

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

ANNUAL REPORT

YEAR ENDED JUNE 30, 2018

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

ANNUAL REPORT

YEAR ENDED JUNE 30, 2018

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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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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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, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 8 to the financial statements, in 2017-2018 the County adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the County's total OPEB liability and related ratios, the schedule of the County's contributions (OPEB), and the schedules of the County's proportionate share of the net pension liability and contributions on pages 4 – 11 and 68 – 72 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

INDEPENDENT AUDITOR'S REPORT
(continued)

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.

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 February 19, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Calhoun County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Calhoun County, South Carolina's internal control over financial reporting and compliance.

McGregor & Co. LLP

Orangeburg, South Carolina
February 19, 2019

**CALHOUN COUNTY
ST. MATTHEWS, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

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, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and notes to the 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, 2018 by \$30,815,931 (net position). Of this amount, \$(4,763,816) is unrestricted net deficit.
- The County's total net position decreased \$496,311 from the previous year with a decrease of \$1,209,434 resulting from governmental activities.
- At June 30, 2018, the County's governmental fund balance sheet reported a combined ending fund balance of \$11,733,964, a decrease of \$(839,638) from the previous fiscal year. Of this amount, \$6,251,013 remains in the various funds of the County as unassigned.
- The General Fund reported a fund balance of \$6,459,422 a decrease from last fiscal year of \$441,845. Calhoun County had budgeted \$1,185,858 as carry over funds from its fund balance to cover the anticipated shortfall of revenue. The unassigned fund balance of \$6,258,955 equates to 51% 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
ST. MATTHEWS, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

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, finance and taxation, public safety, physical environment, health and welfare, cultural/recreation, court related and agencies.

The government-wide financial statements can be found on pages 13 and 14 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, 2018**

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, Capital Projects Fund, and Local Option 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 15 through 19 of this report.

Proprietary funds: Municipal Water District Water/Wastewater Fund and County Golf Course 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 20 – 24.

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 25 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 26 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 73 through 91 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, 2018**

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 and deferred outflows exceeded liabilities and deferred inflows by \$30,815,931 at the close of the most recent fiscal year. The County's decrease in net position for this fiscal year amounts to \$496,311.

The largest portion of the County's net position, \$31,250,975, 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, \$4,328,772, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (deficit) is \$(4,763,816).

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 14,298	\$ 13,613	\$ 1,630	\$ 1,474
Capital assets	<u>25,447</u>	<u>25,142</u>	<u>11,111</u>	<u>10,596</u>
Total assets	<u>39,745</u>	<u>38,755</u>	<u>12,741</u>	<u>12,070</u>
Deferred outflows of resources	<u>2,548</u>	<u>2,251</u>	<u>50</u>	<u>66</u>
Long-term liabilities outstanding	17,194	14,226	4,397	4,483
Other liabilities	<u>2,224</u>	<u>777</u>	<u>292</u>	<u>274</u>
Total liabilities	<u>19,418</u>	<u>15,003</u>	<u>4,689</u>	<u>4,757</u>
Deferred inflows of resources	<u>158</u>	<u>83</u>	<u>3</u>	<u>2</u>
Net position (deficit)				
Invested in capital assets, net of related debt	24,532	24,113	6,719	6,451
Restricted	4,232	3,440	97	108
Unrestricted	<u>(6,047)</u>	<u>(1,633)</u>	<u>1,283</u>	<u>818</u>
Total net position	<u>\$ 22,717</u>	<u>\$ 25,920</u>	<u>\$ 8,099</u>	<u>\$ 7,377</u>

**CALHOUN COUNTY
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

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>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues				
Program Revenues:				
Charges for Services	\$ 2,358	\$ 2,158	\$ 1,476	\$ 1,191
Operating and Capital Grants and Contributions	940	2,492	-	-
General revenues:				
Property taxes	10,356	10,251	-	-
Sales taxes	1,024	1,297	-	-
State shares revenue	788	780	-	-
Interest	32	26	-	-
Other	<u>66</u>	<u>227</u>	<u>-</u>	<u>-</u>
Total revenues	15,564	17,231	1,476	1,191
Expenses				
Program Activities:				
Government Activities:				
General government	4,165	4,115	-	-
Finance and taxation	853	764	-	-
Public safety	3,601	3,752	-	-
Physical environment	2,132	2,338	-	-
Health and welfare	3,080	2,802	-	-
Cultural and recreational	1,074	958	-	-
Court related	839	761	-	-
Agencies	470	471	-	-
Interest on long-term debt	25	27	143	149
Business-type Activities:				
Water and wastewater	-	-	262	169
Municipal water system	-	-	859	921
County Golf Course	<u>-</u>	<u>-</u>	<u>33</u>	<u>-</u>
Total expenses	16,239	15,988	1,297	1,239
Transfers in (out)	<u>(534)</u>	<u>(918)</u>	<u>534</u>	<u>918</u>
Change in net position	<u>\$ (1,209)</u>	<u>\$ 325</u>	<u>\$ 713</u>	<u>\$ 870</u>

**CALHOUN COUNTY
ST. MATTHEWS, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

Governmental Activities: Revenues for the County's governmental activities were \$15,629,853 for fiscal year 2018. Taxes constitute the largest source of County revenues, amounting to approximately \$11,380,815 for the fiscal year 2018. Real, personal property, and vehicle taxes of \$10,356,389 represent over 91% of total taxes and 66% 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, 2018, Calhoun County governmental funds reported combined fund balances of \$11,733,964, a decrease of \$839,638 over the prior year balances.

The General Fund is the chief operating fund of the County. At June 30, 2018, total fund balance in the General Fund was \$6,459,422 of which \$6,258,955 was unassigned and \$200,467 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 53% and 51%, respectively. The fund balance of the General Fund decreased by \$441,845 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 \$397,793 from the prior year.

Proprietary funds: The water/wastewater operations had an operating loss of \$138,161. The Municipal Water Department had operating income of \$461,388 for a total net operating income for both the water/wastewater operations and the Municipal Water Department of \$323,227. The County Golf Course began operations in late April, 2018 and had an operating loss of \$1,845.

General Fund Budgetary Highlights

Budget to actual statement is provided for the General Fund on page 19. 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, 2018**

Capital asset and Debt Administration

Capital assets: Calhoun County's investment in capital assets for its governmental activities as of June 30, 2018 amounts to \$25,446,506 (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)

	Governmental Activities	Business-type Activities
Land	\$ 1,401,996	\$ 175,051
Construction in progress	722,741	230,660
Land improvements	747,400	-
Buildings and improvements	13,187,167	140,657
Machinery and equipment	4,765,664	51,917
Vehicles	5,683,395	60,917
Infrastructure	9,072,020	-
Museum collection	3,127,547	-
Water and wastewater system	-	13,956,442
Total capital assets	38,707,929	14,615,644
Less accumulated depreciation	13,261,424	3,504,155
Total capital assets, net	\$ 25,446,506	\$ 11,111,489

Additional information on the County's capital assets can be found in Note 6 on pages 39 through 42 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

	2018
(Governmental Activities)	
General Obligation Bonds	\$ 815,362
(Business-type Activities)	
Revenue Bonds	\$ 4,142,395

**CALHOUN COUNTY
ST. MATTHEWS, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

Note issued

Additional information on Calhoun County's long-term debt can be found in Note 9 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, and decreased Calhoun County's portion of funding over last year's by \$1,639. Calhoun County budgeted \$600,654 in fiscal year 2017-2018, but received \$592,645 in actual revenues. Funding will remain the same for Calhoun County at a budgeted \$600,654 for fiscal year 2018-2019.

Building permits increased in 2018 due to economic growth which resulted in an increase in revenue from permit fees in the 2017-2018 fiscal year, and this increase is expected to carry over to fiscal year 2018-2019. 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 2018-2019 fiscal year with reserves.

Calhoun County has increased its water rates over the last several years to bring them up to the suggested USDA monthly rates. The rate increase has generated adequate revenue in the water department over the past few years. There will not be a rate increase in the 2018-2019 fiscal year.

New EMS rates went into effect in 2018 which should result in an increase in EMS call revenue for the 2018-2019 fiscal year, provided call volume remains steady or increases.

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.

BASIC FINANCIAL STATEMENTS

CALHOUN COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Calhoun Economic Development Corp.
ASSETS				
Current assets:				
Cash and investments - Note 3	\$ 11,365,970	\$ 1,305,606	\$ 12,671,576	\$ 25,239
Receivables:				
Delinquent taxes	522,669		522,669	-
Other	2,055,689	52,646	2,108,335	25,355
Due from fiduciary funds - Note 4	13,035	-	13,035	-
Due from Calhoun Economic Development Commission	340,698	-	340,698	-
Other assets	104	-	104	-
Total current assets	<u>14,298,165</u>	<u>1,358,252</u>	<u>15,656,417</u>	<u>50,594</u>
Restricted cash:				
Restricted cash - Note 3	-	271,945	271,945	272,631
Total restricted cash	<u>-</u>	<u>271,945</u>	<u>271,945</u>	<u>272,631</u>
Non-current assets:				
Non-depreciable capital assets - Note 6	5,252,284	405,711	5,657,995	252,000
Depreciable capital assets-net - Note 6	20,194,222	10,705,778	30,900,000	1,996,866
Total non-current assets	<u>25,446,506</u>	<u>11,111,489</u>	<u>36,557,995</u>	<u>2,248,866</u>
Total assets	<u>39,744,671</u>	<u>12,741,686</u>	<u>52,486,357</u>	<u>2,572,091</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferrals - Note 7	2,547,748	49,985	2,597,733	-
Total deferred outflows of resources	<u>2,547,748</u>	<u>49,985</u>	<u>2,597,733</u>	<u>-</u>
LIABILITIES				
Current liabilities (payable from current assets):				
Accounts payable	1,993,256	104,356	2,097,612	-
Other liabilities	49,152	-	49,152	-
Accrued interest payable	-	6,474	6,474	-
Unearned revenue	1,629	13,440	15,069	-
Due to other funds	976	(976)	-	-
Due to Calhoun County	-	-	-	340,698
Accrued compensated absences - Note 10	44,956	-	44,956	-
Closures and maintenance costs payable - Note 10	15,800	-	15,800	-
Bonds payable - Note 10	94,629	-	94,629	-
Leases payable - Note 10	23,429	-	23,429	-
Total current liabilities	<u>2,223,827</u>	<u>123,294</u>	<u>2,347,121</u>	<u>340,698</u>
Liabilities (payable from restricted assets):				
Customer deposits	-	95,056	95,056	-
Current portion of notes payable	-	-	-	290,000
Current portion of revenue bonds payable	-	73,600	73,600	-
Total liabilities (payable from restricted assets):	<u>-</u>	<u>168,656</u>	<u>168,656</u>	<u>290,000</u>
Non-current liabilities:				
Accrued compensated absences - Note 10	355,915	-	355,915	-
Closures and maintenance costs payable - Note 10	306,189	-	306,189	-
Note Payable - Note 10	-	-	-	1,740,000
Bonds payable - Note 10	720,733	4,068,795	4,789,528	-
Leases payable - Note 10	75,940	-	75,940	-
Net pension liability - Note 7	12,567,969	249,318	12,817,287	-
OPEB liability - Note 8	3,167,208	79,211	3,246,419	-
Total long-term liabilities	<u>17,193,954</u>	<u>4,397,324</u>	<u>21,591,278</u>	<u>1,740,000</u>
Total liabilities	<u>19,417,781</u>	<u>4,689,274</u>	<u>24,107,055</u>	<u>2,370,698</u>
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals - Note 7	158,153	2,951	161,104	-
Total deferred inflows of resources	<u>158,153</u>	<u>2,951</u>	<u>161,104</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	24,531,775	6,719,200	31,250,975	-
Restricted for:				
Capital projects	3,199,758	-	3,199,758	-
Debt service	57,616	96,815	154,431	-
Local option sales tax reserve	974,583	-	974,583	-
Unrestricted	<u>(6,047,247)</u>	<u>1,283,431</u>	<u>(4,763,816)</u>	<u>201,393</u>
Total net position	<u>\$ 22,716,485</u>	<u>\$ 8,099,446</u>	<u>\$ 30,815,931</u>	<u>\$ 201,393</u>

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit Calhoun Economic Development Corp.
	Expenses	Operating		Capital Grants and Contributions	Primary Governmental Activities	Business-type Activities	Total	
		Charges for Services	Grants and Contributions					
Primary Government:								
Governmental activities:								
General government	\$ 4,165,841	\$ 6,047	\$ 5,151	\$ -	\$ (4,154,643)	\$ -	\$ (4,154,643)	
Finance and taxation	852,809	71,663	-	-	(781,146)	-	(781,146)	
Public safety	3,601,253	305,315	224,280	13,631	(3,058,027)	-	(3,058,027)	
Physical environment	2,131,698	327,002	43,880	180,723	(1,580,093)	-	(1,580,093)	
Health and welfare	3,079,941	1,318,479	61,942	-	(1,699,520)	-	(1,699,520)	
Culture/Recreation	1,073,643	43,828	114,531	56,983	(858,301)	-	(858,301)	
Court related	839,051	285,646	238,066	-	(315,339)	-	(315,339)	
Agencies	469,552	-	-	-	(469,552)	-	(469,552)	
Interest	25,152	-	-	-	(25,152)	-	(25,152)	
Total governmental activities	\$ 16,238,940	\$ 2,357,980	\$ 687,850	\$ 251,337	\$ (12,941,773)	\$ -	\$ (12,941,773)	
Business-type Activities:								
Water/wastewater plant	\$ 261,577	\$ 123,416	\$ -	\$ -	\$ -	(138,161)	(138,161)	
Municipal water system	859,107	1,320,495	-	-	-	461,388	461,388	
County golf course	33,243	31,398	-	-	-	(1,845)	(1,845)	
Interest	143,102	-	-	-	-	(143,102)	(143,102)	
Total business-type activities	\$ 1,297,029	\$ 1,475,309	\$ -	\$ -	\$ -	\$ 178,280	\$ 178,280	
Component Unit:								
Calhoun Economic Development corp	\$ 145,767	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ (45,767)
	\$ 145,767	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ (45,767)
General Revenues:								
Taxes:								
Property taxes, levied for general purposes					9,814,572	-	9,814,572	-
Property taxes, levied for debt services					541,817	-	541,817	-
Sales tax					1,024,426	-	1,024,426	-
Franchise fees					5,534	-	5,534	-
State shared revenues					787,855	-	787,855	-
Interest earnings					31,718	-	31,718	183
Miscellaneous					126,764	488	127,252	25
Gain(loss) on sale of capital assets					(65,992)	-	(65,992)	-
Transfers					(534,355)	534,355	-	-
Total general revenues and transfers					11,732,339	534,843	12,267,182	208
Change in net position					(1,209,434)	713,123	(496,311)	(45,559)
Net position - beginning - as restated - Note 18					23,925,919	7,386,323	31,312,242	246,952
Net position - ending					\$ 22,716,485	\$ 8,099,446	\$ 30,815,931	\$ 201,393

