Total Fund Balance</b>	<u>\$ 6,901,735</u>	<u>\$ 3,072,129</u>	<u>\$ 2,520,207</u>	<u>\$12,494,071</u>

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 16 - TAX ABATEMENTS**

As of June 30, 2017, the County provides tax incentives under two programs: Fee in Lieu of Tax Agreements (FILO) and Special Source Revenue Credits (SSRCs). The purpose of both programs is the retention of jobs, job growth, and /or capital investment.

The County has entered into fee in lieu of tax agreements pursuant to the authority granted by Title 12, Chapter 44, Title 4, Chapter 29, and/or Title 4, Chapter 12 of the Code of Laws of South Carolina, 1976, as amended. Property subject to a fee in lieu of tax agreement is exempt from ad valorem property tax and is instead subject to a fee in lieu of tax equal to the product of the value of the property, an assessment ratio that is generally no lower than 6% (but may be as low as 4% for extraordinary projects that satisfy the statutory definition of an "enhanced investment"), and a millage rate that is either fixed for the life of the agreement or is adjusted every five years based on the trailing five-year average. Generally, the taxpayer must invest at least \$2.5 million within a 5-6 year period, beginning with the date the property is placed in service and ending five years after the last day of the property tax year in which the property is initially placed in service. For the fiscal year ended June 30, 2017, the County abated property taxes totaling \$536,998 under its various fee in lieu of tax agreements.

In addition, the County provides special source revenue credits, generally in conjunction with fee in lieu of tax agreements, pursuant to the authority granted by Sections 4-29-68 and 4-1-170 of the Code of Laws of South Carolina, 1976, as amended. Special source revenue credits, often referred to as SSRCs or "Infrastructure Credits", are reductions to a taxpayer's payments in lieu of taxes. Generally, property that receives SSRCs is added to a "multi-county industrial park" pursuant to Sections 4-1-170 – 4-1-175 of the Code of Laws of South Carolina, 1976, as amended. Most multi-county industrial park agreements allocate 1% of property tax (or fee in lieu of tax) revenue to the partner county. Generally, the SSRCs are utilized to offset costs of design, acquiring, construction, improving, or expanding improved or unimproved real estate and personal property used in the operation of a manufacturing or commercial enterprise, or infrastructure serving the project. For the fiscal year ended June 30, 2017, the County abated property taxes totaling \$2,084,407 under its special source revenue credits.

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 17 - RESTATEMENT OF FUND BALANCE AND NET POSITION**

Fund balances and net position for June 30, 2016 were restated as follows:

	<b>Total Net Position</b>	
	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Balance, June 30, 2016	\$ 25,535,777	\$ 6,586,175
To adjust for beginning accumulated depreciation	(21,494)	-
To adjust for pension allocation	<u>80,073</u>	<u>(80,073)</u>
Balance restated at June 30, 2016	<u>\$ 25,594,356</u>	<u>\$ 6,506,102</u>

**Proprietary Fund – Net Position**

	<b>Water System</b>
Balance at June 30, 2016	\$ 6,018,591
To adjust for pension allocation	<u>(80,073)</u>
Balance restated at June 30, 2016	<u>\$ 5,938,518</u>

**NOTE 18 - 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.

**NOTE 19 - PENDING IMPLEMENTATION OF GASB STATEMENT ON OPEB**

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

**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 19 - PENDING IMPLEMENTATION OF GASB STATEMENT ON OPEB (continued)**

of the financial statements with a clearer picture of the size and nature of the County's financial obligations to current and former employees for past services rendered.

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

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

**NOTE 20 - SUBSEQUENT EVENTS**

Calhoun County entered into a fee in lieu of tax (FILOT) agreement for a solar construction project for a fixed amount of \$301,000 for 30 years. There are combined three (3) projects which are included in this agreement. St. Matthews solar is operable and Cameron I and Cameron II are 90% complete and should come online by the end of March 2018.

Calhoun County will issue a \$360,000 G.O. Bond in the fall of 2017 for the purchase of computer upgrades, building improvements, digitizing files, a roll off truck, and GIS software upgrades. The bond will be due to be paid in full March 2018.

Calhoun County expects an increase in EMS fees in fiscal year 2018 as new rates go into effect in January 2018. There has been no increase in EMS rates over the past few years.

Calhoun County is expecting an economic development project – Code Name E1/G2 with an investment of approximately \$77,000,000 in real and personal property, with an expected FILOT agreement completed by the end of February 2018. County has committed water and wastewater to the site and has received a \$1M grant with a one year bailout from the Department of Commerce to go toward funding of the water and wastewater. The infrastructure is scheduled to be completed by the end of the 4<sup>th</sup> quarter of 2018.

Calhoun County has approved a resolution authorizing preparation of a purchase contract for the purchase of the Calhoun Country Club golf facility for the consideration of \$301,500 which includes equipment, all inventory, and all real and personal property.

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

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (2)-(1)	Funded Ratio (1)/(2)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll ((2)-(1))/(5)
Calhoun County 6/30/2010	\$ -	\$ 6,578,913	\$ 6,578,913	0.00%	\$ 4,073,872	161.49%
6/30/2011	\$ -	\$ 2,255,929	\$ 2,255,929	0.00%	\$ 4,052,879	55.66%
6/30/2013	\$ -	\$ 2,087,924	\$ 2,087,924	0.00%	\$ 4,799,826	43.50%
6/30/2015	\$ -	\$ 2,523,631	\$ 2,523,631	0.00%	\$ 5,127,209	49.22%
6/30/2017	\$ -	\$ 2,825,964	\$ 2,825,964	0.00%	\$ 5,323,489	53.08%

The County implemented GASB 45 in Fiscal Year 2010; 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. A valuation was done as of 6/30/11 due to a benefit plan change.



**CALHOUN 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

County	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
County's proportion of the net pension liability (asset)	0.0427%	0.040897%	0.039343%	0.039343%	NA*	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset)	\$ 9,117,880	\$ 7,756,313	\$ 6,773,560	\$ 7,056,731	NA*	NA*	NA*	NA*	NA*	NA*
County's covered-employee payroll	\$ 3,988,507	\$ 4,135,601	\$ 3,837,216	\$ 3,581,825	NA*	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	228.60%	187.55%	176.52%	197.01%	NA*	NA*	NA*	NA*	NA*	NA*
<b>Council on Aging</b>										
Council on Aging's proportion of net pension liability (asset)	0.001275%	0.00142%	0.00137%	0.00137%	NA*	NA*	NA*	NA*	NA*	NA*
Council on Aging's proportion of net pension liability (asset)	\$ 272,338	\$ 268,362	\$ 237,246	\$ 247,164	NA*	NA*	NA*	NA*	NA*	NA*
Council on Aging's covered employee payroll	\$ 114,843	\$ 123,467	\$ 132,716	\$ 127,906	NA*	NA*	NA*	NA*	NA*	NA*
Council on Aging's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	237.14%	217.36%	178.76%	193.24%	NA*	NA*	NA*	NA*	NA*	NA*
Plan fiduciary net position as a percentage of the total pension liability	52.90%	57.00%	59.90%	56.40%	NA*	NA*	NA*	NA*	NA*	NA*

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, 2016.