CALHOUN COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	GENERAL	CAPITAL, PROJECTS FUND	LOCAL OPTION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and investments	\$ 5,435,196	\$ 3,158,490	\$ 635,160	\$ 2,137,124	\$ 11,365,970
Accounts receivable					
Property taxes	461,734	3,288	-	57,647	522,669
Other	1,509,164	-	339,423	207,102	2,055,689
Due from other funds	45,515	-	-	889	46,404
Due from fiduciary funds	13,035	-	-	-	13,035
Due from CC Economic Develop.	-	37,980	-	302,718	340,698
Other assets	104	-	-	-	104
Total assets	<u>\$ 7,464,748</u>	<u>\$ 3,199,758</u>	<u>\$ 974,583</u>	<u>\$ 2,705,480</u>	<u>\$ 14,344,569</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 497,033	\$ 388,200	\$ 750,000	\$ 358,024	\$ 1,993,257
Due to other funds	889	-	-	46,491	47,380
Unearned revenue	-	-	-	1,629	1,629
Payroll taxes and withholdings	49,152	-	-	-	49,152
Total liabilities	<u>547,074</u>	<u>388,200</u>	<u>750,000</u>	<u>406,144</u>	<u>2,091,418</u>
Deferred Inflows of Resources					
Unavailable Revenue - Property Taxes	458,252	3,288	-	57,647	519,187
Total Deferred Inflows of Resources	<u>458,252</u>	<u>3,288</u>	<u>-</u>	<u>57,647</u>	<u>519,187</u>
Fund balances:					
Restricted	94,592	-	224,583	2,165,914	2,485,089
Assigned	105,875	2,808,270	-	83,717	2,997,862
Unassigned	6,258,955	-	-	(7,942)	6,251,013
Total fund balances	<u>6,459,422</u>	<u>2,808,270</u>	<u>224,583</u>	<u>2,241,689</u>	<u>11,733,964</u>
Total Liabilities, Deferred Inflows of Resources, and Fund balances	<u>\$ 7,464,748</u>	<u>\$ 3,199,758</u>	<u>\$ 974,583</u>	<u>\$ 2,705,480</u>	<u>\$ 14,344,569</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, 2018**

Total fund balance - total governmental funds	\$ 11,733,964
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.	519,187
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	25,446,506
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Due within a year	(178,813)
Due in more than one year	(1,458,777)
Other Post Employment Benefits(OPEB) liability represents the future unfunded costs associated with current benefit designs.	(3,167,208)
Net pension liability and related deferred inflows and outflows represents the proportionate share of future unfunded costs associated with the the County's participation in the SC Retirement System.	<u>(10,178,374)</u>
Total net position - total governmental activities	<u>\$ 22,716,485</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, 2018

	GENERAL	CAPITAL PROJECTS FUND	LOCAL OPTION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Taxes	\$ 8,180,069	\$ 1,196,777	\$ -	\$ 953,827	\$ 10,330,673
Rent	94,672	-	-	-	94,672
Intergovernmental	993,223	-	-	442,674	1,435,897
Charges for services	1,022,030	-	-	-	1,022,030
Fines and forfeitures	86,680	-	-	-	86,680
Local sources	272,428	67,376	712,351	1,352,733	2,404,888
Interest	30,938	-	423	357	31,718
Miscellaneous	197,579	-	-	-	197,579
Total revenues	<u>10,877,619</u>	<u>1,264,153</u>	<u>712,774</u>	<u>2,749,591</u>	<u>15,604,137</u>
EXPENDITURES					
Current:					
Administration	643,431	53,962	-	-	697,393
Public works	948,791	30,554	-	17,539	996,884
Public buildings	585,888	23,182	-	-	609,070
Finance and taxation	792,816	-	-	-	792,816
Judicial	760,798	-	-	-	760,798
Public safety	2,196,031	28,515	-	904,175	3,128,721
Health and welfare	2,069,000	168,599	-	458,446	2,696,045
Culture and recreation	851,306	61,367	-	18,479	931,152
Miscellaneous	531,242	-	-	-	531,242
Employee fringe benefits	2,690,958	-	-	-	2,690,958
Agencies	91,275	-	-	378,277	469,552
Debt service:					
Principal	-	22,545	-	92,673	115,218
Interest and fiscal charges	-	4,777	-	20,375	25,152
Capital outlay	-	972,533	-	515,708	1,488,241
Total expenditures	<u>12,161,536</u>	<u>1,366,034</u>	<u>-</u>	<u>2,405,672</u>	<u>15,933,242</u>
Excess revenues over (under) expenditures before other financial sources (uses)	<u>(1,283,917)</u>	<u>(101,881)</u>	<u>712,774</u>	<u>343,919</u>	<u>(329,105)</u>
Other financing sources (uses)					
Sale of property	23,822	-	-	-	23,822
Transfers in (out)	818,250	(161,978)	(750,000)	(440,627)	(534,355)
Total other financing sources (uses)	<u>842,072</u>	<u>(161,978)</u>	<u>(750,000)</u>	<u>(440,627)</u>	<u>(510,533)</u>
Net changes in fund balances	(441,845)	(263,859)	(37,226)	(96,708)	(839,638)
Fund balances at beginning of year - As restated - Note 18	<u>6,901,267</u>	<u>3,072,129</u>	<u>261,809</u>	<u>2,338,397</u>	<u>12,573,602</u>
Fund balances at end of year	<u>\$ 6,459,422</u>	<u>\$ 2,808,270</u>	<u>\$ 224,583</u>	<u>\$ 2,241,689</u>	<u>\$ 11,733,964</u>

See Notes to the Basic Financial Statements.

**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, 2018**

Net changes in fund balances - total governmental funds		\$ (839,638)
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	1,488,241	
Less current year depreciation	<u>(1,115,807)</u>	372,434
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		(89,815)
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 principal payment	<u>115,218</u>	115,218
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	(134,889)	
Change in Net Pension liability	(652,652)	
Change in compensated absences	(5)	
Change in closure and maintenance costs payable	<u>(5,808)</u>	(793,354)
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>25,721</u>
Change in net position of governmental activities		<u>\$ (1,209,434)</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, 2018**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes:			
Current	\$ 5,900,000	\$ 5,791,924	\$ (108,076)
Delinquent	315,000	302,426	(12,574)
Fee in lieu of taxes	2,044,830	2,085,719	40,889
Interest income	14,000	30,938	16,938
Other local sources	1,577,664	1,673,389	95,725
State sources	886,980	908,409	21,429
Federal sources	95,780	84,814	(10,966)
	<u>10,834,254</u>	<u>10,877,619</u>	<u>43,365</u>
TOTAL REVENUES			
EXPENDITURES			
Current	<u>12,775,112</u>	<u>12,161,536</u>	<u>613,576</u>
TOTAL EXPENDITURES			
	<u>12,775,112</u>	<u>12,161,536</u>	<u>613,576</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			
	<u>(1,940,858)</u>	<u>(1,283,917)</u>	<u>656,941</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	-	23,823	23,823
Transfers in/ out	755,000	818,249	63,249
	<u>755,000</u>	<u>842,072</u>	<u>87,072</u>
TOTAL OTHER FINANCING SOURCES (USES)			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)			
	<u>\$ (1,185,858)</u>	<u>(441,845)</u>	<u>\$ 744,013</u>
Fund Balance at Beginning of Year - As Restated		<u>6,901,267</u>	
Fund Balance at End of Year		<u>\$ 6,459,422</u>	

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA
 COMBINED STATEMENT OF FUND NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2018**

	Business-Type Activities-Enterprise Funds			
	Water/ Wastewater Plant	Municipal Water System	County Golf Course	Total
ASSETS				
Current Assets:				
Cash	\$ 10,021	\$ 1,270,273	\$ 25,312	\$ 1,305,606
Accounts receivable	18,761	33,863	22	52,646
Due from General Fund	-	976	-	976
Total Current Assets	28,782	1,305,112	25,334	1,359,228
Restricted Cash	-	271,945	-	271,945
Property, Plant, and Equipment (Net of accumulated depreciation - Note 6)	3,740,967	7,047,028	323,494	11,111,489
TOTAL ASSETS	3,769,749	8,624,085	348,828	12,742,662
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferral	-	49,985	-	49,985
Total deferred outflows of resources	-	49,985	-	49,985

See Notes to the Basic Financial Statements.

CALHOUN COUNTY, SOUTH CAROLINA
 COMBINED STATEMENT OF FUND NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2018

	Business-Type Activities-Enterprise Funds			Total
	Water/ Wastewater Plant	Municipal Water System	County Golf Course	
LIABILITIES AND FUND EQUITY				
Current Liabilities:				
Accounts payable	19,036	79,652	5,668	104,356
Accrued interest payable	-	6,474	-	6,474
Unearned revenue	-	13,440	-	13,440
Total Current Liabilities	19,036	99,566	5,668	124,270
Current Liabilities (Payable from Restricted Assets)				
Meter deposits payable	-	95,056	-	95,056
Current portion of revenue bonds payable - Note 10	-	73,600	-	73,600
Total Current Liabilities (Payable from Restricted Assets)	-	168,656	-	168,656
Noncurrent Liabilities				
Revenue bonds payable - Note 10	-	4,068,795	-	4,068,795
OPEB liability - Note 8	-	79,211	-	79,211
Net pension liability - Note 7	-	249,318	-	249,318
Total Liabilities	19,036	4,665,546	5,668	4,690,250
DEFERRED INFLOWS OF RESOURCES				
Pension deferral	-	2,951	-	2,951
Total deferred inflows of resources	-	2,951	-	2,951
Net Position				
Net Investment in capital assets	3,740,967	2,978,233	-	6,719,200
Restricted for:				
Expendable:				
Debt retirement	-	96,815	-	96,815
Unrestricted	9,746	930,525	343,160	1,283,431
Total Net Position	\$ 3,750,713	\$ 4,005,573	\$ 343,160	\$ 8,099,446

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, 2018

	<u>Business-Type Activities-Enterprise Funds</u>			Total
	Water/ Wastewater Plant	Municipal Water System	County Golf Course	
Operating Revenues:				
Water/wastewater revenue	\$ 123,416	\$ 1,289,370	\$ -	\$ 1,412,786
Tap fees	-	31,125	-	31,125
Golf Course fees	-	-	31,398	31,398
Total Operating Revenues	<u>123,416</u>	<u>1,320,495</u>	<u>31,398</u>	<u>1,475,309</u>
Operating Expenses:				
Operating and maintenance	155,601	618,619	31,725	805,945
Depreciation expense	105,976	240,488	1,518	347,982
Total Operating Expenses	<u>261,577</u>	<u>859,107</u>	<u>33,243</u>	<u>1,153,927</u>
Operating Income (Loss)	<u>(138,161)</u>	<u>461,388</u>	<u>(1,845)</u>	<u>321,382</u>
Non-Operating Income (Expense):				
Interest expense	-	(143,102)	-	(143,102)
Interest income	7	481	-	488
Net Non-Operating Income (Expense)	<u>7</u>	<u>(142,621)</u>	<u>-</u>	<u>(142,614)</u>
Income (loss) before capital contributions and transfers	<u>(138,154)</u>	<u>318,767</u>	<u>(1,845)</u>	<u>178,768</u>
Transfers in/out	<u>14,000</u>	<u>175,350</u>	<u>345,005</u>	<u>534,355</u>
Change in net position	<u>(124,154)</u>	<u>494,117</u>	<u>343,160</u>	<u>713,123</u>
Net Position - Beginning of Year - Restated - Note 18*	<u>3,874,867</u>	<u>3,511,456</u> *	<u>-</u>	<u>7,386,323</u>
Net Position - End of Year	<u>\$ 3,750,713</u>	<u>\$ 4,005,573</u>	<u>\$ 343,160</u>	<u>\$ 8,099,446</u>

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018**

	Business-Type Activities-Enterprise Funds			
	Water/ Wastewater Plant	Municipal Water System	County Golf Course	Total
Cash Flows From Operating Activities:				
Cash received from customers	\$ 121,302	\$ 1,345,471	\$ 31,371	\$ 1,498,144
Cash paid to suppliers for goods and services	(138,371)	(466,753)	(26,059)	(631,183)
Cash paid to employees for services	-	(148,555)	-	(148,555)
Net Cash Provided by (Used For) Operating Activities	<u>(17,069)</u>	<u>730,163</u>	<u>5,312</u>	<u>718,406</u>
Cash Flows From Non Capital Financing Activities:				
Transfers from other funds	14,000	175,350	345,005	534,355
Net Cash Provided by Non Capital Financing Activities	<u>14,000</u>	<u>175,350</u>	<u>345,005</u>	<u>534,355</u>
Cash Flows From Capital and Related Financing Activities:				
Principal paid on bonds	-	(71,050)	-	(71,050)
Interest paid on bonds	-	(144,326)	-	(144,326)
Purchase of capital assets	(14,000)	(523,718)	(325,005)	(862,723)
Net Cash Used in Capital and Related Financing Activities	<u>(14,000)</u>	<u>(739,094)</u>	<u>(325,005)</u>	<u>(1,078,099)</u>
Cash Flows From Investing Activities:				
Interest income	7	481	-	488
Net Cash Provided by Investing Activities	<u>7</u>	<u>481</u>	<u>-</u>	<u>488</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(17,062)	166,900	25,312	175,150
Cash and Cash Equivalents at Beginning of Year	27,083	1,375,318	-	1,402,401
Cash and Cash Equivalents at End of Year	<u>\$ 10,021</u>	<u>\$ 1,542,218</u>	<u>\$ 25,312</u>	<u>\$ 1,577,551</u>
Classified as:				
Current Assets	\$ 10,021	\$ 1,270,273	\$ 25,312	\$ 1,305,606
Restricted Assets	-	271,945	-	271,945
Totals	<u>\$ 10,021</u>	<u>\$ 1,542,218</u>	<u>\$ 25,312</u>	<u>\$ 1,577,551</u>

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018**

	Business-Type Activities-Enterprise Funds			
	Water/ Wastewater Plant	Municipal Water System	County Golf Course	Total
Reconciliation of Net Operating Income (Loss)				
Net Cash Provided by Operating Activities				
Operating income (loss)	\$ (138,161)	\$ 461,388	\$ (1,845)	\$ 321,382
Adjustments to reconcile operating income by operating activities:				
Depreciation and amortization expense	105,976	240,488	1,518	347,982
Pension expense difference	-	13,797	-	13,797
OPEB expense difference	-	3,372	-	3,372
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(2,114)	19,942	(28)	17,800
(Increase) decrease in due from General Fund	-	(976)	-	(976)
(Increase) decrease in other assets	-	(204)	-	(204)
Increase (decrease) in accounts payable	17,230	(12,689)	5,667	10,208
Increase (decrease) in deposits payable	-	5,045	-	5,045
Total Adjustments	121,092	268,775	7,157	397,024
Net Cash Provided by (Used for) Operating Activities	\$ (17,069)	\$ 730,163	\$ 5,312	\$ 718,406

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2018**

ASSETS

Cash	\$ 10,857,078
Property taxes receivable	777,960
Due from others	<u>4,327</u>
 Total Assets	 <u><u>\$ 11,639,365</u></u>

LIABILITIES

Due to trust fund holders	\$ 11,622,728
Outstanding bonds	3,766
Held for jurors	240
Due to Treasurer - overage - Note 12	(404)
Due to other funds	<u>13,035</u>
 Total Liabilities	 <u><u>\$ 11,639,365</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 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 2017-18. 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.

**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, continued

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

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.

**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 (continued)

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

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

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

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

2. Fund Financial Statements

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

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.

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)

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.

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 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.

County Golf Course – This fund accounts for activity related to the Calhoun Hills Golf Complex.