**CALHOUN 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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
County's proportion of the net pension liability (asset)	0.10096%	0.104330%	0.102080%	0.102080%	NA*	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset)	\$ 2,560,749	\$ 2,273,847	\$ 1,954,257	\$ 2,116,111	NA*	NA*	NA*	NA*	NA*	NA*
County's covered-employee payroll	1,334,981	\$ 1,285,274	\$ 1,289,894	\$ 1,218,001	NA*	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	191.82%	176.92%	151.51%	173.74%	NA*	NA*	NA*	NA*	NA*	NA*
Plan fiduciary net position as a percentage of the total pension liability	60.40%	64.60%	67.50%	63.00%	NA*	NA*	NA*	NA*	NA*	NA*

NA\* - Not Available

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

Source: Audit report on the schedules of employer allocations, schedules of pension amounts by employer, and related notes of the South Carolina Retirement Systems, as administered by the SC Public Employee Benefits Authority for the year ended June 30, 2016.

**CALHOUN COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF COUNTY CONTRIBUTIONS (SCRS AND PORS)**  
 Last 10 Fiscal Years

County	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$ 461,071	\$ 457,188	\$ 418,256	\$ 378,610	NA*	NA*	NA*	NA*	NA*	NA*
Contributions in relation to the contractually required contribution	(461,071)	(457,188)	(418,256)	(378,610)	NA*	NA*	NA*	NA*	NA*	NA*
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 3,988,507	\$ 4,135,601	\$ 3,837,216	\$ 3,581,825	NA*	NA*	NA*	NA*	NA*	NA*
Contributions as a percentage of covered-employee payroll	11.56%	11.05%	10.90%	10.57%	NA*	NA*	NA*	NA*	NA*	NA*
<b>Council on Aging</b>										
Contractually required contribution	13,275	\$ 13,655	\$ 14,466	\$ 13,261	NA*	NA*	NA*	NA*	NA*	NA*
Contributions in relation to the contractually required contribution	(13,275)	(13,655)	(14,466)	(13,261)	NA*	NA*	NA*	NA*	NA*	NA*
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Council on Aging's covered-employee payroll</b>										
Contractually required contribution	\$ 114,843	\$ 123,467	\$ 132,716	\$ 127,906	NA*	NA*	NA*	NA*	NA*	NA*
Contributions as a percentage of covered-employee payroll	11.56%	11.06%	10.90%	10.37%	NA*	NA*	NA*	NA*	NA*	NA*
<b>PORS</b>										
Contractually required contribution	\$ 199,132	\$ 176,583	\$ 172,974	\$ 157,646	NA*	NA*	NA*	NA*	NA*	NA*
Contributions in relation to the contractually required contribution	(199,132)	(176,583)	(172,974)	(157,646)	NA*	NA*	NA*	NA*	NA*	NA*
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 1,334,981	\$ 1,285,274	\$ 1,289,894	\$ 1,218,001	NA*	NA*	NA*	NA*	NA*	NA*
Contributions as a percentage of covered-employee payroll	14.92%	13.74% #	13.44%	12.94%	NA*	NA*	NA*	NA*	NA*	NA*

NA\* - Not Available

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

Source: County and Council on Aging's quarterly retirement contribution reports.

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

	O-C Tec and L M Gressette Center	Library Lottery	Calhoun Rural Fire Dist.	Sheriff's Department	Sandy Run Fire Department
<b>ASSETS</b>					
Cash	\$ 39,946	\$ -	\$ 428,048	6,490	\$ 209,164
Delinquent property taxes	21,530	-	-	-	1,674
Due from other funds	-	889	-	-	-
Accounts Receivable	3,568	-	19,089	-	566
<b>TOTAL ASSETS</b>	<b>\$ 65,144</b>	<b>\$ 889</b>	<b>\$ 447,137</b>	<b>\$ 6,490</b>	<b>\$ 211,404</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	7,071	-	150,325	-	4,431
Unearned revenue	-	-	-	-	-
Due to General Fund	-	-	-	-	-
<b>Total Liabilities</b>	<b>7,071</b>	<b>-</b>	<b>150,325</b>	<b>-</b>	<b>4,431</b>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue - Property Taxes	21,530	-	-	-	1,674
<b>Total Deferred Inflows of Resources</b>	<b>21,530</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,674</b>
<b>Fund Balances</b>					
Restricted	36,543	889	296,812	6,490	205,299
Assigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>36,543</b>	<b>889</b>	<b>296,812</b>	<b>6,490</b>	<b>205,299</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 65,144</b>	<b>\$ 889</b>	<b>\$ 447,137</b>	<b>\$ 6,490</b>	<b>\$ 211,404</b>

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

		SPECIAL REVENUE			
	Victims Advocate	E-911	Council on Aging	Banks Estate Fund	
<b>ASSETS</b>					
Cash	\$ 5,629	\$ 274,974	\$ 470,370	\$ 97,670	
Delinquent property taxes	-	-	-	-	
Due from other funds	-	-	-	-	
Accounts Receivable	-	50,170	61,204	-	
<b>TOTAL ASSETS</b>	<b>\$ 5,629</b>	<b>\$ 325,144</b>	<b>\$ 531,574</b>	<b>\$ 97,670</b>	
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	510	422	12,456	293	
Unearned revenue	-	-	-	-	
Due to General Fund	-	-	-	-	
<b>Total Liabilities</b>	<b>510</b>	<b>422</b>	<b>12,456</b>	<b>293</b>	
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue - Property Taxes	-	-	-	-	
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Fund Balances</b>					
Restricted	5,119	324,722	519,118	97,377	
Assigned	-	-	-	-	
<b>Total Fund Balances</b>	<b>5,119</b>	<b>324,722</b>	<b>519,118</b>	<b>97,377</b>	
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 5,629</b>	<b>\$ 325,144</b>	<b>\$ 531,574</b>	<b>\$ 97,670</b>	

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

	DEBT SERVICE					TOTAL
	Grants Fund	Child Support Fund	Local Option Fund	Calhoun County Rural Fire Debt Service	County Debt Service	
<b>ASSETS</b>						
Cash	\$ 408,107	\$ 4,156	\$ 320,860	\$ 228,953	\$ 68,274	\$ 2,562,641
Delinquent property taxes	-	-	-	7,727	23,567	54,498
Due from other funds	-	-	-	-	-	889
Accounts Receivable	53,938	6,756	40,948	102	93	236,534
<b>TOTAL ASSETS</b>	<b>\$ 462,045</b>	<b>\$ 10,912</b>	<b>\$ 361,808</b>	<b>\$ 236,782</b>	<b>\$ 91,934</b>	<b>\$ 2,854,562</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	2,720	-	-	-	-	178,228
Unearned revenue	1,629	-	-	-	-	1,629
Due to Other Funds	-	-	100,000	-	-	100,000
<b>Total Liabilities</b>	<b>4,349</b>	<b>-</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>279,857</b>
<b>Deferred Inflows of Resources</b>						
Unavailable Revenue - Property Taxes	-	-	-	7,727	23,567	54,498
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,727</b>	<b>23,567</b>	<b>54,498</b>
<b>Fund Balances</b>						
Restricted	457,696	10,912	261,808	229,055	68,367	2,422,830
Assigned	-	-	-	-	-	97,377
<b>Total Fund Balances</b>	<b>457,696</b>	<b>10,912</b>	<b>261,808</b>	<b>229,055</b>	<b>68,367</b>	<b>2,520,207</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 462,045</b>	<b>\$ 10,912</b>	<b>\$ 361,808</b>	<b>\$ 236,782</b>	<b>\$ 91,934</b>	<b>\$ 2,854,562</b>

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

	O-C Tec and L. M. Gressette Center	Library Lottery	Calhoun Rural Fire Dist.	Sheriff's Department	Sandy Run Fire Department
<b>REVENUES</b>					
Property taxes:					
Current	\$ 324,722	\$ -	\$ -	\$ -	\$ 78,315
Delinquent	17,270	-	-	-	1,495
Interest income	16	-	-	-	-
Local sources	-	-	548,152	6,920	49,745
State sources	-	-	-	-	-
Federal sources	-	-	-	-	-
<b>Total Revenues</b>	<b>342,008</b>	<b>-</b>	<b>548,152</b>	<b>6,920</b>	<b>129,555</b>
<b>EXPENDITURES</b>					
Public Works	-	-	-	-	-
Public safety	-	-	513,799	4,611	114,764
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital improvements	-	-	-	-	-
Agencies	385,607	-	-	-	-
Debt Service	-	-	-	-	-
<b>Total Expenditures</b>	<b>385,607</b>	<b>-</b>	<b>513,799</b>	<b>4,611</b>	<b>114,764</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(43,599)</b>	<b>-</b>	<b>34,353</b>	<b>2,309</b>	<b>14,791</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer in / (out)	-	-	6,552	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>6,552</b>	<b>-</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<b>(43,599)</b>	<b>-</b>	<b>40,905</b>	<b>2,309</b>	<b>14,791</b>
Fund Balances at Beginning of Year, As Restated, Note 17	80,142	889	255,907	4,181	190,508
Fund Balances at End of Year	\$ 36,543	\$ 889	\$ 296,812	\$ 6,490	\$ 205,299

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

		SPECIAL REVENUE				
	Victims Advocate	E-911	Council on Aging	Banks Estate Fund		
<b>REVENUES</b>						
Property taxes:						
Current	\$ -	\$ -	\$ -	\$ -		
Delinquent	-	-	-	-		
Interest income	-	-	-	-		
Local sources	24,943	257,944	411,967	264		
Slate sources	-	298,334	-	-		
Federal sources	-	-	61,885	-		
<b>Total Revenues</b>	<u>24,943</u>	<u>556,278</u>	<u>473,852</u>	<u>264</u>		
<b>EXPENDITURES</b>						
Public Works	-	-	-	-		
Public safety	40,351	469,010	-	-		
Health and welfare	-	-	438,734	-		
Culture and recreation	-	-	-	19,303		
Capital improvements	-	-	-	-		
Agencies	-	-	-	-		
Debt Service	-	-	-	-		
<b>Total Expenditures</b>	<u>40,351</u>	<u>469,010</u>	<u>438,734</u>	<u>19,303</u>		
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(15,408)</u>	<u>87,268</u>	<u>35,118</u>	<u>(19,039)</u>		
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer in / (out)	-	-	-	-		
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<u>(15,408)</u>	<u>87,268</u>	<u>35,118</u>	<u>(19,039)</u>		
Fund Balances at Beginning of Year,						
As Restated, Note 17	20,527	237,454	484,000	116,416		
<b>Fund Balances at End of Year</b>	<u>\$ 5,119</u>	<u>\$ 324,722</u>	<u>\$ 519,118</u>	<u>\$ 97,377</u>		



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

	DEBT SERVICES						TOTAL	
	Grants Fund	Child Support Fund	Local Option Fund	Calhoun County		County Debt Service		Non-Major Governmental Funds
				Rural Fire Debt Service	Debt Service			
<b>REVENUES</b>								
Property taxes:								
Current	\$ -	\$ -	\$ -	\$ 162,540	\$ -	\$ 345,810	\$ 911,387	
Delinquent	-	-	-	5,391	-	17,866	36,631	
Interest income	-	-	-	-	-	92	5,407	
Local sources	107,666	-	748,919	-	-	-	2,156,612	
State sources	997,527	-	139	-	-	-	1,296,000	
Federal sources	401,835	58,423	-	-	-	-	522,143	
<b>Total Revenues</b>	<u>1,507,028</u>	<u>58,423</u>	<u>749,058</u>	<u>167,931</u>	<u>363,768</u>	<u>4,928,180</u>		
<b>EXPENDITURES</b>								
Public Works	202,929	-	-	-	-	-	202,929	
Public safety	35,554	-	-	-	-	-	1,178,089	
Health and welfare	26,484	7,145	-	17,634	-	-	489,997	
Culture and recreation	23,694	-	-	-	-	-	42,997	
Capital improvements	1,128,811	-	-	804,018	-	-	1,932,829	
Agencies	-	-	-	-	-	-	385,607	
Debt Service	-	-	-	111,833	-	360,980	472,813	
<b>Total Expenditures</b>	<u>1,417,472</u>	<u>7,145</u>	<u>-</u>	<u>933,485</u>	<u>360,980</u>	<u>4,705,261</u>		
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>89,556</u>	<u>51,278</u>	<u>749,058</u>	<u>(765,554)</u>	<u>2,788</u>	<u>222,919</u>		
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfer in(out)	(60,172)	(40,000)	(700,000)	(6,552)	-	-	(800,172)	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(60,172)</u>	<u>(40,000)</u>	<u>(700,000)</u>	<u>(6,552)</u>	<u>-</u>	<u>(800,172)</u>		
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<u>29,384</u>	<u>11,278</u>	<u>49,058</u>	<u>(772,106)</u>	<u>2,788</u>	<u>(577,253)</u>		
Fund Balances at Beginning of Year, As Restated, Note 17	428,312	(366)	212,750	1,001,161	65,579	3,097,460		
Fund Balances at End of Year	<u>\$ 457,696</u>	<u>\$ 10,912</u>	<u>\$ 261,808</u>	<u>\$ 229,055</u>	<u>\$ 68,367</u>	<u>\$ 2,520,207</u>		

**CALHOUN COUNTY, SOUTH CAROLINA  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2017**

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
<b>Local Sources</b>				
Taxes:				
Current	\$ 5,800,000	\$ 5,800,000	\$ 5,735,924	\$ (64,076)
Delinquent	300,000	300,000	344,220	44,220
Fee in lieu of taxes - County	1,832,055	1,832,055	2,099,450	267,395
<b>Total Property Taxes</b>	<b>7,932,055</b>	<b>7,932,055</b>	<b>8,179,594</b>	<b>247,539</b>
Interest income	-	-	20,041	20,041
<b>Total Interest Income</b>	<b>-</b>	<b>-</b>	<b>20,041</b>	<b>20,041</b>
<b>Other Local Sources</b>				
Court income, fines and penalties	450,000	450,000	179,546	(270,454)
Fees of offices	335,000	335,000	427,447	92,447
EMS Service	560,000	560,000	587,575	27,575
Rent	86,530	86,530	100,694	14,164
Calhoun County Public Schools	108,574	108,574	108,574	-
Solicitor's Office	95,000	95,000	95,158	158
Donations	17,000	17,000	20,706	3,706
Cultural Center	8,000	8,000	32,223	24,223
Miscellaneous	138,000	138,000	136,902	(1,098)
<b>Total Other Local Sources</b>	<b>1,798,104</b>	<b>1,798,104</b>	<b>1,688,825</b>	<b>(109,279)</b>
<b>Total Local Sources</b>	<b>9,730,159</b>	<b>9,730,159</b>	<b>9,888,460</b>	<b>158,301</b>