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting (continued)

Governmental Funds (continued)

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.

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.

Local Option Fund – The Local Option Fund accounts for local option monies and transfers those used to offset property taxes to the General Fund.

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.

**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:

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.

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 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."

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

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.

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:

<u>Assets</u>	<u>Years</u>
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.

**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)

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.

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. Other Postemployment Benefits (OPEB)

The Board implemented GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended June 30, 2018.

The primary objective of the Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

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)

8. Other Postemployment Benefits (OPEB) (continued)

This statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agents Multiple-Employer Plans*, for OPEB.

9. 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.

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.

10. 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 \$4,328,772 of restricted net position of which \$974,583 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. The Tech Gressette fund ended 2017-18 with a deficit fund balance of (\$ 7,942) due to the tax shortfall caused by the State devaluation of vehicles.

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

1. Each year, the County Administrator submits to the County Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Three public readings are conducted by County Council and one public hearing to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. The County Administrator is authorized to transfer budgeted amounts between departments within any fund. 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.

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

NOTE 3 – CASH AND INVESTMENTS

Deposits

At year-end, the carrying amount of the County's deposits and investments was \$23,798,109 and the bank balance was \$24,090,875. To reconcile this information to the financial statements, we include the following:

Cash and investments	\$ 23,798,110
Cash on hand	<u>2,489</u>
Total	<u>\$ 23,800,599</u>
Cash – Governmental Activities	\$ 11,365,970
Business Type Activities	1,577,551
Fiduciary Activities	<u>10,857,078</u>
	<u>\$ 23,800,599</u>
Deposits	\$ 14,030,291
Investments	<u>9,770,308</u>
	<u>\$ 23,800,599</u>

Of the bank balance of \$15,478,714 excluding the investment pool funds, \$1,605,753 is secured by FDIC insurance and \$13,872,961 is secured by collateral pledged in the County's name.

Restricted Cash

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

Bond cushion	\$ 177,179
Meter deposits	<u>94,766</u>
	<u>\$ 271,945</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

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

NOTE 3 – CASH AND INVESTMENTS (continued)

Credit Risk (continued)

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.

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

	Maturities	Fair Value
State Investment pool	18 months to 2 years	\$ 8,612,161
Certificate of deposit	6 months to 1 year	1,158,147
		\$ 9,770,308

The local government investment pool is a 2a7-like pool which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The South Carolina State Treasurer oversees the pool. The fair value of the position in the pool is the same as the value of the pool shares. The Pool is included as an investment trust fund in the State of South Carolina Comprehensive Annual Financial Report. At June 30, 2018, the underlying security ratings of the County's investment in the Local 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.

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

NOTE 3 – CASH AND INVESTMENTS (continued)

Foreign Currency Risk

The County has no foreign currency investments.

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, 2018, follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 58,550	\$ 889
Special Revenue Fund:		
Library Lottery	889	-
Grants Fund	-	46,491
Enterprise Fund:		
Water System	976	-
Trust and Agency Funds:		
Magistrates	-	13,035
	<u>\$ 60,415</u>	<u>\$ 60,415</u>
Operating Transfers	Transfer In	Transfer Out
General Fund	\$ 836,913	\$ 18,663
Capital Projects Fund	404,272	566,250
Local Option Fund	-	750,000
Special Revenue Fund:		
Child Support Fund	-	83,042
Victims' Fund	18,663	-
Sheriff	-	3,871
Debt	-	372,377
Rural Fire Debt Service	113,803	-
Rural Fire District	-	228,123
Sandy Run Fire Department	114,320	-
Enterprise Fund:		
Water System	213,950	24,600
Golf Course	345,005	-
	<u>\$ 2,046,926</u>	<u>\$ 2,046,926</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.

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

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.

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, 2018 was as follows:

	Balance June 30, 2017 Restated*	Reclassi- fications	Additions	Deletions	Balance June 30, 2018
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 1,401,996	\$ -	\$ -	\$ -	\$ 1,401,996
Construction in Progress	66,141	-	656,600	-	722,741
Museum collection	<u>3,127,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,127,547</u>
Total capital assets not being depreciated	<u>4,595,684</u>	<u>-</u>	<u>656,600</u>	<u>-</u>	<u>5,252,284</u>
Capital assets, being depreciated:					
Building and improvements	13,014,517	-	172,650	-	13,187,167
Infrastructure	9,012,027	-	59,993	-	9,072,020
Land improvements	747,400	-	-	-	747,400
Vehicles	5,296,479	-	559,454	172,538	5,683,395
Equipment, furniture and fixtures	<u>4,798,436</u>	<u>-</u>	<u>39,544</u>	<u>72,316</u>	<u>4,765,664</u>
Total capital assets Being depreciated	<u>32,868,859</u>	<u>-</u>	<u>831,641</u>	<u>244,854</u>	<u>33,455,646</u>

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

NOTE 6 – CAPITAL ASSETS (continued)

	Balance June 30, 2017 Restated*	Reclassi- fications	Additions	Deletions	Balance June 30, 2018
Less accumulated depreciation for:					
Building and improvements	3,386,934	-	340,438	-	3,727,372
Land improvements	203,819	-	23,654	-	227,473
Infrastructure	2,368,499	-	128,225	-	2,496,724
Vehicles	* 2,690,522	-	411,476	148,410	2,953,588
Equipment, furniture and fixtures	3,650,882	-	212,014	6,629	3,856,267
Total accumulated depreciation	<u>12,300,656</u>	<u>-</u>	<u>1,115,807</u>	<u>155,039</u>	<u>13,261,424</u>
 Total capital assets, being depreciated, net	 <u>20,568,203</u>	 <u>-</u>	 <u>(284,166)</u>	 <u>(89,815)</u>	 <u>20,194,222</u>
 Governmental activities capital assets	 <u>\$ 25,163,887</u>	 <u>\$ -</u>	 <u>\$ 372,434</u>	 <u>\$ (89,815)</u>	 <u>\$ 25,446,506</u>
 Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 4,500	\$ -	\$ 170,551	\$ -	\$ 175,051
Construction in Progress	-	-	230,660	-	230,660
Total capital assets not being depreciated	<u>4,500</u>	<u>-</u>	<u>401,211</u>	<u>-</u>	<u>405,711</u>
Capital assets, being depreciated:					
Water System	10,207,808	-	286,013	-	10,493,821
Wastewater System	3,448,621	-	14,000	-	3,462,621
Equipment, furniture and fixtures	31,070	-	20,847	-	51,917
Buildings and improvements	-	-	140,657	-	140,657
Vehicles	* 60,917	-	-	-	60,917
Total capital assets being depreciated	<u>13,748,416</u>	<u>-</u>	<u>461,517</u>	<u>-</u>	<u>14,209,933</u>
 Less accumulated depreciation	 <u>3,156,173</u>	 <u>-</u>	 <u>347,982</u>	 <u>-</u>	 <u>3,504,155</u>
 Total capital assets, being depreciated, net	 <u>10,592,243</u>	 <u>-</u>	 <u>113,535</u>	 <u>-</u>	 <u>10,705,778</u>
 Business-type activities capital assets, net	 <u>\$ 10,596,743</u>	 <u>\$ -</u>	 <u>\$ 514,746</u>	 <u>\$ -</u>	 <u>\$ 11,111,489</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, 2018:

	<u>Water/ Wastewater Plant</u>	<u>Municipal Water System</u>	<u>County Golf Course</u>	<u>Total Proprietary Funds</u>
Land	\$ -	\$ 4,500	\$ 170,551	\$ 175,051
Buildings and improvements	-	-	140,662	140,662
Construction in progress	-	230,660	-	230,660
Water system	782,271	9,711,550	-	10,493,821
Wastewater system	3,462,620	-	-	3,462,620
Vehicles	-	60,917	-	60,917
Equipment, furniture, fixtures and software	-	38,120	13,798	51,918
Less, accumulated depreciation	<u>(503,924)</u>	<u>(2,998,719)</u>	<u>(1,517)</u>	<u>(3,504,160)</u>
Net Property, Plant and Equipment	<u>\$ 3,740,967</u>	<u>\$ 7,047,028</u>	<u>\$ 323,494</u>	<u>\$11,111,489</u>

The depreciation and amortization expense for the Water/Wastewater Plant, the Water System, and the Golf course was \$347,982 for the year ended June 30, 2018.

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

Administration	\$ 172,883
Public Safety	257,576
Physical Environment	452,938
Health and Welfare	164,119
Cultural and Recreation	<u>68,291</u>
Total depreciation expense-governmental activities	<u>\$ 1,115,807</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, 2017</u>	<u>Reclassi- fications</u>	<u>Addi- tions</u>	<u>Retire- ments</u>	<u>Balance June 30, 2018</u>
Assets not being depreciated:					
Land	\$ 252,000	\$ -	\$ -	\$ -	\$ 252,000
Total assets not being depreciated	<u>252,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>252,000</u>
Assets being depreciated:					
Building	<u>2,051,573</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,051,573</u>
Total assets being depreciated	<u>2,051,573</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,051,573</u>
Less accumulated depreciation for:					
Building	<u>13,676</u>	<u>-</u>	<u>41,031</u>	<u>-</u>	<u>54,707</u>
Total assets being depreciated, net	<u>2,037,897</u>	<u>-</u>	<u>(41,031)</u>	<u>-</u>	<u>1,996,866</u>
Total capital assets, net	<u>\$ 2,289,897</u>	<u>\$ -</u>	<u>\$ (41,031)</u>	<u>\$ -</u>	<u>\$ 2,248,866</u>

Depreciation expense for 2017-18 is \$41,031.

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

NOTE 7 – RETIREMENT PLAN

Description of the Entity

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (Systems) and serves as a co-trustee of the Systems in conducting that review. Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 assigned the PEBA Board of Directors as the Custodian of the Retirement Trust Funds and assigned SC PEBA and the Retirement Systems Investment Commission (RSIC) as co-trustees of the Retirement Trust Funds.

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

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

Plan Descriptions

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

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

NOTE 7 – RETIREMENT PLAN (continued)

Membership

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

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

Benefits

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

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

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

NOTE 7 – RETIREMENT PLAN (continued)

Benefits (continued)

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

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

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

Contributions

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

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

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

NOTE 7 – RETIREMENT PLAN (continued)

Contributions (continued)

necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 90 percent.

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

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

<u>SCRS</u>	
Employee Class Two	9.00%
Employee Class Three	9.00%
<u>PORS</u>	
Employee Class Two	9.75%
Employee Class Three	9.75%

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

<u>SCRS</u>	
Employer Class Two	13.41%
Employer Class Three	13.41%
Employer Incidental Death Benefit	0.15%
<u>PORS</u>	
Employer Class Two	15.84%
Employer Class Three	15.84%
Employer Incidental Death Benefit	0.20%
Employer Accidental Death Program	0.20%

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

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

NOTE 7 – RETIREMENT PLAN (continued)

Contributions (continued)

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>SCRS</u>			
Employee Contributions	\$ 390,041	\$ 355,350	\$ 347,536
Employer Contributions	581,163	473,053	464,456
Employer Group Life Contributions	<u>6,501</u>	<u>6,219</u>	<u>6,387</u>
Total	<u>\$ 977,705</u>	<u>\$ 834,622</u>	<u>\$ 818,379</u>
<u>PORS</u>			
Employee Contributions	\$ 140,354	\$ 129,212	\$ 112,324
Employer Contributions	227,976	193,538	171,442
Employer Group Life Contributions	<u>5,757</u>	<u>5,594</u>	<u>5,141</u>
Total	<u>\$ 374,087</u>	<u>\$ 328,344</u>	<u>\$ 288,907</u>

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, 2018, the County reported a liability of \$9,805,606 for its proportionate share of the net pension liability for SCRS and a liability of \$3,011,681 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, 2017, using membership as of that date projected forward to the end of the retirement plan's fiscal year, and financial information of the pension trust funds as of June 30, 2018. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental units, actuarially determined.

At the retirement plan's year end of June 30, 2018, the County's proportion was .04356% and .10993% for SCRS and PORS, respectively.

For the year ended June 30, 2018, the County recognized pension expense of \$1,527,804, including \$1,117,965 for SCRS and \$409,839 for PORS, respectively.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>SCRS</u>		
Differences between expected and actual experience	\$ 43,713	\$ 5,435
Assumption changes	574,013	-
Net difference between projected and actual earnings on pension plan investments	273,725	-
Deferred amounts from changes in proportionate share and differences between County contributions and proportionate share of contributions	292,769	114,945
County contributions subsequent to the measurement date	<u>587,663</u>	<u>-</u>
Totals	<u>\$1,771,883</u>	<u>\$ 120,380</u>
<u>PORS</u>		
Differences between expected and actual experience	\$ 26,856	\$ -
Assumption changes	285,836	-
Net difference between projected and actual earnings on pension plan investments	107,318	-
Deferred amounts from changes in proportionate share and differences between County contributions and proportionate share of contributions	172,107	40,724
County contributions subsequent to the measurement date	<u>233,733</u>	<u>-</u>
Totals	<u>\$ 825,850</u>	<u>\$ 40,724</u>

The amount of \$587,663 for SCRS and \$233,733 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, 2019.

**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)

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, 2018.

	<u>Difference between expected and actual experience¹</u>	
	<u>SCRS</u> June 30, 2017	<u>PORS</u> June 30, 2017
Initial Balance	\$ 302,905	\$ 96,445
Amortized ² period ending June 30, 2014	\$ (65,728)	\$ (14,564)
2015	(61,058)	(16,116)
2016	(66,002)	(18,846)
2017	(71,839)	(20,063)
2018	(21,426)	(17,966)
2019	(10,015)	(5,182)
2020	(6,411)	(3,035)
2021	(426)	(673)

	<u>Assumption Changes</u>	
	<u>SCRS</u> June 30, 2017	<u>PORS</u> June 30, 2017
Initial Balance	\$ 760,805	\$ 366,276
2017	\$ (186,792)	\$ (80,440)
2018	(186,792)	(80,447)
2019	(186,792)	(80,447)
2020	(186,792)	(80,447)
2021	(13,637)	(44,495)

**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)

	<u>Difference between projected and actual investment earnings³</u>	
	<u>SCRS</u>	<u>PORS</u>
	June 30, 2017	June 30, 2017
Initial Balance	\$ 299,658	\$ 124,288
Amortized ² period ending June 30, 2014	\$ 158,060	\$ 60,877
2015	25,691	8,665
2016	(149,752)	(61,658)
2017	(59,932)	(24,854)
2018	(59,932)	(24,854)
2019	(217,992)	(85,735)
2020	(85,623)	(33,523)
2021	89,822	36,794

¹ 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 4.164 years for 6/30/15; 4.116 years for 6/30/16 and 4.873 years for 6/30/17 for SCRS and are 4.796 for 6/30/15; 4.665 for 6/30/16 and 4.553 for 6/30/17 for PORS.

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

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

Actuarial Assumptions and Methods

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

The June 30, 2017, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2016. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2017, using generally accepted actuarial principles. The Retirement System Funding and Administration Act of 2017 was signed into law April 25, 2017, and included a provision to reduce the assumed rate of return from 7.50% to 7.25% effective July 1, 2017. As a result of this legislation, GRS made an adjustment to the calculation of the roll-forward total pension liability for this assumption change as of the measurement date of June 30, 2017.

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

NOTE 7 – RETIREMENT PLAN (continued)

Actuarial Assumptions and Methods (continued)

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

	<u>SCRS</u>	<u>PORS</u>
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return ¹	7.25%	7.25%
Projected salary increases	3.0% to 12.5%(varies by service) ¹	3.50% to 9.5%(varies by service) ¹
Benefit adjustments	Lesser of 1%or \$500 annually	Lesser of 1%or \$500 annually
¹ Includes inflation at 2.75%		

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

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

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

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

NOTE 7 – RETIREMENT PLAN (continued)

Net Pension Liability

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

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
SCRS	\$48,244,437,494	\$ 25,732,829,268	\$ 22,511,608,226	53.3%
PORS	7,013,684,001	4,274,123,178	2,739,560,823	60.9%

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

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 30 year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

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

NOTE 7 – RETIREMENT PLAN (continued)

Long-term Expected Rate of Return (continued)

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity	45.0%		
Global Public Equity	31.0%	6.72%	2.08%
Private Equity	9.0%	9.60%	0.86%
Equity Options Strategies	5.0%	5.91%	0.30%
Real Assets	8.0%		
Real Estate (Private)	5.0%	4.32%	0.22%
Real Estate (REITs)	2.0%	6.33%	0.13%
Infrastructure	1.0%	6.26%	0.06%
Opportunistic	17.0%		
GTAA/Risk Parity	10.0%	4.16%	0.42%
Hedge Funds (non-PA)	4.0%	3.82%	0.15%
Other Opportunistic Strategies	3.0%	4.16%	0.12%
Diversified Credit	18.0%		
Mixed Credit	6.0%	3.92%	0.24%
Emerging Markets Debt	5.0%	5.01%	0.25%
Private Debt	7.0%	4.37%	0.31%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	1.60%	0.16%
Cash and Short Duration (Net)	2.0%	0.92%	0.02%
Total Expected Real Return	100%		5.31%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.56%

Discount Rate

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

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

NOTE 7 – RETIREMENT PLAN (continued)

Sensitivity Analysis

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 12,638,660	\$ 9,805,606	\$ 8,087,332
PORS	\$ 4,066,232	\$ 3,011,681	\$ 2,180,879

Additional Financial and Actuarial Information

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' separately issued Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for SCRS and PORS. Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2017.

Payables to the Pension Plan

As of June 30, 2018, the County had \$100,753 in payables outstanding to the pension plans for its legally required contributions.

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Background

Calhoun County follows Governmental Accounting Standards Board (GASB) Statement No. 75 (Implemented July 1, 2017) for other post-employment benefits (OPEB) offered to retirees. This standard addresses how local governments should account for and report their costs related to post-employment health care and other non-pension benefits, such as the County's retiree health benefit subsidy. Historically, the County's subsidy was funded on a pay-as-you-go basis but GASB 75 (previously GASB 45) requires that the County accrue the cost of 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 OPEB (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 CIGNA Now Fully Insured Policy. The plan is a single employer OPEB plan. The County pays into the health reimbursement account monthly for retirees as follows:

- Pre 65 retirees – The County will contribute \$590 per month for 2017-18.
- Post 65 retirees – The County will contribute \$350 per month into a health reimbursement plan for each retiree.

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.

Funding Policy

The County has elected not to pre-fund OPEB liabilities and to fund healthcare benefits on a pay-as-you-go basis "PayG" (no funding of the obligation). No assets are accumulated in a Trust that meets the criteria in paragraph 4 of Statement 75.

Employees Covered by Benefit Terms

At June 30, 2017, (measurement date) the following employees were covered by benefit terms:

Active participants	67
Retired participants	<u>18</u>
	<u>85</u>

Eligibility and Benefits Provided

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.
- Dependent coverage (medical and dental) is not available for reimbursement through the County health reimbursement account.

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

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

Changes in Total OPEB Obligation

The County's total OPEB liability of \$3,246,419 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2017, restated	<u>\$ 3,108,160</u>
Charges for the Year:	
Service Cost	75,237
Interest	119,210
Benefit Payments – Net Employer Contributions	<u>(56,188)</u>
Net Changes	<u>138,259</u>
Balance at June 30, 2018	<u>\$ 3,246,419</u>

Changes of assumptions and other inputs reflect a change in the following from the previous actuarial study with a July 1, 2015, measurement date:

The discount rate was updated from 4.50% (under GASB 45) to 3.87% as of June 30, 2018, respectively, in accordance with GASB 75.

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

The mortality table was updated from RP-2014 white-collar mortality table backed off to 2006 and projected generationally with Scale MP-2015 to RP-2014 white-collar mortality table backed off to 2006 and projected generationally with Scale MP-2017.

The retirement rates were updated to reflect the rates used for "General Employees" in the South Carolina Retirement System Actuarial Valuation as of July 1, 2016.

The medical trend rates were updated from an initial rate of 7.00% in fiscal 2017 grading down to an ultimate rate of 4.50%.

The impact of the ACA excise tax on high-cost healthcare plans was estimated and updated.

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

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

Changes in Total OPEB Liability (continued)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1.00% Decrease (<u>2.87%</u>)	Discount Rate (<u>3.87%</u>)	1.00% Increase (<u>4.87%</u>)
Total OPEB Liability	\$ 3,625,999	\$ 3,246,419	\$ 2,921,871

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.0 percent decreasing to 3.0 percent) or 1-percentage-point higher (8.5 percent decreasing to 5.0 percent) than the current healthcare cost trend rates:

	1.00% Decrease (<u>6.0% Decreasing to 3.0%</u>)	Healthcare Cost Trend Rates (<u>7.0% Decreasing to 4.0%</u>)	1.00% Increase (<u>8.0% Decreasing to 5.0%</u>)
Total OPEB Liability	\$ 3,154,864	\$ 3,246,419	\$ 3,353,757

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

For the year ended June 30, 2018, the County recognized OPEB expense of \$138,259. At June 30, 2018, the County reported no deferred outflows of resources and deferred inflows of resources related to OPEB.

Actuarial Methods and Assumptions

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	2.5 percent, average, including inflation
Discount Rate	3.87 percent
Healthcare Cost Trend Rates	7.0 percent decreasing .25 percent per year to an ultimate rate of 4.5 percent for June 30, 2038, and later years.
Retiree's Share of Benefit-Related Costs	\$103.96 per month for pre-retirees \$350.00 per month for post-retirees

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

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

Actuarial Methods and Assumptions (continued)

The discount rate was based on the S&P municipal bond 20-year high grade rate index as of the measurement dates.

Mortality rates were based on rates used in the July 1, 2016, SCRS valuation.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study as of June 30, 2017.

NOTE 9 – SHORT-TERM OBLIGATIONS

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

	<u>Balance at June 30, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2018</u>
GO Bond – Series 2017A	\$ -	\$ 360,000	\$ 360,000	\$ -

In December 2017, the County issued a General Obligation Bond (Series 2017A) for \$360,000 to be used for building improvements, software purchases and upgrades, and heavy equipment purchases. This bond was paid off utilizing debt service tax collections.

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, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2018</u>	<u>Due Within One Year</u>
Accrued Compensated Absences	\$ 400,866	\$ 38,117	\$ 38,112	\$ 400,871	\$ 44,956
Closure and Maintenance Costs	316,181	21,608	15,800	321,989	15,800
Capital Lease Motorola	121,914	-	22,545	99,369	23,429
Fire Bond	<u>908,036</u>	<u>-</u>	<u>92,674</u>	<u>815,362</u>	<u>94,629</u>
Total long-term debt	<u>\$1,746,997</u>	<u>\$ 59,725</u>	<u>\$ 169,131</u>	<u>\$1,637,591</u>	<u>\$ 178,814</u>

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

NOTE 10 – LONG-TERM DEBT (continued)

A. Primary Government (continued)

General Obligation Bond

\$1,000,000 bond issued March 17, 2016 (Series 2016) to provide for facilities for the Calhoun County Rural Fire District. 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. Because millage is set for this bond within the county's fire district, the bond does not count against the county debt limit.

Total General Obligation Bond payable \$ 815,362

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

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 94,629	\$ 17,204
2020	96,626	15,207
2021	98,665	13,169
2022	100,746	11,087
2023	102,872	8,961
2024-2028	<u>321,824</u>	<u>13,675</u>
	<u>\$ 815,362</u>	<u>\$ 79,303</u>

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 \$49,346.

Total Capital Lease \$ 99,369

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

<u>Year ending June 30,</u>	
2019	\$ 27,323
2020	27,323
2021	27,323
2022	<u>27,323</u>
Total Minimum Lease Payment	109,292
Less Amount Representing Interest	<u>9,923</u>
Present Value of Net Minimum Lease Payment	<u>\$ 99,369</u>

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

NOTE 10 – LONG-TERM DEBT (continued)

A. Primary Government (continued)

Business-type Activities:

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

	<u>Revenue Bonds</u>
Balance June 30, 2017	\$ 4,213,445
Issued during the period	-
Retired during the period	<u>71,050</u>
Balance at June 30, 2018	<u>\$ 4,142,395</u>

Details of long-term debt at June 30, 2018 are as follows:

	<u>Revenue Bonds</u>
\$265,000 FHA Revenue Bonds due in monthly installments of \$1,302 through December 15, 2033, with interest at 5.125%	\$ 165,044
\$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.	1,456,199
\$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>2,521,152</u>
	4,142,395
Less current portion	<u>(73,600)</u>
Long-term portion	<u>\$ 4,068,795</u>

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

NOTE 10 – LONG-TERM DEBT (continued)

A. Primary Government (continued)

Business-type Activities: (continued)

The annual requirements to amortize all debt outstanding of the proprietary funds as of June 30, 2018, including bond interest payments of \$2,702,223 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Revenue Bonds Interest</u>	<u>Total</u>
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	84,824	130,947	215,771
2024-2028	472,865	605,989	1,078,854
2029-2033	566,635	512,219	1,078,854
2034-2038	596,624	407,899	1,004,523
2039-2043	706,110	294,624	1,000,734
2044-2048	842,569	158,165	1,000,734
2049-2053	544,801	39,933	584,734
2054-2055	17,265	66	17,331
	<u>\$ 4,142,395</u>	<u>\$ 2,702,223</u>	<u>\$ 6,844,618</u>

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>
2019	\$ 290,000	\$ 25,172
2020	290,000	(1)
2021	290,000	(2)
2022	290,000	(2)
2023	290,000	(2)
2024-2025	<u>580,000</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 1st 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.

CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

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 and has been amended to be renewed January 1, 2019. The current annual rent is \$34,200. The cost of the building is \$565,318 with accumulated depreciation of \$163,000.

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

June 30, 2019	\$ 34,200
June 30, 2020	34,200
June 30, 2021	34,200
June 30, 2022	<u>17,100</u>
	<u>\$ 119,700</u>

NOTE 12 – OVERAGES IN TRUST AND AGENCY FUNDS

As of June 30, 2018, excess funds were on deposit in the checking account of one trust and agency fund. This overage, totaling \$866, represents 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.) There were shortages recorded in two trust and agency funds. These amounted to \$1,270 and they represent the amount liabilities exceed cash on deposit.

NOTE 13 – 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 14 – 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

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

NOTE 14 – CLOSURE AND POST CLOSURE CARE COSTS (continued)

care costs has a balance of \$321,989 as of June 30, 2018, which is based on the following estimated percentages:

Municipal landfill (MSWLF)	100%
Construction and debris landfill (C&D)	98%

The estimated remaining useful life of the C&D landfill is 48 months. The estimated costs of landfill closure and postclosure care costs for twenty years increased by \$20,758 in the current year and the balance of the liability for the C&D landfill is \$232,289 at June 30, 2018. In addition, \$15,800 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, 2018. 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.

NOTE 15 – RISK MANAGEMENT

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

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.

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

NOTE 15 – RISK MANAGEMENT (continued)

The County has not reported a supplemental premium assessment expenditure, and the related liability at June 30, 2018, because the requirements of GASB Statement No. 10, which 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, 2018, 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.

NOTE 16 – 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, 2018 were classified as follows:

<u>Description</u>	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Local Option Fund</u>	<u>Other- Governmental Funds</u>	<u>Total- Governmental Funds</u>
Restricted:					
LOST Reserve	\$ -	\$ -	\$ 224,583	\$ -	\$ 224,583
Grants	-	-	-	558,959	558,959
Debt Service	-	-	-	57,616	57,616
Library Lottery	-	-	-	889	889
E-911 Funds	-	-	-	330,769	330,769
Sandy Run					
Fire Department	-	-	-	321,706	321,706
Council on Aging	-	-	-	577,379	577,379
Sheriff Department					
Drug Funds	-	-	-	4,043	4,043
Child Support Funds	94,592	-	-	23,941	118,533
Rural Fire District	-	-	-	222,537	222,537
Rural Fire Debt Service	-	-	-	68,075	68,075
Assigned:					
Banks Estate Fund	-	-	-	83,717	83,717
Capital Projects	-	2,808,270	-	-	2,808,270
Museum Funds	64,024	-	-	-	64,024
EMS Donations	1,173	-	-	-	1,173
Library donations	20,111	-	-	-	20,111
Animal control donations	20,267	-	-	-	20,267
Veterans Memorial	300	-	-	-	300
Unassigned	<u>6,258,955</u>	<u>-</u>	<u>-</u>	<u>(7,942)</u>	<u>6,251,013</u>
Total Fund Balance	<u>\$ 6,459,422</u>	<u>\$ 2,808,270</u>	<u>\$ 224,583</u>	<u>\$ 2,241,689</u>	<u>\$ 11,733,964</u>

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

NOTE 17 - TAX ABATEMENTS

As of June 30, 2018, the County provides tax incentives under two programs: Fee in Lieu of Tax Agreements (FILO) and Special Source Revenue Credits (SSRCs). The purpose of both programs is the retention of jobs, job growth, and /or capital investment.

The County has entered into fee in lieu of tax agreements pursuant to the authority granted by Title 12, Chapter 44, Title 4, Chapter 29, and/or Title 4, Chapter 12 of the Code of Laws of South Carolina, 1976, as amended. Property subject to a fee in lieu of tax agreement is exempt from ad valorem property tax and is instead subject to a fee in lieu of tax equal to the product of the value of the property, an assessment ratio that is generally no lower than 6% (but may be as low as 4% for extraordinary projects that satisfy the statutory definition of an "enhanced investment"), and a millage rate that is either fixed for the life of the agreement or is adjusted every five years based on the trailing five-year average. For the fiscal year ended June 30, 2018, the County abated property taxes totaling \$2,340,514 under its various fee in lieu of tax agreements.

In addition, the County provides special source revenue credits, generally in conjunction with fee in lieu of tax agreements, pursuant to the authority granted by Sections 4-29-68 and 4-1-170 of the Code of Laws of South Carolina, 1976, as amended. Special source revenue credits, often referred to as SSRCs or "Infrastructure Credits", are reductions to a taxpayer's payments in lieu of taxes. Generally, property that receives SSRCs is added to a "multi-county industrial park" pursuant to Sections 4-1-170 – 4-1-175 of the Code of Laws of South Carolina, 1976, as amended. Most multi-county industrial park agreements allocate 1% of property tax (or fee in lieu of tax) revenue to the partner county. Generally, the SSRCs are utilized to offset costs of design, acquiring, construction, improving, or expanding improved or unimproved real estate and personal property used in the operation of a manufacturing or commercial enterprise, or infrastructure serving the project. For the fiscal year ended June 30, 2018, the County abated property taxes totaling \$1,795,236 under its special source revenue credits.