**CALHOUN COUNTY, SOUTH CAROLINA  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2017**

	<u>Budgeted</u>		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>State Sources</b>				
Aid to Subdivisions	602,293	602,293	590,109	(12,184)
Accommodations Tax	160,000	160,000	184,113	24,113
Mini Bottle tax	-	-	6,352	6,352
Salary supplements:				
Clerk of Court	1,575	1,575	1,575	-
Judge of Probate	1,575	1,575	1,575	-
Sheriff	1,575	1,575	1,575	-
Coroner	1,575	1,575	1,575	-
SC Public Service	5,000	5,000	4,841	(159)
State Aid - Library	75,000	75,000	75,000	-
State Lottery	-	-	36,321	36,321
Veteran Affairs officer	4,500	4,500	4,704	204
Election Commission	10,526	10,526	10,313	(213)
Pollution Control Act	-	-	4,056	4,056
Solid Waste Tire Fee	5,000	5,000	-	(5,000)
<b>Total State Sources</b>	<u>868,619</u>	<u>868,619</u>	<u>922,109</u>	<u>53,490</u>
<b>Federal Sources</b>				
Emergency Management Performance	45,780	45,780	48,142	2,362
DSS - In Lieu of rent	35,000	35,000	53,012	18,012
DSS - Filing fees	-	-	8,100	8,100
<b>Total Federal Sources</b>	<u>80,780</u>	<u>80,780</u>	<u>109,254</u>	<u>28,474</u>
<b>TOTAL REVENUES</b>	<u>10,679,558</u>	<u>10,679,558</u>	<u>10,919,823</u>	<u>240,265</u>

**CALHOUN COUNTY, SOUTH CAROLINA  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2017**

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>EXPENDITURES</b>				
Administration	618,824	618,824	571,138	47,686
Public works	1,069,500	1,069,500	921,534	147,966
Public buildings	652,136	652,136	588,028	64,108
Finance and taxation	783,564	783,564	708,069	75,495
Judicial	733,192	733,192	698,946	34,246
Public safety	2,300,237	2,310,237	2,262,677	47,560
Health and welfare	2,112,849	2,102,849	1,957,171	145,678
Culture and recreation	784,444	784,444	784,483	(39)
Miscellaneous	665,714	665,714	628,677	37,037
Employee fringe benefits	2,743,000	2,743,000	2,666,797	76,204
Agencies	81,384	81,384	85,433	(4,049)
<b>TOTAL EXPENDITURES</b>	<u>12,544,844</u>	<u>12,544,844</u>	<u>11,872,952</u>	<u>671,892</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,865,286)</u>	<u>(1,865,286)</u>	<u>(953,129)</u>	<u>912,157</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to/from Special Revenue Funds	660,000	660,000	667,643	7,643
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>660,000</u>	<u>660,000</u>	<u>667,643</u>	<u>7,643</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<u>\$ (1,205,286)</u>	<u>\$ (1,205,286)</u>	<u>(285,486)</u>	<u>\$ 919,800</u>
<b>Fund Balance at Beginning of Year, As Restated - Note 17</b>			<u>7,187,221</u>	
<b>Fund Balance at End of Year</b>			<u>\$ 6,901,735</u>	

**CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2017**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>Administration</b>				
Salaries	\$ 480,965	\$ 480,965	\$ 478,956	\$ 2,009
Travel, members	17,500	17,500	14,696	2,804
Vehicle maintenance	1,000	2,000	1,917	83
Membership, dues, and meetings	5,000	3,000	2,852	148
Lower Savannah Council	11,381	11,381	11,381	-
SC Assoc. of Counties	6,478	6,478	6,477	1
Supplies and operating	12,000	15,350	15,204	146
Gasoline and oil	1,500	1,000	788	212
Telephone	10,000	10,000	11,550	(1,550)
Contract services	20,000	20,000	12,289	7,711
Professional services	50,000	48,000	13,717	34,283
Legislative Delegation	2,000	2,000	-	2,000
Advertising	1,000	1,150	1,311	(161)
<b>TOTAL ADMINISTRATION</b>	<b>618,824</b>	<b>618,824</b>	<b>571,138</b>	<b>47,686</b>
<b>PUBLIC WORKS</b>				
<b>Roads, Repair, and Construction:</b>				
Salaries	234,753	234,753	186,425	48,328
Equipment maintenance	60,000	66,000	46,197	19,803
Supplies and operating	20,000	18,000	15,474	2,526
Gas, fuel, and oil	40,000	36,000	34,747	1,253
Telephone	1,200	1,200	803	397
	<b>355,953</b>	<b>355,953</b>	<b>283,646</b>	<b>72,307</b>
<b>Landfill:</b>				
Salaries	39,140	39,140	36,934	2,206
Supplies and operating	8,000	8,000	5,032	2,968
Telephone	1,400	1,400	1,041	359
Electricity	3,500	3,500	2,590	910
Equipment maintenance	35,000	35,000	37,761	(2,761)
Heat	1,200	1,200	435	765
Landfill closeout	25,000	25,000	24,697	303
Water	500	500	324	176
Gas, fuel, and oil	5,000	5,000	3,483	1,517
	<b>118,740</b>	<b>118,740</b>	<b>112,297</b>	<b>6,443</b>

**CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2017**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>Collections:</b>				
Salaries	214,107	214,107	187,848	26,259
Equipment maintenance	38,000	38,000	28,994	9,006
Supplies and operating	4,000	4,000	956	3,044
Gas, fuel, and oil	32,000	32,000	27,582	4,418
Contract service	280,000	280,000	257,577	22,423
Telephone	3,000	3,000	3,357	(357)
Electricity	15,000	15,000	14,498	502
Solid waste tire fee	-	-	1,558	(1,558)
Collection site maintenance	7,500	7,500	2,000	5,500
Water	1,200	1,200	1,221	(21)
	<u>594,807</u>	<u>594,807</u>	<u>525,591</u>	<u>69,216</u>
<b>TOTAL PUBLIC WORKS</b>	<u>1,069,500</u>	<u>1,069,500</u>	<u>921,534</u>	<u>147,966</u>
<b>PUBLIC BUILDINGS</b>				
Salaries	174,636	174,636	170,711	3,925
Supplies and operating	18,000	18,000	5,190	12,810
Telephone	1,500	1,500	1,522	(22)
Electricity	230,000	225,000	210,425	14,575
Water	15,000	15,000	14,258	742
Janitorial service	40,000	40,000	22,135	17,865
Heat	3,000	2,000	994	1,006
Building maintenance	60,000	64,500	66,604	(2,104)
Vehicle maintenance	5,000	5,000	3,783	1,217
Grounds maintenance	30,000	29,000	22,743	6,257
Copier contracts	26,000	28,500	29,997	(1,497)
Utilities - John Ford	35,000	35,000	29,228	5,772
Gas, fuel, and oil	14,000	14,000	10,438	3,562
	<u>652,136</u>	<u>652,136</u>	<u>588,028</u>	<u>64,108</u>
<b>TOTAL PUBLIC BUILDINGS</b>	<u>652,136</u>	<u>652,136</u>	<u>588,028</u>	<u>64,108</u>
<b>FINANCE AND TAXATION</b>				
<b>County Auditor:</b>				
Salaries	63,134	63,134	58,800	4,334
Travel and dues	1,500	1,500	868	632
Supplies and postage	2,250	2,250	1,746	504
Telephone	750	750	642	108
	<u>67,634</u>	<u>67,634</u>	<u>62,056</u>	<u>5,578</u>
<b>County Treasurer:</b>				
Salaries	93,090	93,090	93,090	-
Travel and dues	3,000	3,000	1,546	1,454
Supplies and postage	12,000	12,000	8,024	3,976
Telephone	350	350	302	48
	<u>108,440</u>	<u>108,440</u>	<u>102,962</u>	<u>5,478</u>

CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2017

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>County Tax Collector:</b>				
Salaries	35,000	35,000	35,000	-
Travel and dues	1,200	1,200	1,084	116
Supplies and postage	30,000	28,190	26,544	1,646
Telephone	150	150	75	75
Contract Service	20,000	21,810	21,810	-
	<u>86,350</u>	<u>86,350</u>	<u>84,513</u>	<u>1,837</u>
<b>County Tax Assessor:</b>				
Salaries	186,940	186,940	161,579	25,361
Travel and dues	4,500	4,500	1,919	2,581
Vehicle maintenance	1,500	1,500	39	1,461
Supplies and postage	12,000	12,000	7,967	4,033
Gasoline and oil	1,500	1,500	1,070	430
Telephone	1,000	1,000	531	469
Assessment Appeals Board	1,000	1,000	-	1,000
GIS mapping	-	-	-	-
GIS Website Hosting/Admin Fees	7,200	7,200	3,600	3,600
Legal advertisement	500	500	-	500
	<u>216,140</u>	<u>216,140</u>	<u>176,705</u>	<u>39,435</u>
<b>Computer Service:</b>				
Salaries	43,000	43,000	43,000	-
Computer service	172,000	172,000	148,457	23,543
Wide area telephone network	78,000	78,000	79,776	(1,776)
Travel and training	2,000	2,000	1,839	161
On Line Access	10,000	10,000	8,761	1,239
	<u>305,000</u>	<u>305,000</u>	<u>281,833</u>	<u>23,167</u>
<b>TOTAL FINANCE AND TAXATION</b>	<u>783,564</u>	<u>783,564</u>	<u>708,069</u>	<u>75,495</u>
<b>JUDICIAL</b>				
<b>Clerk of Court:</b>				
Salaries	191,815	191,815	194,639	(2,824)
Travel and dues	2,250	2,250	2,440	(190)
Supplies and operating	14,000	14,000	11,974	2,026
Court expense	18,000	18,000	10,726	7,274
Contract services	28,000	28,000	20,503	7,497
Telephone	2,100	2,100	1,490	610
Case management system	36,000	36,000	36,000	-
	<u>292,165</u>	<u>292,165</u>	<u>277,772</u>	<u>14,393</u>
<b>Judge of Probate:</b>				
Salaries	89,187	89,187	89,187	-
Travel and dues	2,200	2,200	2,023	177
Supplies	3,300	3,300	2,452	848
Telephone	700	700	454	246
	<u>95,387</u>	<u>95,387</u>	<u>94,116</u>	<u>1,271</u>

CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2017

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Magistrate - St. Matthews:</b>				
Salaries	85,076	85,076	84,606	470
Travel and dues	1,250	1,250	292	958
Court expense	5,000	4,000	1,475	2,525
Supplies and operating	4,000	5,000	5,733	(733)
Telephone	1,750	1,750	1,379	371
Rent	3,600	3,600	2,700	900
	<u>100,676</u>	<u>100,676</u>	<u>96,185</u>	<u>4,491</u>
<b>Magistrate - Cameron:</b>				
Salaries	33,817	33,817	26,386	7,431
Travel and dues	2,000	2,000	1,878	122
Supplies	1,000	1,000	725	275
Telephone	500	500	375	125
Rent	1,200	1,200	1,200	-
	<u>38,517</u>	<u>38,517</u>	<u>30,564</u>	<u>7,953</u>
<b>Magistrate - Sandy Run:</b>				
Salaries	46,269	46,269	46,269	-
Travel and dues	4,750	4,750	2,421	2,329
Telephone	3,500	3,500	2,967	533
Clerical	-	-	-	-
Vehicle Expense	1,000	1,000	1,530	(530)
Supplies and operating	2,750	2,750	2,944	(194)
	<u>58,269</u>	<u>58,269</u>	<u>56,131</u>	<u>2,138</u>
<b>Public Defender:</b>				
Contract funding	36,000	36,000	32,000	4,000
<b>Master-In-Equity:</b>				
Salaries	14,378	14,378	14,378	-
Supplies	2,800	2,800	2,800	-
	<u>17,178</u>	<u>17,178</u>	<u>17,178</u>	<u>-</u>
<b>Solicitor's Office:</b>				
Supplement	95,000	95,000	95,000	-
<b>TOTAL JUDICIAL</b>	<u>733,192</u>	<u>733,192</u>	<u>698,946</u>	<u>34,246</u>



**CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2017**

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>PUBLIC SAFETY</b>				
<b>County Sheriff:</b>				
Salaries	1,150,939	1,150,939	1,122,930	28,009
Travel and dues	5,000	5,400	5,839	(439)
Supplies and operating	44,000	43,600	37,637	5,963
Gasoline and oil	127,000	108,000	111,130	(3,130)
Uniforms	38,000	38,000	34,387	3,613
Telephone	30,000	30,000	30,139	(139)
Vehicle maintenance	47,000	66,000	65,546	454
Tactical aids	17,500	17,500	16,685	815
Contract service/custodial	12,550	12,550	11,133	1,417
Contract service/radio	23,000	33,000	56,575	(23,575)
Information service	2,000	2,000	2,000	-
Sheriff/Auto Allowance	14,400	14,400	-	14,400
Certification school	4,000	4,000	3,356	644
	<u>1,515,389</u>	<u>1,525,389</u>	<u>1,497,357</u>	<u>28,032</u>
<b>County Coroner:</b>				
Salaries	22,868	22,868	22,868	-
Travel and dues	1,500	1,500	996	504
Supplies and operating	2,500	2,150	1,222	928
Gasoline and oil	1,200	1,200	395	805
Vehicle maintenance	500	500	169	331
Contract service/radio	300	300	180	120
Post mortem and inquests	13,000	13,000	11,147	1,853
Indigent burial	800	800	350	450
Telephone	2,000	2,350	2,331	19
	<u>44,668</u>	<u>44,668</u>	<u>39,658</u>	<u>5,010</u>
<b>Emergency Management:</b>				
Salaries	27,180	27,180	28,004	(824)
Travel and dues	1,000	1,000	-	1,000
Supplies and operating	3,000	3,000	1,231	1,769
Telephone	3,000	3,000	3,694	(694)
Sat. phone / weather	1,000	1,000	300	700
Transmitter/towers/generators	25,000	25,000	15,711	9,289
LEPC	1,500	1,500	497	1,003
Internet	1,500	1,500	629	871
Special projects	2,000	2,000	1,273	727
	<u>65,180</u>	<u>65,180</u>	<u>51,339</u>	<u>13,841</u>
<b>Detention Center:</b>				
O-C Detention Center	675,000	675,000	674,323	677
	<u>675,000</u>	<u>675,000</u>	<u>674,323</u>	<u>677</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>2,300,237</u>	<u>2,310,237</u>	<u>2,262,677</u>	<u>47,560</u>

**CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2017**

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>HEALTH AND WELFARE</b>				
<b>Health Department:</b>				
Supplies and operating	2,500	2,500	434	2,066
Contract services	500	500	747	(247)
Telephone	3,000	3,000	1,560	1,440
	<u>6,000</u>	<u>6,000</u>	<u>2,741</u>	<u>3,259</u>
<b>Emergency Medical Service:</b>				
Salaries	1,020,852	1,020,852	982,167	38,685
Travel and dues	8,000	8,000	7,599	401
Vehicle maintenance	40,000	40,000	36,322	3,678
Supplies and operating	90,000	90,000	81,455	8,545
Gasoline and oil	47,000	47,000	31,700	15,300
Telephone	10,000	10,000	11,526	(1,526)
Contract /Cardio Monitors	12,905	12,905	10,821	2,084
Contract service/radio	2,000	2,000	580	1,420
Medical control physician	4,800	4,800	4,800	-
Medical control physician insurance	7,000	7,000	6,613	387
Uniforms	8,000	8,000	6,526	1,474
Special projects	4,000	4,000	2,835	1,165
	<u>1,254,557</u>	<u>1,254,557</u>	<u>1,182,944</u>	<u>71,613</u>
<b>Council on Aging:</b>				
Grant match	136,000	136,000	136,000	-
<b>Department of Social Services:</b>				
Emergency fund	1,400	1,400	1,400	-
Telephone	7,100	7,100	5,366	1,734
	<u>8,500</u>	<u>8,500</u>	<u>6,766</u>	<u>1,734</u>
<b>Veteran Affairs Office:</b>				
Salaries	22,868	22,868	22,868	-
Travel and dues	1,400	1,400	1,109	291
Supplies and operating	800	800	609	191
Telephone	700	700	841	(141)
	<u>25,768</u>	<u>25,768</u>	<u>25,427</u>	<u>341</u>

**CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2017**

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Animal and Mosquito Control:</b>				
Salaries	93,058	93,058	85,282	7,776
Travel & dues	2,000	2,000	146	1,854
Vehicle expenses	1,800	1,800	1,355	445
Supplies and operating	12,000	12,000	8,435	3,565
Gasoline/Oil	8,000	8,000	5,261	2,739
Mosquito Supply	15,000	15,000	14,123	877
Telephone	3,500	3,500	3,853	(353)
Electricity	5,000	5,000	3,074	1,926
Heat	3,500	3,500	1,306	2,194
Spay/Neuter	1,000	1,000	978	22
Animal Control Vet	1,900	1,900	600	1,300
	<u>146,758</u>	<u>146,758</u>	<u>124,413</u>	<u>22,345</u>
<b>Litter &amp; Risk Management:</b>				
Salaries	71,010	71,010	58,630	12,380
Travel and dues	1,000	1,000	417	583
Vehicle expenses	2,000	2,000	1,279	721
Supplies and operating	1,200	1,200	1,197	3
Gasoline and oil	4,000	4,000	2,769	1,231
Telephone	1,000	1,000	472	528
	<u>80,210</u>	<u>80,210</u>	<u>64,764</u>	<u>15,446</u>
<b>E-911:</b>				
Travel and dues	2,000	2,000	2,286	(286)
Supplies and operating	15,000	15,000	7,442	7,558
Gasoline and oil	200	200	-	200
Telephone	200	200	112	88
	<u>17,400</u>	<u>17,400</u>	<u>9,840</u>	<u>7,560</u>
<b>Communications Center:</b>				
Salaries	410,956	410,956	389,064	21,892
Uniforms	2,000	1,600	507	1,093
Travel and training	1,000	1,400	1,339	61
Supplies and operating	7,500	2,500	2,557	(57)
Radio service contract	1,600	600	-	600
Telephone	8,400	8,400	9,783	(1,383)
Generator Svc. Contract	1,200	1,200	475	725
Contract services	5,000	1,000	551	449
	<u>437,656</u>	<u>427,656</u>	<u>404,276</u>	<u>23,380</u>
<b>TOTAL HEALTH AND WELFARE</b>	<u>2,112,849</u>	<u>2,102,849</u>	<u>1,957,171</u>	<u>145,678</u>

CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2017

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>CULTURE AND RECREATION</b>				
<b>County Library:</b>				
Salaries	314,164	316,164	297,310	18,854
Travel and dues	3,700	3,200	1,362	1,838
Supplies and operating	45,000	45,000	45,371	(371)
Gasoline and oil	2,000	2,000	956	1,044
Telephone	7,850	7,850	7,491	359
Copier & Supplies	2,500	2,500	2,251	249
Contract Serv/IT Support	3,000	2,000	858	1,142
State Aid expense	75,000	75,000	75,011	(11)
Lottery funds expense	-	-	32,852	(32,852)
Special programs-expense	-	-	6,766	(6,766)
Building maintenance/air conditioning	8,400	7,900	7,239	661
Vehicle maintenance	3,000	3,000	671	2,329
	<u>464,614</u>	<u>464,614</u>	<u>478,138</u>	<u>(13,524)</u>
<b>Historical Commission:</b>				
Salaries	154,592	154,592	134,651	19,941
Travel and dues	3,000	3,000	2,158	842
Supplies and operating	19,500	18,000	14,666	3,334
Telephone	1,500	1,500	1,339	161
Advertising	3,000	3,000	1,064	1,936
Ground Maintenance	6,600	6,600	6,600	-
Special project-GALA	7,000	7,000	7,000	-
Donation Expense	20,000	20,000	46,505	(26,505)
S. C. Arts Grant Match	11,000	12,500	11,917	583
	<u>226,192</u>	<u>226,192</u>	<u>225,900</u>	<u>292</u>
<b>Recreation:</b>				
Salaries	46,000	46,000	33,500	12,500
Recreation Commission	37,638	37,638	38,665	(1,027)
District 1	2,000	2,000	1,080	920
District 2	2,000	2,000	1,200	800
District 3	2,000	2,000	2,000	-
District 4	2,000	2,000	2,000	-
District 5	2,000	2,000	2,000	-
	<u>93,638</u>	<u>93,638</u>	<u>80,445</u>	<u>13,193</u>
<b>TOTAL CULTURE AND RECREATION</b>	<u>784,444</u>	<u>784,444</u>	<u>784,483</u>	<u>(39)</u>

CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2017

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>MISCELLANEOUS</b>				
<b>Board of Registration:</b>				
Salaries	96,000	96,000	63,578	32,422
Salaries-Part Time	-	-	32,353	(32,353)
Travel and dues	6,500	6,500	6,392	108
Supplies and operating	23,000	23,000	22,559	441
Telephone	500	500	320	180
	<u>126,000</u>	<u>126,000</u>	<u>125,202</u>	<u>798</u>
<b>Development Commission:</b>				
Travel and dues	1,200	1,305	1,301	4
Supplies and operating	750	645	408	237
Special events, advertising, and options	3,000	3,000	1,321	1,679
Lake Marion water fees	70,000	70,000	83,860	(13,860)
Central Alliance	72,000	72,000	72,000	-
	<u>146,950</u>	<u>146,950</u>	<u>158,890</u>	<u>(11,940)</u>
<b>Contingent</b>				
Contingent	75,000	75,000	62,004	12,996
Fuel Contingent	15,000	15,000	-	15,000
	<u>90,000</u>	<u>90,000</u>	<u>62,004</u>	<u>27,996</u>
<b>Building and Planning:</b>				
Salary	66,469	66,469	66,468	1
Board members	1,500	1,500	1,225	275
Travel Dues	1,000	1,500	815	685
Vehicle Expense	1,000	1,000	1,978	(978)
Supplies and operating	2,500	2,500	2,357	143
Gasoline and oil	3,000	2,500	2,040	460
Telephone	1,700	1,700	1,774	(74)
	<u>77,169</u>	<u>77,169</u>	<u>76,658</u>	<u>511</u>
<b>Other:</b>				
Tort liability insurance	156,000	156,000	152,102	3,898
Bank charges	7,000	7,000	7,040	(40)
Auditing county records	45,000	45,000	42,942	2,058
Bond premium	2,595	2,595	3,840	(1,245)
Grant match	15,000	15,000	-	15,000
	<u>225,595</u>	<u>225,595</u>	<u>205,924</u>	<u>19,671</u>
<b>TOTAL MISCELLANEOUS</b>	<u>665,714</u>	<u>665,714</u>	<u>628,677</u>	<u>37,037</u>

CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2017

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>EMPLOYEE FRINGE BENEFITS</b>				
HRA account	50,000	50,000	48,079	1,921
Unemployment	8,000	8,000	5,172	2,828
Social Security	400,000	400,000	383,595	16,405
Retirement	430,000	430,000	466,234	(36,234)
Police retirement/cnty	170,000	170,000	197,476	(27,476)
Health and life insurance	1,375,000	1,375,000	1,245,516	129,484
Worker's compensation insurance	225,000	225,000	221,557	3,443
Retirees/health insurance	85,000	85,000	99,168	(14,168)
<b>TOTAL EMPLOYEE FRINGE BENEFITS</b>	<u>2,743,000</u>	<u>2,743,000</u>	<u>2,666,797</u>	<u>76,203</u>
<b>AGENCIES</b>				
Alcohol&drug Abuse Commission	8,000	8,000	8,000	-
Mental Health	6,000	6,000	6,000	-
Indigent Hospitalization	46,684	46,684	46,683	1
Vocational-Rehabilitation	2,500	2,500	2,500	-
OCAB Community Action	7,000	7,000	7,000	-
Santee Cooper Counties	500	500	500	-
Boys Clubs of America	1,200	1,200	6,250	(5,050)
Extension Leader and 4H Club Work	3,500	3,500	3,500	-
Soil and Water Conservation	5,000	5,000	5,000	-
Tri County CASA	1,000	1,000	-	1,000
<b>TOTAL AGENCIES</b>	<u>81,384</u>	<u>81,384</u>	<u>85,433</u>	<u>(4,049)</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 12,544,844</u>	<u>\$ 12,544,844</u>	<u>\$ 11,872,952</u>	<u>\$ 671,892</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to/ from Special Revenue Funds	-	-	667,643	667,643
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 667,643</u>	<u>\$ 667,643</u>

CALHOUN COUNTY, SOUTH CAROLINA  
 COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES  
 JUNE 30, 2017

	Clerk of Court	Magistrate St. Matthews	Magistrate Sandy Run	Magistrate Cameron	School District	Master in Equity	Delinquent Tax	Judge of Probate	Total
<b>ASSETS</b>									
Cash	\$ 55,436	\$ 21,629	\$ 12,249	\$ 1,535	10,845,386	\$ 141,113	\$ 179,749	\$ -	\$ 11,257,097
Property taxes receivable	-	-	-	-	742,281	-	-	-	742,281
Due from Others	1,568	(350)	-	-	-	-	-	-	1,218
<b>TOTAL ASSETS</b>	<b>\$ 57,004</b>	<b>\$ 21,279</b>	<b>\$ 12,249</b>	<b>\$ 1,535</b>	<b>\$ 11,587,667</b>	<b>\$ 141,113</b>	<b>\$ 179,749</b>	<b>\$ -</b>	<b>\$ 12,000,596</b>
<b>LIABILITIES</b>									
Due to Trust Fund holders	\$ 57,004	\$ 389	\$ -	\$ -	\$ 11,587,667	\$ 141,113	\$ 179,749	\$ -	\$ 11,965,922
Due to Treasurer	-	17,498	11,323	1,074	-	-	-	-	29,895
Outstanding Bonds Held for jurors	-	3,586	631	497	-	-	-	-	4,714
Due to Treasurer - cash overage (shortage) - Note 10	-	-	-	241	-	-	-	-	241
	-	(194)	295	(277)	-	-	-	-	(176)
<b>Total Liabilities</b>	<b>\$ 57,004</b>	<b>\$ 21,279</b>	<b>\$ 12,249</b>	<b>\$ 1,535</b>	<b>\$ 11,587,667</b>	<b>\$ 141,113</b>	<b>\$ 179,749</b>	<b>\$ -</b>	<b>\$ 12,000,596</b>

**CALHOUN COUNTY, SOUTH CAROLINA  
FIDUCIARY FUNDS  
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
YEAR ENDED JUNE 30, 2017**

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<b>CLERK OF COURT</b>				
<b>Assets</b>				
Cash	\$ 54,504	\$ 1,395	\$ 463	\$ 55,436
Due from others	1,255	313	-	1,568
<b>Total Assets</b>	<u>\$ 55,759</u>	<u>\$ 1,708</u>	<u>\$ 463</u>	<u>\$ 57,004</u>
<b>Liabilities</b>				
Due to Trust Fund Holders	\$ 55,759	\$ 1,245	\$ -	\$ 57,004
<b>Total Liabilities</b>	<u>\$ 55,759</u>	<u>\$ 1,245</u>	<u>\$ -</u>	<u>\$ 57,004</u>
<b>ST. MATTHEWS MAGISTRATE FUND</b>				
<b>Assets</b>				
Cash	\$ 28,543	\$ 224,226	\$ 231,140	\$ 21,629
Due from others	25	975	1,350	(350)
<b>Total Assets</b>	<u>\$ 28,568</u>	<u>\$ 225,201</u>	<u>\$ 232,490</u>	<u>\$ 21,279</u>
<b>Liabilities</b>				
Due to Treasurer	\$ 24,316	\$ -	\$ 6,818	\$ 17,498
Outstanding Bonds	2,318	1,268	-	3,586
Due to Trust Fund holders	-	389	-	389
Due to Treasurer - Cash overage (shortage) - Note 10	1,934	-	2,128	(194)
<b>Total Liabilities</b>	<u>\$ 28,568</u>	<u>\$ 1,657</u>	<u>\$ 8,946</u>	<u>\$ 21,279</u>
<b>SANDY RUN MAGISTRATE FUND</b>				
<b>Assets</b>				
Cash	\$ 18,665	\$ 158,496	\$ 164,912	\$ 12,249
<b>Total Assets</b>	<u>\$ 18,665</u>	<u>\$ 158,496</u>	<u>\$ 164,912</u>	<u>\$ 12,249</u>
<b>Liabilities</b>				
Due to Treasurer	\$ 16,772	\$ -	\$ 5,449	\$ 11,323
Outstanding Bonds	1,798	-	1,167	631
Due to Treasurer - Cash overage (shortage) - Note 10	95	200	-	295
<b>Total Liabilities</b>	<u>\$ 18,665</u>	<u>\$ 200</u>	<u>\$ 6,616</u>	<u>\$ 12,249</u>



**CALHOUN COUNTY, SOUTH CAROLINA  
FIDUCIARY FUNDS  
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
YEAR ENDED JUNE 30, 2017**

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<b>CAMERON MAGISTRATE FUND</b>				
<b>Assets</b>				
Cash	\$ 2,073	\$ 15,631	\$ 16,169	\$ 1,535
<b>Total Assets</b>	<u>\$ 2,073</u>	<u>\$ 15,631</u>	<u>\$ 16,169</u>	<u>\$ 1,535</u>
<b>Liabilities</b>				
Due to Treasurer	\$ 1,422	\$ -	\$ 348	\$ 1,074
Outstanding bonds	442	55	-	497
Held for jurors	241	-	-	241
Due to Treasurer - Cash overage (shortage) - Note 10	(32)	-	245	(277)
<b>Total Liabilities</b>	<u>\$ 2,073</u>	<u>\$ 55</u>	<u>\$ 593</u>	<u>\$ 1,535</u>
<b>DELINQUENT TAX FUND</b>				
<b>Assets</b>				
Cash	\$ 299,813	\$ 495,505	\$ 615,569	\$ 179,749
<b>Total Assets</b>	<u>\$ 299,813</u>	<u>\$ 495,505</u>	<u>\$ 615,569</u>	<u>\$ 179,749</u>
<b>Liabilities</b>				
Due to Trust Fund Holders	\$ 299,813	\$ 81,940	\$ 202,004	\$ 179,749
<b>Total Liabilities</b>	<u>\$ 299,813</u>	<u>\$ 81,940</u>	<u>\$ 202,004</u>	<u>\$ 179,749</u>
<b>CALHOUN COUNTY SCHOOL DISTRICT FUND</b>				
<b>Assets</b>				
Cash	\$ 7,378,240	\$ 3,467,146	\$ -	\$ 10,845,386
Property taxes receivable	898,531	-	156,250	742,281
<b>Total Assets</b>	<u>\$ 8,276,771</u>	<u>\$ 3,467,146</u>	<u>\$ 156,250</u>	<u>\$ 11,587,667</u>
<b>Liabilities</b>				
Due to Trust Fund Holders	\$ 8,276,771	\$ 3,310,896	\$ -	\$ 11,587,667
<b>Total Liabilities</b>	<u>\$ 8,276,771</u>	<u>\$ 3,310,896</u>	<u>\$ -</u>	<u>\$ 11,587,667</u>