NOTE 18 - RESTATEMENT OF FUND BALANCE AND NET POSITION

Fund balances and net position for June 30, 2017 were restated as follows:

	<u>General Fund</u>	<u>Grants Fund</u>	<u>Total Fund Balance Governmental Funds</u>
Balance, June 30, 2017	\$ 6,901,734	\$ 457,694	\$ 12,494,069
Miscellaneous restatement	(467)	-	(467)
Grant not accrued	<u>-</u>	<u>80,000</u>	<u>80,000</u>
Balance restated at June 30, 2017	<u>\$ 6,901,267</u>	<u>\$ 537,694</u>	<u>\$ 12,573,602</u>

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

NOTE 18 - RESTATEMENT OF FUND BALANCE AND NET POSITION (continued)

	Total Net Position	
	Governmental Activities	Business-type Activities
Balance, June 30, 2017	\$ 25,919,004	\$ 7,376,125
To restate for GASB 75 implementation	(2,013,191)	(75,839)
To adjust accumulated depreciation	26,612	-
To adjust for pension allocation	(86,037)	86,037
To adjust for cumulative adjustments in Governmental funds	<u>79,531</u>	<u>-</u>
Balance restated at June 30, 2017	<u>\$ 23,925,919</u>	<u>\$ 7,386,323</u>

NOTE 19 – CONTINGENCIES AND COMMITMENTS

Grants:

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

Construction Commitments:

The County was obligated under the following construction commitments at June 30, 2018:

	Total Contract	Completed	Balance
Courthouse Renovation	\$ 1,697,951	\$ 524,789	\$ 1,173,162
Zeus Waterline – Well	521,384	41,310	480,074
John Ford Community Center	593,600	23,281	570,319

NOTE 20 – SUBSEQUENT EVENTS

Calhoun County will be finishing an economic development project – Code Name E1/G2 which carries an investment of approximately \$77,000,000 in real and personal property and a FILOT agreement completed in February of 2018. The County has committed water and wastewater to the site for the project and received a \$1,000,000 grant from the Coordinating Council of the South Carolina Department of Commerce. The County also received a \$500,000 grant from the South Carolina Rural Infrastructure Authority to go to the water and wastewater expenses. The infrastructure is scheduled to be completed by the end of the second quarter of 2019.

CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 20 – SUBSEQUENT EVENTS (continued)

Calhoun County will be finishing an infrastructure project in the Sandy Run area encompassing an addition of a water well to expand the capacity of the Sandy Run Water System by up to 400,000 gallons per day, and an upgrade of an existing water line extending from the corner of Bellinger Road and Old Sandy Run Road to in front of the Sandy Run Fire Department Station on Old Sandy Run Road. The project cost is approximately \$890,000, and Calhoun County received a \$500,000 grant from the South Carolina Rural Infrastructure Authority to defray that much of the project costs.

Calhoun County will be finishing the second phase of renovations to the John Ford Community Center in St. Matthews. The first phase of renovations was completed in 2015. The cost of the renovations will total approximately \$900,000, and Calhoun County has received three grants to defray \$299,000 of those costs. \$99,000 will come from two grants from the USDA and will go toward kitchen equipment purchases and bringing air conditioning to the gymnasium. \$200,000 has been obtained from the South Carolina Legislature to renovate the kitchen including the construction of new restrooms.

The County began renovations on its courthouse which is listed on the National Historic Registry. Said renovations should be completed by December 2018. The total cost of the renovations is \$1,477,157 and the project is funded through a G.O. bond in the amount of \$1,500,000 issued in July 2018.

Calhoun County passed its first capital projects sales tax referendum in November 2018. The additional penny will generate approximately \$8,001,056 over an eight-year period. The Capital Project Sales Tax Commission has placed \$6,642,000 in capital projects on the referendum to be completed over the eight-year period. March 1, 2019, is when the additional sales tax is scheduled to be implemented.

A \$390,000 revenue bond backed by accommodations tax revenue was issued in September 2018 for golf course capital expenditures and reimbursements. The first payment will be due September 1, 2019.

CALHOUN COUNTY
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST 10 FISCAL YEARS ENDING JUNE 30

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Service Cost	\$ 75,237	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Interest	119,210	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Differences Between Expected and Actual Experience	-	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Changes of Assumptions or Other Inputs	-	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Benefit Payments	(56,188)	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Net Change in Total OPEB Liability	<u>138,259</u>	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Total OPEB Liability - Beginning - Restated	<u>3,108,160</u>	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Total OPEB Liability - Ending	<u>\$ 3,246,419</u>	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Covered - Employee Payroll	\$ 2,638,845	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Total OPEB Liability as a Percentage of Covered - Employee Payroll	123.02%	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *

*N/A Not Available - This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Notes to Schedule

The discount rate was updated from 4.50% (under GASB 45) to 3.87 % as of June 30, 2018, respectively, in accordance with GASB 75.

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

The mortality table was updated from RP-2014 white collar mortality tables backed off to 2006 and projected generationally with the Scale MP-2015 to RP-2014 white collar mortality tables backed off to 2006 and projected generationally with Scale MP-2017.

The retirement rates were updated to reflect the rates used for "General Employees" in the South Carolina Retirement System Actuarial Valuation as of July 1, 2016.

The medical trend rates were updated from an initial rate of 7.00% in fiscal 2017 grading down to an ultimate rate of 4.50%.

The impact of the ACA excise tax on high-cost healthcare plans was estimated and updated.

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

LAST 10 FISCAL YEARS ENDING JUNE 30

Fiscal Year	Employer Contribution Information									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually Determined Employer Contribution	\$ 56,188	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Actual Employer Contribution	\$ (56,188)	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Contribution Deficiency (Excess)	\$ -	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Covered - Employee payroll	\$ 2,638,845	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Contributions as Percent of Covered Payroll	2.13%	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *

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

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
County										
County's proportion of the net pension liability (asset)	0.041997%	0.042687%	0.040897%	0.039343%	0.039343%	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset)	\$ 9,454,200	\$ 9,117,880	\$ 7,756,313	\$ 6,773,560	\$ 7,056,731	NA*	NA*	NA*	NA*	NA*
County's covered-employee payroll	\$ 3,988,507	\$ 4,135,601	\$ 3,837,216	\$ 3,581,825	\$ 3,460,314	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	237.04%	220.47%	202.13%	189.11%	203.93%	NA*	NA*	NA*	NA*	NA*
Council on Aging										
Council on Aging's proportion of net pension liability (asset)	0.001561%	0.001275%	0.00142%	0.00137%	0.00137%	NA*	NA*	NA*	NA*	NA*
Council on Aging's proportion of net pension liability (asset)	351,406	\$ 272,338	\$ 268,362	\$ 127,906	\$ 247,164	NA*	NA*	NA*	NA*	NA*
Council on Aging's covered employee payroll	157,458	\$ 123,467	\$ 132,716	\$ 127,906	\$ 127,906	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	223.17%	220.58%	202.21%	100.00%	193.24%	NA*	NA*	NA*	NA*	NA*
Plan fiduciary net position as a percentage of the total pension liability	53.30%	52.90%	57.00%	59.90%	56.40%	NA*	NA*	NA*	NA*	NA*
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, 2017.

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
County's proportion of the net pension liability (asset)	0.10993%	0.10096%	0.104330%	0.102080%	0.102080%	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset)	\$ 3,011,681	\$ 2,560,749	\$ 2,273,847	\$ 1,954,257	\$ 2,116,111	NA*	NA*	NA*	NA*	NA*
County's covered-employee payroll	\$ 1,334,981	1,285,274	\$ 1,289,894	\$ 1,218,001	\$ 1,012,807	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	225.60%	199.24%	176.28%	160.45%	208.94%	NA*	NA*	NA*	NA*	NA*
Plan fiduciary net position as a percentage of the total pension liability	60.90%	60.40%	64.60%	67.50%	63.00%	NA*	NA*	NA*	NA*	NA*
NA* - Not Available										

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

Source: Audit report on the schedules of employer allocations, schedules of pension amounts by employer, and related notes of the South Carolina Retirement Systems, as administered by the SC Public Employee Benefits Authority for the year ended June 30, 2017.

CALHOUN COUNTY, SOUTH CAROLINA
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS (SCRS AND PORS)
 Last 10 Fiscal Years

County	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 564,732	\$ 461,071	\$ 457,188	\$ 418,256	\$ 378,610	NA*	NA*	NA*	NA*	NA*
Contributions in relation to the contractually required contribution	(564,732)	(461,071)	(457,188)	(418,256)	(378,610)	NA*	NA*	NA*	NA*	NA*
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 4,164,691	\$ 3,988,507	\$ 4,135,601	\$ 3,837,216	\$ 3,581,825	NA*	NA*	NA*	NA*	NA*
Contributions as a percentage of covered-employee payroll	13.56%	11.56%	11.05%	10.90%	10.57%	NA*	NA*	NA*	NA*	NA*
Council on Aging										
Contractually required contribution	22,932	18,201	\$ 13,655	\$ 14,466	\$ 13,261	NA*	NA*	NA*	NA*	NA*
Contributions in relation to the contractually required contribution	(22,932)	(18,201)	(13,655)	(14,466)	(13,261)	NA*	NA*	NA*	NA*	NA*
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Council on Aging's covered-employee payroll										
Contractually required contribution	\$ 169,109	\$ 157,458	\$ 123,467	\$ 132,716	\$ 127,906	NA*	NA*	NA*	NA*	NA*
Contributions as a percentage of covered-employee payroll	13.56%	11.56%	11.06%	10.90%	10.37%	NA*	NA*	NA*	NA*	NA*
PORS										
Contractually required contribution	\$ 233,733	\$ 199,132	\$ 176,583	\$ 172,974	\$ 157,646	NA*	NA*	NA*	NA*	NA*
Contributions in relation to the contractually required contribution	(233,733)	(199,132)	(176,583)	(172,974)	(157,646)	NA*	NA*	NA*	NA*	NA*
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 1,439,245	\$ 1,334,981	\$ 1,285,274	\$ 1,289,894	\$ 1,218,001	NA*	NA*	NA*	NA*	NA*
Contributions as a percentage of covered-employee payroll	16.24%	14.92%	13.74%	13.44%	12.94%	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, 2018

	O-C Tec and L M Gressette Center	Library Lottery	Calhoun Rural Fire Dist.	Sheriff's Department	Sandy Run Fire Department
ASSETS					
Cash	\$ 6,074	\$ -	\$ 351,340	4,043	\$ 320,286
Delinquent property taxes	20,720	-	-	-	1,805
Due from other funds	-	889	-	-	-
Due from Calhoun Economic Development Corp.	-	-	-	-	-
Accounts Receivable	4,039	-	21,288	-	4,454
TOTAL ASSETS	\$ 30,833	\$ 889	\$ 372,628	\$ 4,043	\$ 326,545
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 18,055	\$ -	\$ 150,091	\$ -	\$ 3,034
Unearned revenue	-	-	-	-	-
Due to General Fund	-	-	-	-	-
Total Liabilities	18,055	-	150,091	-	3,034
Deferred Inflows of Resources					
Unavailable Revenue - Property Taxes	20,720	-	-	-	1,805
Total Deferred Inflows of Resources	20,720	-	-	-	1,805
Fund Balances					
Restricted	-	889	222,537	4,043	321,706
Assigned	-	-	-	-	-
Unassigned	(7,942)	-	-	-	-
Total Fund Balances	(7,942)	889	222,537	4,043	321,706
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 30,833	\$ 889	\$ 372,628	\$ 4,043	\$ 326,545

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

SPECIAL REVENUE

	Victims Rights	E-911	Council on Aging	Banks Estate Fund
Cash	\$ 589	\$ 292,885	\$ 580,846	\$ 83,850
Delinquent property taxes	-	-	-	-
Due from other funds	-	-	-	-
Due from Calhoun Economic Development Corp.	-	-	-	-
Accounts Receivable	1,580	41,062	20,899	-
TOTAL ASSETS	\$ 2,169	\$ 333,947	\$ 601,745	\$ 83,850

LIABILITIES, DEFERRED INFLOWS OF RESOURCES,
 AND FUND BALANCES

	Liabilities	Deferred Inflows of Resources	Fund Balances
Accounts payable	\$ 2,169	\$ 3,178	\$ 133
Unearned revenue	-	-	-
Due to General Fund	-	-	-
Total Liabilities	2,169	3,178	133

Deferred Inflows of Resources

Unavailable Revenue - Property Taxes	-
Total Deferred Inflows of Resources	-

Fund Balances

Restricted	-
Assigned	330,769
Unassigned	577,379
Total Fund Balances	83,717

TOTAL LIABILITIES, DEFERRED INFLOWS OF
 RESOURCES, AND FUND BALANCES

\$ 2,169	\$ 333,947	\$ 601,745	\$ 83,850
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CALHOUN COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2018

	DEBT SERVICE				TOTAL
	Grants Fund	Child Support Fund	Calhoun County Rural Fire Debt Service	County Debt Service	
ASSETS					
Cash	\$ 299,058	\$ 72,462	\$ 68,075	\$ 57,616	\$ 2,137,124
Delinquent property taxes	-	-	11,100	24,022	57,647
Due from other funds	-	-	-	-	889
Due from Calhoun Economic Development Corp.	302,718	-	-	-	302,718
Accounts Receivable	78,885	34,895	-	-	207,102
TOTAL ASSETS	\$ 680,661	\$ 107,357	\$ 79,175	\$ 81,638	\$ 2,705,480
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 73,582	\$ 83,416	-	-	\$ 358,024
Unearned revenue	1,629	-	-	-	1,629
Due to Other Funds	46,491	-	-	-	46,491
Total Liabilities	121,702	83,416	-	-	406,144
Deferred Inflows of Resources					
Unavailable Revenue - Property Taxes	-	-	11,100	24,022	57,647
Total Deferred Inflows of Resources	-	-	11,100	24,022	57,647
Fund Balances					
Restricted	558,959	23,941	68,075	57,616	2,165,914
Assigned	-	-	-	-	83,717
Unassigned	-	-	-	-	(7,942)
Total Fund Balances	558,959	23,941	68,075	57,616	2,241,689
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 680,661	\$ 107,357	\$ 79,175	\$ 81,638	\$ 2,705,480

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

	O-C Tec and L. M. Gressette Center	Library Lottery	Calhoun Rural Fire Dist.	Sheriff's Department	Sandy Run Fire Department
REVENUES					
Property taxes:					
Current	319,627	-	-	-	77,133
Delinquent	14,072	-	-	-	1,178
Interest income	93	-	-	-	-
Local sources	-	-	534,679	3,000	48,368
State sources	-	-	-	-	-
Federal sources	-	-	-	-	-
Total Revenues	333,792	-	534,679	3,000	126,679
EXPENDITURES					
Public Works	-	-	-	-	-
Public safety	-	-	466,187	1,576	124,592
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital improvements	-	-	256,570	-	-
Agencies	378,277	-	-	-	-
Debt Service	-	-	-	-	-
Total Expenditures	378,277	-	722,757	1,576	124,592
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(44,485)	-	(188,078)	1,424	2,087
OTHER FINANCING SOURCES (USES)					
Transfer in / (out)	-	-	113,803	(3,871)	114,320
TOTAL OTHER FINANCING SOURCES (USES)	-	-	113,803	(3,871)	114,320
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(44,485)	-	(74,275)	(2,447)	116,407
Fund Balances at Beginning of Year, As Restated, Note 18	36,543	889	296,812	6,490	205,299
Fund Balances at End of Year	(7,942)	889	222,537	4,043	321,706