**CALHOUN COUNTY, SOUTH CAROLINA  
FIDUCIARY FUNDS  
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
YEAR ENDED JUNE 30, 2017**

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<b>MASTER IN EQUITY</b>				
<b>Assets</b>				
Cash	\$ 21,998	\$ 468,830	\$ 349,715	\$ 141,113
<b>Total Assets</b>	<u>\$ 21,998</u>	<u>\$ 468,830</u>	<u>\$ 349,715</u>	<u>\$ 141,113</u>
<b>Liabilities</b>				
Due to Trust Fund Holders	\$ 21,998	\$ 119,115	\$ -	\$ 141,113
<b>Total Liabilities</b>	<u>\$ 21,998</u>	<u>\$ 119,115</u>	<u>\$ -</u>	<u>\$ 141,113</u>
<b>JUDGE OF PROBATE</b>				
<b>Assets</b>				
Cash	\$ 2,007	\$ -	\$ 2,007	\$ -
<b>Total Assets</b>	<u>\$ 2,007</u>	<u>\$ -</u>	<u>\$ 2,007</u>	<u>\$ -</u>
<b>Liabilities</b>				
Due to Treasurer	\$ 2,007	\$ -	\$ 2,007	\$ -
<b>Total Liabilities</b>	<u>\$ 2,007</u>	<u>\$ -</u>	<u>\$ 2,007</u>	<u>\$ -</u>
<b>TOTAL AGENCY FUNDS</b>				
<b>Assets</b>				
Cash	\$ 7,805,843	\$ 4,831,229	\$ 1,379,975	\$ 11,257,097
Property taxes receivable	898,531	-	156,250	742,281
Due from others	1,280	1,288	1,350	1,218
<b>Total Assets</b>	<u>\$ 8,705,654</u>	<u>\$ 4,832,517</u>	<u>\$ 1,537,575</u>	<u>\$ 12,000,596</u>
<b>Liabilities</b>				
Due to Treasurer	\$ 44,517	\$ -	\$ 14,622	\$ 29,895
Outstanding Bonds	4,558	1,323	1,167	4,714
Due to Treasurer - Cash overage (shortage) - Note 10	1,997	200	2,373	(176)
Held for jurors	241	-	-	241
Due to Trust Fund holders	8,654,341	3,513,585	202,004	11,965,922
<b>Total Liabilities</b>	<u>\$ 8,705,654</u>	<u>\$ 3,515,108</u>	<u>\$ 220,166</u>	<u>\$ 12,000,596</u>

**CALHOUN COUNTY**  
**SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES**  
**SPECIAL REVENUE FUND - VICTIMS RIGHTS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Clerk of Court	Magistrates	Total
<b>County Fines</b>			
Court fines collected	\$ 117,222	\$ 6,545	\$ 123,767
Court fines retained by County	<u>52,817</u>	<u>-</u>	<u>52,817</u>
Court fines remitted to the State Treasurer	<u>\$ 64,405</u>	<u>\$ 6,545</u>	<u>\$ 70,950</u>
<b>Court Assessments</b>			
Court assessments collected	\$ 5,845	\$ 143,285	\$ 149,130
Court assessments retained by County	<u>1,747</u>	<u>14,766</u>	<u>16,513</u>
Court assessments remitted to the State Treasurer	<u>\$ 4,098</u>	<u>\$ 128,519</u>	<u>\$ 132,617</u>
<b>Court Surcharges</b>			
Court surcharges collected	\$ 5,388	\$ 76,315	\$ 81,703
Court surcharges retained by County	<u>3,350</u>	<u>5,081</u>	<u>8,431</u>
Court surcharges remitted to State Treasurer	<u>\$ 2,038</u>	<u>\$ 71,234</u>	<u>\$ 73,272</u>
<b>Victims Services</b>			
Court assessments allocated to Victim Services	\$ 1,747	\$ 14,766	\$ 16,513
Court surcharges allocated to Victim Services	<u>3,350</u>	<u>5,081</u>	<u>8,431</u>
Funds available for carryforward	<u>\$ 5,097</u>	<u>\$ 19,847</u>	<u>\$ 24,944</u>
<b>Victims Assistance</b>			
Beginning Balance - July 1, 2016		\$ 20,527	
Funds available for carryforward		24,944	
Victims Services expenditures		<u>(40,352)</u>	
Ending Balance - June 30, 2017		<u>\$ 5,119</u>	

**CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF MISCELLANEOUS REVENUE  
FOR THE YEAR ENDED JUNE 30, 2017**

Discounts earned	\$ 23,744
Computer service reimbursement	7,245
Franchise fees	3,234
Library - fax, fines, and postage	13,129
Miscellaneous	7,213
Landfill fees	28,860
Animal control fees	6,101
Sale of recycle goods	18,315
Heavy equipment surcharge	23,092
Recreation fees	1,795
Over/short	174
Miscellaneous -Magistrate	<u>4,000</u>
<b>TOTAL MISCELLANEOUS REVENUE</b>	<u><u>\$ 136,902</u></u>

**CALHOUN COUNTY, SOUTH CAROLINA  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
JUNE 30, 2017**

<b>Tax Year</b>	<b>Delinquent Taxes</b>
2007	\$ 47,823
2008	84,789
2009	87,103
2010	69,810
2011	57,863
2012	53,841
2013	61,366
2014	76,234
2015	83,988
2016	483,772
Rollbacks	6,176
	<u>1,112,765</u>
<b>DELINQUENT TAXES RECEIVABLE, JUNE 30, 2017</b>	<b>\$ 1,112,765</b>
Delinquent taxes, June 30, 2016	\$ 1,324,055
Add executions, March 18, 2017	953,472
Supplementals	59,099
Less:	
Collections	1,045,802
Errors	165,369
Refunds	11,717
Nulla Bonaes	973
	<u>1,112,765</u>
<b>DELINQUENT TAXES RECEIVABLE, JUNE 30, 2015</b>	<b>\$ 1,112,765</b>
Distribution	
General Fund	\$ 435,214
Special Assessment Fund	30,931
Calhoun County School District	619,294
Capital Projects	3,759
Debt Service	23,567
	<u>1,112,765</u>
<b>TOTAL</b>	<b>\$ 1,112,765</b>

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. Blinnicker, 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. Saffley, CPA	D.K. Strickland, CPA J.P. McGuire, CPA L.H. Kelly, CPA J.R. Matthews II, CPA	V.K. Laroche, CPA G.N. Mundy, CPA M.L. Layman, CPA P.A. Betette, Jr, CPA S. Wo, CPA C.D. Hinchee, CPA	G.P. Davis, CPA H.J. Darver, CPA D.M. Herpel, CPA H.O. Crider, Jr, CPA F.C. Gillam, Jr, CPA M.L. Goode, CPA	H.S. Mims, CPA T. Solorzano, CPA C.W. Bolen, CPA L.T. Hewitt, 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 County Council  
Calhoun County, South Carolina  
St. Matthews, 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 unit, each major fund, and the aggregate remaining fund information of Calhoun County, South Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Calhoun County, South Carolina's basic financial statements and have issued our report thereon dated January 30, 2018.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Calhoun County, South Carolina's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Calhoun County, South Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of Calhoun County, South Carolina'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 Calhoun County, South Carolina's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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 30, 2018