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

	SPECIAL REVENUE			
	Victims Rights	E-911	Council on Aging	Banks Estate Fund
REVENUES				
Property taxes:				
Current	-	-	-	-
Delinquent	-	-	-	-
Interest income	18,011	271,413	469,962	264
Local sources	-	-	-	-
State sources	-	-	-	-
Federal sources	-	-	20,109	-
Total Revenues	18,011	271,413	490,071	264
EXPENDITURES				
Public Works	-	-	-	-
Public safety	41,793	257,566	-	-
Health and welfare	-	-	431,810	-
Culture and recreation	-	-	-	13,924
Capital improvements	-	7,800	-	-
Agencies	-	-	-	-
Debt Service	-	-	-	-
Total Expenditures	41,793	265,366	431,810	13,924
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(23,782)	6,047	58,261	(13,660)
OTHER FINANCING SOURCES (USES)				
Transfer in / (out)	18,663	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	18,663	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(5,119)	6,047	58,261	(13,660)
Fund Balances at Beginning of Year, As Restated, Note 18	5,119	324,722	519,118	97,377
Fund Balances at End of Year	-	\$ 330,769	\$ 577,379	\$ 83,717

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

	DEBT SERVICES				TOTAL
	Grants Fund	Child Support Fund	Calhoun County Rural Fire Debt Service	County Debt Service	
REVENUES					
Property taxes:					
Current	-	-	174,145	347,734	918,639
Delinquent	-	-	4,831	15,107	35,188
Interest income	7,300	-	-	-	357
Local sources	264,196	-	-	-	1,352,733
State sources	56,925	101,444	-	-	264,196
Federal sources	-	-	-	-	178,478
Total Revenues	328,421	101,444	178,976	362,841	2,749,591
EXPENDITURES					
Public Works	17,539	-	-	-	17,539
Public safety	12,481	-	-	-	904,175
Health and welfare	21,263	5,373	-	-	458,446
Culture and recreation	4,555	-	-	-	18,479
Capital improvements	251,338	-	-	-	515,708
Agencies	-	-	-	-	378,277
Debt Service	-	-	111,833	1,215	113,048
Total Expenditures	307,156	5,373	111,833	1,215	2,405,672
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	21,265	96,071	67,143	361,626	343,919
OTHER FINANCING SOURCES (USES)					
Transfer in(out)	-	(83,042)	(228,123)	(372,377)	(440,627)
TOTAL OTHER FINANCING SOURCES (USES)	-	(83,042)	(228,123)	(372,377)	(440,627)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	21,265	13,029	(160,980)	(10,751)	(96,708)
Fund Balances at Beginning of Year, As Restated, Note 18	537,694	10,912	229,055	68,367	2,338,397
Fund Balances at End of Year	558,959	23,941	68,075	57,616	2,241,689

CALHOUN COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2018

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Local Sources				
Taxes:				
Current	\$ 5,900,000	\$ 5,900,000	\$ 5,791,924	\$ (108,076)
Delinquent	315,000	315,000	302,426	(12,574)
Fee in lieu of taxes - County	2,044,830	2,044,830	2,085,719	40,889
Total Property Taxes	<u>8,259,830</u>	<u>8,259,830</u>	<u>8,180,069</u>	<u>(79,761)</u>
Interest income	14,000	14,000	30,938	16,938
Total Interest Income	<u>14,000</u>	<u>14,000</u>	<u>30,938</u>	<u>16,938</u>
Other Local Sources				
Court income, fines and penalties	13,000	50,000	86,680	36,680
Fees of offices	459,000	459,000	451,891	(7,109)
EMS Service	590,000	590,000	570,139	(19,861)
Rent	83,090	83,090	94,672	11,582
Calhoun County Public Schools	108,574	108,574	158,702	50,128
Solicitor's Office	95,000	95,000	97,470	2,470
Donations	20,000	20,000	16,256	(3,744)
Miscellaneous	219,000	172,000	197,579	25,579
Total Other Local Sources	<u>1,587,664</u>	<u>1,577,664</u>	<u>1,673,389</u>	<u>95,725</u>
Total Local Sources	<u>9,861,494</u>	<u>9,851,494</u>	<u>9,884,396</u>	<u>32,902</u>

CALHOUN COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2018

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
State Sources				
Aid to Subdivisions	600,654	600,654	592,645	(8,009)
Accommodations Tax	180,000	180,000	188,910	8,910
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	-
Cameron Magistrate	-	-	829	829
SC Public Service	5,000	5,000	4,178	(822)
State Aid - Library	75,000	75,000	76,000	1,000
State Lottery	-	-	17,391	17,391
Veteran Affairs officer	4,500	4,500	4,704	204
Election Commission	10,526	10,526	11,250	724
Solid Waste Tire Fee	5,000	5,000	6,202	1,202
Total State Sources	886,980	886,980	908,409	21,429
Federal Sources				
Emergency Management Performance	45,780	45,780	46,491	711
DSS - In Lieu of rent	40,000	40,000	28,615	(11,385)
DSS - Filing fees	-	10,000	9,708	(292)
Total Federal Sources	85,780	95,780	84,814	(10,966)
TOTAL REVENUES	10,834,254	10,834,254	10,877,619	43,365

**CALHOUN COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
EXPENDITURES				
Administration	688,210	688,210	643,431	44,779
Public works	1,076,640	1,076,640	948,791	127,849
Public buildings	656,882	654,882	585,888	68,994
Finance and taxation	820,033	820,033	792,816	27,217
Judicial	746,332	746,332	760,798	(14,466)
Public safety	2,253,042	2,253,042	2,196,031	57,011
Health and welfare	2,150,829	2,150,829	2,069,000	81,829
Culture and recreation	840,884	842,884	851,306	(8,422)
Miscellaneous	658,985	658,985	531,242	127,743
Employee fringe benefits	2,792,000	2,792,000	2,690,958	101,042
Agencies	91,275	91,275	91,275	-
	<u>12,775,112</u>	<u>12,775,112</u>	<u>12,161,536</u>	<u>613,576</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(1,940,858)</u>	<u>(1,940,858)</u>	<u>(1,283,917)</u>	<u>656,941</u>
OTHER FINANCING SOURCES (USES)				
Sale of assets	-	-	23,823	23,823
Transfer to/from Special Revenue Funds	755,000	755,000	818,249	63,249
	<u>755,000</u>	<u>755,000</u>	<u>842,072</u>	<u>87,072</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)				
	<u>\$ (1,185,858)</u>	<u>\$ (1,185,858)</u>	<u>(441,845)</u>	<u>\$ 744,013</u>
Fund Balance at Beginning of Year, As Restated - Note 18			<u>6,901,267</u>	
Fund Balance at End of Year			<u>\$ 6,459,422</u>	

CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2018

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Administration				
Salaries	\$ 516,226	\$ 516,226	\$ 502,684	\$ 13,542
Travel, members	19,500	19,500	10,744	8,756
Vehicle maintenance	1,500	1,500	292	1,208
Membership, dues, and meetings	6,000	5,500	3,427	2,073
Lower Savannah Council	14,506	14,506	14,506	-
SC Assoc. of Counties	6,478	6,478	6,477	1
Supplies and operating	16,000	16,000	14,586	1,414
Gasoline and oil	1,500	1,500	565	935
Telephone	10,000	10,000	8,071	1,929
Professional services	95,000	95,000	79,680	15,320
Advertising	1,500	2,000	2,399	(399)
TOTAL ADMINISTRATION	688,210	688,210	643,431	44,779
PUBLIC WORKS				
Roads, Repair, and Construction:				
Salaries	238,986	238,986	215,645	23,341
Equipment maintenance	65,000	65,000	73,809	(8,809)
Supplies and operating	18,000	18,000	15,309	2,691
Gas, fuel, and oil	37,000	37,000	36,372	628
Telephone	1,200	1,200	1,296	(96)
	360,186	360,186	342,431	17,755
Landfill:				
Salaries	39,906	39,906	39,481	425
Supplies and operating	8,000	8,000	7,377	623
Telephone	1,400	2,744	3,065	(321)
Electricity	3,500	3,500	3,574	(74)
Equipment maintenance	35,000	35,000	12,938	22,062
Heat	1,200	1,200	157	1,043
Landfill closeout	25,000	25,000	22,222	2,778
Water	500	484	348	136
Gas, fuel, and oil	5,000	5,000	4,177	823
	119,506	120,834	93,339	27,495

**CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2018**

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Collections:				
Salaries	216,248	216,248	188,181	28,067
Equipment maintenance	38,000	38,000	25,493	12,507
Supplies and operating	3,000	3,000	2,555	445
Gas, fuel, and oil	32,000	32,000	21,986	10,014
Contract service	280,000	280,000	254,661	25,339
Telephone	3,000	1,656	1,504	152
Electricity	16,000	16,000	15,565	435
Collection site maintenance	7,500	7,500	1,664	5,836
Water	1,200	1,216	1,412	(196)
	<u>596,948</u>	<u>595,620</u>	<u>513,021</u>	<u>82,599</u>
TOTAL PUBLIC WORKS	<u>1,076,640</u>	<u>1,076,640</u>	<u>948,791</u>	<u>127,849</u>
PUBLIC BUILDINGS				
Salaries	176,382	176,382	159,137	17,245
Supplies and operating	18,000	14,098	7,458	6,640
Telephone	1,500	1,745	1,877	(132)
Electricity	230,000	224,663	215,654	9,009
Water	15,000	15,000	15,078	(78)
Janitorial service	40,000	40,000	22,166	17,834
Heat	3,000	2,594	1,618	976
Building maintenance	60,000	60,000	55,626	4,374
Vehicle maintenance	5,000	5,161	5,275	(114)
Grounds maintenance	35,000	33,290	23,065	10,225
Copier contracts	24,000	29,612	30,824	(1,212)
Utilities - John Ford	35,000	38,337	37,486	851
Gas, fuel, and oil	14,000	14,000	10,624	3,376
	<u>656,882</u>	<u>654,882</u>	<u>585,888</u>	<u>68,994</u>
TOTAL PUBLIC BUILDINGS	<u>656,882</u>	<u>654,882</u>	<u>585,888</u>	<u>68,994</u>
FINANCE AND TAXATION				
County Auditor:				
Salaries	60,765	60,765	60,945	(180)
Travel and dues	1,500	1,500	1,262	238
Supplies and postage	2,250	2,250	2,063	187
Telephone	750	750	697	53
	<u>65,265</u>	<u>65,265</u>	<u>64,967</u>	<u>298</u>
County Treasurer:				
Salaries	94,944	94,944	95,303	(359)
Travel and dues	3,000	3,000	1,744	1,256
Supplies and postage	12,000	12,000	10,550	1,450
Telephone	350	350	325	25
	<u>110,294</u>	<u>110,294</u>	<u>107,922</u>	<u>2,372</u>

**CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2018**

	<u>Budgeted</u>		Actual	Variance Favorable (Unfavorable)
	Original	Final		
County Tax Collector:				
Salaries	35,875	35,875	36,055	(180)
Travel and dues	1,200	1,425	2,049	(624)
Supplies and postage	30,000	29,775	29,774	1
Telephone	150	150	82	68
Contract Service	20,000	20,000	23,275	(3,275)
	<u>87,225</u>	<u>87,225</u>	<u>91,235</u>	<u>(4,010)</u>
County Tax Assessor:				
Salaries	187,374	187,374	165,355	22,019
Travel and dues	4,500	4,500	3,940	560
Vehicle maintenance	1,500	1,500	831	669
Supplies and postage	12,600	12,600	8,079	4,521
Gasoline and oil	1,500	1,359	542	817
Telephone	1,000	1,000	585	415
Assessment Appeals Board	1,000	1,000	100	900
GIS mapping	-	141	140	1
GIS Website Hosting/Admin Fees	7,200	7,200	6,120	1,080
Legal advertisement	500	500	-	500
	<u>217,174</u>	<u>217,174</u>	<u>185,692</u>	<u>31,482</u>
Computer Service:				
Salaries	45,075	45,075	44,255	820
Computer service	185,000	185,236	190,150	(4,914)
Wide area telephone network	98,000	98,000	99,127	(1,127)
Travel and training	2,000	2,213	2,212	1
On Line Access	10,000	9,551	7,256	2,295
	<u>340,075</u>	<u>340,075</u>	<u>343,000</u>	<u>(2,925)</u>
TOTAL FINANCE AND TAXATION	<u>820,033</u>	<u>820,033</u>	<u>792,816</u>	<u>27,217</u>
JUDICIAL				
Clerk of Court:				
Salaries	194,526	194,526	215,620	(21,094)
Travel and dues	2,250	2,325	1,397	928
Supplies and operating	14,000	12,062	10,449	1,613
Court expense	18,000	17,925	14,921	3,004
Contract services	28,000	28,000	24,302	3,698
Telephone	2,100	4,038	4,189	(151)
Case management system	36,000	36,000	36,000	-
	<u>294,876</u>	<u>294,876</u>	<u>306,878</u>	<u>(12,002)</u>
Judge of Probate:				
Salaries	91,386	91,386	91,566	(180)
Travel and dues	2,200	2,200	1,721	479
Supplies and operating	3,300	3,300	3,823	(523)
Telephone	700	700	278	422
	<u>97,586</u>	<u>97,586</u>	<u>97,388</u>	<u>198</u>

CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2018

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Magistrate - St. Matthews:				
Salaries	99,668	99,668	70,688	28,980
Travel and dues	1,250	1,250	591	659
Court expense	4,000	4,000	2,485	1,515
Supplies and operating	4,000	4,000	2,778	1,222
Telephone	1,750	1,750	1,418	332
	<u>110,668</u>	<u>110,668</u>	<u>77,960</u>	<u>32,708</u>
Magistrate - Cameron:				
Salaries	29,045	29,045	36,838	(7,793)
Travel and dues	2,500	2,500	1,997	503
Supplies	1,000	1,000	539	461
Telephone	500	500	458	42
Rent	1,200	1,200	1,200	-
	<u>34,245</u>	<u>34,245</u>	<u>41,032</u>	<u>(6,787)</u>
Magistrate - Sandy Run:				
Salaries	48,385	48,385	55,690	(7,305)
Travel and dues	4,750	4,750	2,422	2,328
Telephone	3,500	3,500	3,533	(33)
Clerical	-	-	-	-
Vehicle Expense	1,000	1,000	747	253
Supplies and operating	3,000	3,000	1,480	1,520
	<u>60,635</u>	<u>60,635</u>	<u>63,872</u>	<u>(3,237)</u>
Public Defender:				
Contract funding	36,000	36,000	36,000	-
Master-In-Equity:				
Salaries	14,522	14,522	14,522	-
Supplies	2,800	2,800	2,800	-
	<u>17,322</u>	<u>17,322</u>	<u>17,322</u>	<u>-</u>
Sollcitor's Office:				
Supplement	95,000	95,000	120,346	(25,346)
TOTAL JUDICIAL	<u>746,332</u>	<u>746,332</u>	<u>760,798</u>	<u>(14,466)</u>

**CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2018**

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
PUBLIC SAFETY				
County Sheriff:				
Salaries	1,163,281	1,163,281	1,135,249	28,032
Travel and dues	6,000	6,000	3,666	2,334
Supplies and operating	46,000	46,000	52,073	(6,073)
Gasoline and oil	120,000	120,000	110,599	9,401
Uniforms	38,000	38,000	33,249	4,751
Telephone	44,000	44,000	36,554	7,446
Vehicle maintenance	55,000	55,000	63,266	(8,266)
Tactical aids	18,500	18,500	17,602	898
Contract service/custodial	12,000	12,000	10,796	1,204
Contract service/radio	22,400	22,400	17,085	5,315
Information service	2,000	2,000	2,000	-
	<u>1,527,181</u>	<u>1,527,181</u>	<u>1,482,139</u>	<u>45,042</u>
County Coroner:				
Salaries	23,409	23,409	23,589	(180)
Travel and dues	1,500	1,775	1,785	(10)
Supplies and operating	2,500	2,500	1,707	793
Gasoline and oil	1,200	1,200	641	559
Vehicle maintenance	500	500	90	410
Contract service/radio	300	300	180	120
Post mortem and inquests	13,000	12,220	8,715	3,505
Indigent burial	800	972	972	-
Telephone	2,200	2,533	2,882	(349)
	<u>45,409</u>	<u>45,409</u>	<u>40,561</u>	<u>4,848</u>
Emergency Management:				
Salaries	27,452	27,452	29,432	(1,980)
Travel and dues	1,000	31	-	31
Supplies and operating	5,000	5,405	3,120	2,285
Telephone	3,000	3,541	3,770	(229)
Sat. phone / weather	1,000	1,023	1,157	(134)
Transmitter/towers/generators	15,000	15,000	10,013	4,987
LEPC	1,500	1,500	-	1,500
Internet	1,500	1,500	839	661
	<u>55,452</u>	<u>55,452</u>	<u>48,331</u>	<u>7,121</u>
Detention Center:				
O-C Detention Center	625,000	625,000	625,000	-
	<u>625,000</u>	<u>625,000</u>	<u>625,000</u>	<u>-</u>
TOTAL PUBLIC SAFETY	<u>2,253,042</u>	<u>2,253,042</u>	<u>2,196,031</u>	<u>57,011</u>

CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2018

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
HEALTH AND WELFARE				
Health Department:				
Supplies and operating	2,500	2,500	500	2,000
Contract services	500	500	255	245
Telephone	3,000	3,000	1,658	1,342
	<u>6,000</u>	<u>6,000</u>	<u>2,413</u>	<u>3,587</u>
Emergency Medical Service:				
Salaries	1,032,463	1,032,463	984,265	48,198
Travel and dues	14,000	14,569	12,666	1,903
Vehicle maintenance	40,000	40,000	41,755	(1,755)
Supplies and operating	93,133	93,767	88,635	5,132
Gasoline and oil	40,000	40,000	35,334	4,666
Telephone	12,000	12,096	12,364	(268)
Contract /Cardio Monitors	14,000	14,000	14,479	(479)
Contract service/radio	2,000	701	1,600	(899)
Medical control physician	4,800	4,800	4,800	-
Medical control physician insurance	7,000	7,000	6,745	255
Uniforms	8,000	8,000	5,995	2,005
Special projects	-	-	4,965	(4,965)
	<u>1,267,396</u>	<u>1,267,396</u>	<u>1,213,603</u>	<u>53,793</u>
Council on Aging:				
Grant match	<u>136,000</u>	<u>136,000</u>	<u>136,000</u>	<u>-</u>
Department of Social Services:				
Emergency fund	1,400	1,400	988	412
Telephone	6,000	6,000	5,681	319
	<u>7,400</u>	<u>7,400</u>	<u>6,669</u>	<u>731</u>
Veteran Affairs Office:				
Salaries	23,409	23,409	23,501	(92)
Travel and dues	1,400	1,400	864	536
Supplies and operating	800	662	560	102
Telephone	700	838	912	(74)
	<u>26,309</u>	<u>26,309</u>	<u>25,837</u>	<u>472</u>

CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2018

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Animal and Mosquito Control:				
Salaries	94,679	94,679	92,389	2,290
Travel & dues	2,000	2,000	830	1,170
Vehicle expenses	2,000	2,895	3,630	(735)
Supplies and operating	14,800	13,905	12,530	1,375
Gasoline/Oil	8,000	8,000	4,936	3,064
Mosquito Supply	17,800	17,800	34,105	(16,305)
Telephone	3,500	3,604	3,793	(189)
Electricity	5,000	4,155	3,749	406
Heat	3,500	4,241	4,240	1
Animal Control Vet	1,900	1,900	900	1,000
	<u>153,179</u>	<u>153,179</u>	<u>161,102</u>	<u>(7,923)</u>
Litter & Risk Management:				
Salaries	45,450	45,450	45,630	(180)
Travel and dues	1,000	1,000	-	1,000
Vehicle expenses	2,000	2,000	244	1,756
Supplies and operating	1,200	1,200	274	926
Gasoline and oil	4,000	4,000	776	3,224
Telephone	1,000	1,000	457	543
	<u>54,650</u>	<u>54,650</u>	<u>47,381</u>	<u>7,269</u>
E-911:				
Travel and dues	2,000	2,000	1,000	1,000
Supplies and operating	10,000	10,000	5,222	4,778
Gasoline and oil	200	200	-	200
Telephone	200	200	125	75
	<u>12,400</u>	<u>12,400</u>	<u>6,347</u>	<u>6,053</u>
Communications Center:				
Salaries	420,295	420,295	391,923	28,372
Uniforms	2,000	2,000	2,016	(16)
Supplies and operating	6,000	6,000	4,530	1,470
Telephone	9,000	9,000	14,616	(5,616)
Generator Svc. Contract	1,200	1,200	629	571
Contract services	49,000	49,000	55,934	(6,934)
	<u>487,495</u>	<u>487,495</u>	<u>469,648</u>	<u>17,847</u>
TOTAL HEALTH AND WELFARE	<u>2,150,829</u>	<u>2,150,829</u>	<u>2,069,000</u>	<u>81,829</u>

**CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2018**

	<u>Budgeted</u>		Actual	Variance
	Original	Final		Favorable (Unfavorable)
CULTURE AND RECREATION				
County Library:				
Salaries	323,775	323,775	316,513	7,262
Travel and dues	3,700	3,700	2,641	1,059
Supplies and operating	45,130	45,130	43,351	1,779
Gasoline and oil	2,000	2,000	911	1,089
Telephone	13,600	13,600	10,883	2,717
Copier & Supplies	2,500	2,500	2,456	44
Contract Serv/IT Support	2,000	2,000	1,597	403
State Aid expense	75,000	75,000	75,968	(968)
Lottery funds expense	-	-	3,549	(3,549)
Special programs-expense	-	-	24,788	(24,788)
Building maintenance/air conditioning	8,400	6,870	6,042	828
Vehicle maintenance	2,000	3,530	3,529	1
	<u>478,105</u>	<u>478,105</u>	<u>492,228</u>	<u>(14,123)</u>
Historical Commission:				
Salaries	169,439	169,439	158,048	11,391
Travel and dues	4,500	4,500	2,583	1,917
Supplies and operating	26,200	27,386	20,220	7,166
Telephone	1,500	1,500	1,560	(60)
Advertising	3,500	2,314	2,717	(403)
Ground Maintenance	7,000	7,000	7,000	-
Special project-GALA	5,000	4,478	4,258	220
Donation Expense	10,000	10,000	16,166	(6,166)
S. C. Arts Grant Match	11,000	11,522	11,521	1
	<u>238,139</u>	<u>238,139</u>	<u>224,073</u>	<u>14,066</u>
Recreation:				
Salaries	59,000	59,000	63,433	(4,433)
Custodial/Janitorial	3,000	1,028	971	57
Electricity	5,000	10,935	11,154	(219)
Vehicle Maintenance	500	2,122	2,122	-
Building Maintenance	-	587	587	-
Building - John Ford	2,000	1,434	1,434	-
Software	2,140	2,140	1,968	172
Telephone	2,000	1,257	1,257	-
Advertising	5,000	3,637	3,636	1
Travel and dues	2,500	1,100	949	151
Supplies and operating	30,000	30,136	37,693	(7,557)
Gasoline	3,500	3,264	3,901	(637)
District 1	2,000	2,000	500	1,500
District 2	2,000	2,000	1,000	1,000
District 3	2,000	2,000	600	1,400
District 4	2,000	2,000	1,800	200
District 5	2,000	2,000	2,000	-
	<u>124,640</u>	<u>126,640</u>	<u>135,005</u>	<u>(8,365)</u>
TOTAL CULTURE AND RECREATION	<u>840,884</u>	<u>842,884</u>	<u>851,306</u>	<u>(8,422)</u>

CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2018

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
MISCELLANEOUS				
Board of Registration:				
Salaries	94,002	94,002	78,417	15,585
Salaries-Part Time	-	-	15,140	(15,140)
Travel and dues	6,500	6,500	3,420	3,080
Supplies and operating	21,000	21,000	26,466	(5,466)
Telephone	500	500	349	151
	<u>122,002</u>	<u>122,002</u>	<u>123,792</u>	<u>(1,790)</u>
Development Commission:				
Travel and dues	1,500	1,500	1,500	-
Supplies and operating	2,750	2,750	437	2,313
Special events, advertising, and options	4,200	4,200	1,179	3,021
Lake Marion water fees	70,000	70,000	32,605	37,395
Central Alliance	72,000	72,000	72,000	-
	<u>150,450</u>	<u>150,450</u>	<u>107,721</u>	<u>42,729</u>
Contingent				
Contingent	75,000	75,000	23,775	51,225
Fuel Contingent	5,000	5,000	-	5,000
	<u>80,000</u>	<u>80,000</u>	<u>23,775</u>	<u>56,225</u>
Building and Planning:				
Salary	68,633	68,633	69,111	(478)
Board members	1,500	1,645	2,415	(770)
Travel Dues	1,000	990	155	835
Vehicle Expense	1,200	985	147	838
Supplies and operating	2,700	2,700	2,020	680
Gasoline and oil	3,000	3,000	2,064	936
Telephone	1,700	1,780	1,904	(124)
	<u>79,733</u>	<u>79,733</u>	<u>77,816</u>	<u>1,917</u>
Other:				
Tort liability insurance	176,000	176,000	161,729	14,271
Bank charges	7,000	7,000	3,626	3,374
Donation Expense	-	-	4,306	(4,306)
Bond premium	3,800	3,800	3,840	(40)
Grant match	40,000	40,000	24,637	15,363
	<u>226,800</u>	<u>226,800</u>	<u>198,138</u>	<u>28,662</u>
TOTAL MISCELLANEOUS	<u>658,985</u>	<u>658,985</u>	<u>531,242</u>	<u>127,743</u>

CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2018

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
EMPLOYEE FRINGE BENEFITS				
HRA account	50,000	50,000	46,344	3,656
Unemployment	8,000	8,000	1,389	6,611
Social Security	438,000	438,000	401,989	36,011
Retirement	566,000	566,000	547,823	18,177
Police retirement/cnty	215,000	215,000	219,239	(4,239)
Health and life insurance	1,200,000	1,200,000	1,178,704	21,296
Employee Recognition	5,000	5,000	4,264	736
Worker's compensation insurance	225,000	225,000	235,019	(10,019)
Retirees/health insurance	85,000	85,000	56,187	28,813
TOTAL EMPLOYEE FRINGE BENEFITS	<u>2,792,000</u>	<u>2,792,000</u>	<u>2,690,958</u>	<u>101,042</u>
AGENCIES				
Alcohol&drug Abuse Commission	8,000	8,000	8,000	-
Mental Health	6,000	6,000	6,000	-
Indigent Hospitalization	57,775	57,775	57,775	-
Vocational Rehabilitation	2,500	2,500	2,500	-
OCAB Community Action	7,000	7,000	7,000	-
Santee Cooper Counties	500	500	500	-
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	-
TOTAL AGENCIES	<u>91,275</u>	<u>91,275</u>	<u>91,275</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 12,775,112</u>	<u>\$ 12,775,112</u>	<u>\$ 12,161,536</u>	<u>\$ 613,576</u>
OTHER FINANCING SOURCES (USES)				
Sale of property	\$ -	\$ -	\$ 23,823	\$ 23,823
Transfers to/ from Special Revenue Funds	755,000	755,000	818,249	63,249
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 755,000</u>	<u>\$ 755,000</u>	<u>\$ 842,072</u>	<u>\$ 87,072</u>

CALHOUN COUNTY, SOUTH CAROLINA
 FIDUCIARY FUNDS
 COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
 JUNE 30, 2018

	Clerk of Court	Magistrate St. Matthews	Magistrate Sandy Run	Magistrate Cameron	School District	Master in Equity	Delinquent Tax	Judge of Probate	Total
ASSETS									
Cash	\$ 52,138	\$ 6,576	\$ 7,138	\$ 4,849	10,535,695	\$ 21,998	\$ 228,684	\$ -	\$ 10,857,078
Property taxes receivable	-	-	-	-	777,960	-	-	-	777,960
Due from Others	4,102	225	-	-	-	-	-	-	4,327
TOTAL ASSETS	\$ 56,240	\$ 6,801	\$ 7,138	\$ 4,849	\$ 11,313,655	\$ 21,998	\$ 228,684	\$ -	\$ 11,639,365
LIABILITIES									
Due to Trust Fund holders	\$ 56,240	\$ 2,151	\$ -	\$ -	\$ 11,313,655	\$ 21,998	\$ 228,684	\$ -	\$ 11,622,728
Due to Treasurer	-	4,004	5,824	3,207	-	-	-	-	13,035
Outstanding Bonds Held for Jurors	-	1,721	1,509	536	-	-	-	-	3,766
Due to Treasurer - cash overage (shortage) - Note 12	-	-	-	240	-	-	-	-	240
		(1,075)	(195)	866	-	-	-	-	(404)
Total Liabilities	\$ 56,240	\$ 6,801	\$ 7,138	\$ 4,849	\$ 11,313,655	\$ 21,998	\$ 228,684	\$ -	\$ 11,639,365

**CALHOUN COUNTY, SOUTH CAROLINA
FIDUCIARY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2018**

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
CLERK OF COURT				
Assets				
Cash	\$ 55,436	\$ 5	\$ 3,303	\$ 52,138
Due from others	1,568	2,534	-	4,102
Total Assets	<u>\$ 57,004</u>	<u>\$ 2,539</u>	<u>\$ 3,303</u>	<u>\$ 56,240</u>
Liabilities				
Due to Trust Fund Holders	\$ 57,004	-	\$ 764	\$ 56,240
Total Liabilities	<u>\$ 57,004</u>	<u>\$ -</u>	<u>\$ 764</u>	<u>\$ 56,240</u>
ST. MATTHEWS MAGISTRATE FUND				
Assets				
Cash	\$ 21,629	\$ 144,411	\$ 159,464	\$ 6,576
Due from others	(350)	1,525	950	225
Total Assets	<u>\$ 21,279</u>	<u>\$ 145,936</u>	<u>\$ 160,414</u>	<u>\$ 6,801</u>
Liabilities				
Due to Treasurer	\$ 17,498	-	\$ 13,494	\$ 4,004
Outstanding Bonds	3,586	-	1,865	1,721
Due to Trust Fund holders	389	1,762	-	2,151
Due to Treasurer - Cash overage (shortage) - Note 12	(194)	-	881	(1,075)
Total Liabilities	<u>\$ 21,279</u>	<u>\$ 1,762</u>	<u>\$ 16,240</u>	<u>\$ 6,801</u>
SANDY RUN MAGISTRATE FUND				
Assets				
Cash	\$ 12,249	\$ 75,659	\$ 80,770	\$ 7,138
Total Assets	<u>\$ 12,249</u>	<u>\$ 75,659</u>	<u>\$ 80,770</u>	<u>\$ 7,138</u>
Liabilities				
Due to Treasurer	\$ 11,323	-	\$ 5,499	\$ 5,824
Outstanding Bonds	631	878	-	1,509
Due to Treasurer - Cash overage (shortage) - Note 12	295	-	490	(195)
Total Liabilities	<u>\$ 12,249</u>	<u>\$ 878</u>	<u>\$ 5,989</u>	<u>\$ 7,138</u>

**CALHOUN COUNTY, SOUTH CAROLINA
FIDUCIARY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2018**

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
CAMERON MAGISTRATE FUND				
Assets				
Cash	\$ 1,535	\$ 37,353	\$ 34,039	\$ 4,849
Total Assets	<u>\$ 1,535</u>	<u>\$ 37,353</u>	<u>\$ 34,039</u>	<u>\$ 4,849</u>
Liabilities				
Due to Treasurer	\$ 1,074	\$ 2,134	\$ 1	\$ 3,207
Outstanding bonds	497	39	-	536
Held for jurors	241	-	1	240
Due to Treasurer - Cash overage (shortage) - Note 12	(277)	1,143	-	866
Total Liabilities	<u>\$ 1,535</u>	<u>\$ 3,316</u>	<u>\$ 2</u>	<u>\$ 4,849</u>
DELINQUENT TAX FUND				
Assets				
Cash	\$ 179,749	\$ 787,498	\$ 738,563	\$ 228,684
Total Assets	<u>\$ 179,749</u>	<u>\$ 787,498</u>	<u>\$ 738,563</u>	<u>\$ 228,684</u>
Liabilities				
Due to Trust Fund Holders	\$ 179,749	\$ 48,935	-	\$ 228,684
Total Liabilities	<u>\$ 179,749</u>	<u>\$ 48,935</u>	<u>\$ -</u>	<u>\$ 228,684</u>
CALHOUN COUNTY SCHOOL DISTRICT FUND				
Assets				
Cash	\$ 10,845,386	\$ -	\$ 309,691	\$ 10,535,695
Property taxes receivable	742,281	35,679	-	777,960
Total Assets	<u>\$ 11,587,667</u>	<u>\$ 35,679</u>	<u>\$ 309,691</u>	<u>\$ 11,313,655</u>
Liabilities				
Due to Trust Fund Holders	\$ 11,587,667	\$ -	\$ 274,012	\$ 11,313,655
Total Liabilities	<u>\$ 11,587,667</u>	<u>\$ -</u>	<u>\$ 274,012</u>	<u>\$ 11,313,655</u>

**CALHOUN COUNTY, SOUTH CAROLINA
FIDUCIARY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2018**

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
MASTER IN EQUITY				
Assets				
Cash	\$ 141,113	\$ 6,800	\$ 125,915	\$ 21,998
Total Assets	<u>\$ 141,113</u>	<u>\$ 6,800</u>	<u>\$ 125,915</u>	<u>\$ 21,998</u>
Liabilities				
Due to Trust Fund Holders	\$ 141,113	\$ -	\$ 119,115	\$ 21,998
Total Liabilities	<u>\$ 141,113</u>	<u>\$ -</u>	<u>\$ 119,115</u>	<u>\$ 21,998</u>
JUDGE OF PROBATE				
Assets				
Cash	\$ -	\$ 34,967	\$ 34,967	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 34,967</u>	<u>\$ 34,967</u>	<u>\$ -</u>
Liabilities				
Due to Treasurer	\$ -	\$ 34,967	\$ 34,967	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 34,967</u>	<u>\$ 34,967</u>	<u>\$ -</u>
TOTAL AGENCY FUNDS				
Assets				
Cash	\$ 11,257,097	\$ 1,086,693	\$ 1,486,712	\$ 10,857,078
Property taxes receivable	742,281	35,679	-	777,960
Due from others	1,218	4,059	950	4,327
Total Assets	<u>\$ 12,000,596</u>	<u>\$ 1,126,431</u>	<u>\$ 1,487,662</u>	<u>\$ 11,639,365</u>
Liabilities				
Due to Treasurer	\$ 29,895	\$ 37,101	\$ 53,961	\$ 13,035
Outstanding Bonds	4,714	917	1,865	3,766
Due to Treasurer - Cash overage (shortage) - Note 12	(176)	1,143	1,371	(404)
Held for jurors	241	-	1	240
Due to Trust Fund holders	11,965,922	50,697	393,891	11,622,728
Total Liabilities	<u>\$ 12,000,596</u>	<u>\$ 89,858</u>	<u>\$ 451,089</u>	<u>\$ 11,639,365</u>

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

	Clerk of Court	Magistrates	Total
County Fines			
Court fines collected	\$ 121,294	\$ 7,530	\$ 128,824
Court fines retained by County	<u>55,045</u>	<u>-</u>	<u>55,045</u>
Court fines remitted to the State Treasurer	<u>\$ 66,249</u>	<u>\$ 7,530</u>	<u>\$ 73,779</u>
Court Assessments			
Court assessments collected	\$ 5,479	\$ 89,681	\$ 95,160
Court assessments retained by County	<u>1,609</u>	<u>9,453</u>	<u>11,062</u>
Court assessments remitted to the State Treasurer	<u>\$ 3,870</u>	<u>\$ 80,228</u>	<u>\$ 84,098</u>
Court Surcharges			
Court surcharges collected	\$ 5,533	\$ 45,568	\$ 51,101
Court surcharges retained by County	<u>3,491</u>	<u>3,458</u>	<u>6,949</u>
Court surcharges remitted to State Treasurer	<u>\$ 2,042</u>	<u>\$ 42,110</u>	<u>\$ 44,152</u>
Victims Service Revenue:			
Court assessments allocated to Victim Services	\$ 1,609	\$ 9,453	\$ 11,062
Court surcharges allocated to Victim Services	<u>3,491</u>	<u>3,458</u>	<u>6,949</u>
Funds available for carryforward	<u>\$ 5,100</u>	<u>\$ 12,911</u>	<u>\$ 18,011</u>
Carryforward -Beginning of year - July 1, 2017		\$ 5,119	
Transfer in from General Fund		18,663	
Funds retained by the County from above		<u>18,011</u>	
Total Funds Allocated to Victim Service Fund		<u>41,793</u>	
Expenditures for Victim Service Program:			
Victims Services expenditures		<u>(41,793)</u>	
Carryforward -End of Year - June 30, 2018		<u>\$ -</u>	

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

Real and Other Personal Property Assessed Value	\$ 54,485,891
Less: Exempt Property Assessed Value	<u>1,030,340</u>
Net Real Other Personal Property Assessed Value	53,455,551
Vehicles Assessed Value	<u>8,670,740</u>
Total Taxable Assessed Value	<u>62,126,291</u>
Debt Limit - Eight Percent (8%) of Total Taxable Assessed Value	4,970,103
Amount of Debt Applicable to Debt Limit: Total Bonded Debt	<u>-</u>
LEGAL DEBT MARGIN	<u><u>\$ 4,970,103</u></u>

CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF MISCELLANEOUS REVENUE
FOR THE YEAR ENDED JUNE 30, 2018

Franchise fees	\$ 5,534
Library - fax, fines, and postage	31,393
Elections	200
Miscellaneous	32,290
Landfill fees	21,040
Animal control fees	6,965
Veteran's memorial	300
Returned check fees	360
Sale of recycle goods	19,948
Heavy equipment surcharge	46,952
Recreation fees	10,538
Clerk of Court/Sheriff	2,970
Sheriff's Dept.	3,300
Miscellaneous -Coroner	20
Miscellaneous -Sheriff	7,352
Miscellaneous -Emergency management state funding support	530
Miscellaneous -EMS	7,887
	<hr/>
TOTAL MISCELLANEOUS REVENUE	\$ 197,579
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**CALHOUN COUNTY, SOUTH CAROLINA
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
JUNE 30, 2018**

Tax Year	Delinquent Taxes
2008	\$ 84,056
2009	86,334
2010	69,267
2011	55,506
2012	51,603
2013	57,497
2014	68,908
2015	70,450
2016	92,434
2017	526,653
Rollbacks	6,176
	<u>1,168,884</u>
DELINQUENT TAXES RECEIVABLE, JUNE 30, 2018	\$ 1,168,884
Delinquent taxes, June 30, 2017	\$ 1,112,765
Add executions, March 18, 2018	816,004
Supplementals	73,891
Less:	
Collections	714,069
Errors	90,452
Refunds	24,726
Nulla Bonaes	4,529
	<u>833,776</u>
DELINQUENT TAXES RECEIVABLE, JUNE 30, 2018	\$ 1,168,884
Distribution	
General Fund	\$ 458,252
Special Assessment Fund	22,525
Calhoun County School District	649,697
Capital Projects	3,288
Debt Service	24,022
Fire Debt	11,100
	<u>1,168,884</u>
TOTAL	\$ 1,168,884

PARTNERS

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1906-1968

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

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 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, 2018, 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 February 19, 2019.

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.

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

(continued)

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did identify a certain deficiency in internal control, described in the accompanying schedule of finding and response that we consider to be a material weakness (2018-1).

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*.

Calhoun County's Response to Finding

Calhoun County's response to the finding identified in our audit is described in the accompanying schedule of finding and response. Calhoun County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

McGaughey & Co. LLP

Orangeburg, South Carolina
February 19, 2019

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

ANNUAL REPORT

YEAR ENDED JUNE 30, 2018

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

ANNUAL REPORT

YEAR ENDED JUNE 30, 2018

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

ANNUAL REPORT

YEAR ENDED JUNE 30, 2018

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

ANNUAL REPORT

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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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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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, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 8 to the financial statements, in 2017-2018 the County adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the County's total OPEB liability and related ratios, the schedule of the County's contributions (OPEB), and the schedules of the County's proportionate share of the net pension liability and contributions on pages 4 – 11 and 68 – 72 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

INDEPENDENT AUDITOR'S REPORT
(continued)

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.

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 February 19, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Calhoun County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Calhoun County, South Carolina's internal control over financial reporting and compliance.

McGregor & Co. LLP

Orangeburg, South Carolina
February 19, 2019

**CALHOUN COUNTY
ST. MATTHEWS, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

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, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and notes to the 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, 2018 by \$30,815,931 (net position). Of this amount, \$(4,763,816) is unrestricted net deficit.
- The County's total net position decreased \$496,311 from the previous year with a decrease of \$1,209,434 resulting from governmental activities.
- At June 30, 2018, the County's governmental fund balance sheet reported a combined ending fund balance of \$11,733,964, a decrease of \$(839,638) from the previous fiscal year. Of this amount, \$6,251,013 remains in the various funds of the County as unassigned.
- The General Fund reported a fund balance of \$6,459,422 a decrease from last fiscal year of \$441,845. Calhoun County had budgeted \$1,185,858 as carry over funds from its fund balance to cover the anticipated shortfall of revenue. The unassigned fund balance of \$6,258,955 equates to 51% 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
ST. MATTHEWS, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

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, finance and taxation, public safety, physical environment, health and welfare, cultural/recreation, court related and agencies.

The government-wide financial statements can be found on pages 13 and 14 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
ST. MATTHEWS, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

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, Capital Projects Fund, and Local Option 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 15 through 19 of this report.

Proprietary funds: Municipal Water District Water/Wastewater Fund and County Golf Course 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 20 – 24.

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 25 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 26 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 73 through 91 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
ST. MATTHEWS, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

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 and deferred outflows exceeded liabilities and deferred inflows by \$30,815,931 at the close of the most recent fiscal year. The County's decrease in net position for this fiscal year amounts to \$496,311.

The largest portion of the County's net position, \$31,250,975, 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, \$4,328,772, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (deficit) is \$(4,763,816).

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 14,298	\$ 13,613	\$ 1,630	\$ 1,474
Capital assets	<u>25,447</u>	<u>25,142</u>	<u>11,111</u>	<u>10,596</u>
Total assets	<u>39,745</u>	<u>38,755</u>	<u>12,741</u>	<u>12,070</u>
Deferred outflows of resources	<u>2,548</u>	<u>2,251</u>	<u>50</u>	<u>66</u>
Long-term liabilities outstanding	17,194	14,226	4,397	4,483
Other liabilities	<u>2,224</u>	<u>777</u>	<u>292</u>	<u>274</u>
Total liabilities	<u>19,418</u>	<u>15,003</u>	<u>4,689</u>	<u>4,757</u>
Deferred inflows of resources	<u>158</u>	<u>83</u>	<u>3</u>	<u>2</u>
Net position (deficit)				
Invested in capital assets, net of related debt	24,532	24,113	6,719	6,451
Restricted	4,232	3,440	97	108
Unrestricted	<u>(6,047)</u>	<u>(1,633)</u>	<u>1,283</u>	<u>818</u>
Total net position	<u>\$ 22,717</u>	<u>\$ 25,920</u>	<u>\$ 8,099</u>	<u>\$ 7,377</u>

**CALHOUN COUNTY
ST. MATTHEWS, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

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>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues				
Program Revenues:				
Charges for Services	\$ 2,358	\$ 2,158	\$ 1,476	\$ 1,191
Operating and Capital Grants and Contributions	940	2,492	-	-
General revenues:				
Property taxes	10,356	10,251	-	-
Sales taxes	1,024	1,297	-	-
State shares revenue	788	780	-	-
Interest	32	26	-	-
Other	<u>66</u>	<u>227</u>	<u>-</u>	<u>-</u>
Total revenues	15,564	17,231	1,476	1,191
Expenses				
Program Activities:				
Government Activities:				
General government	4,165	4,115	-	-
Finance and taxation	853	764	-	-
Public safety	3,601	3,752	-	-
Physical environment	2,132	2,338	-	-
Health and welfare	3,080	2,802	-	-
Cultural and recreational	1,074	958	-	-
Court related	839	761	-	-
Agencies	470	471	-	-
Interest on long-term debt	25	27	143	149
Business-type Activities:				
Water and wastewater	-	-	262	169
Municipal water system	-	-	859	921
County Golf Course	<u>-</u>	<u>-</u>	<u>33</u>	<u>-</u>
Total expenses	16,239	15,988	1,297	1,239
Transfers in (out)	<u>(534)</u>	<u>(918)</u>	<u>534</u>	<u>918</u>
Change in net position	<u>\$ (1,209)</u>	<u>\$ 325</u>	<u>\$ 713</u>	<u>\$ 870</u>

**CALHOUN COUNTY
ST. MATTHEWS, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

Governmental Activities: Revenues for the County's governmental activities were \$15,629,853 for fiscal year 2018. Taxes constitute the largest source of County revenues, amounting to approximately \$11,380,815 for the fiscal year 2018. Real, personal property, and vehicle taxes of \$10,356,389 represent over 91% of total taxes and 66% 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, 2018, Calhoun County governmental funds reported combined fund balances of \$11,733,964, a decrease of \$839,638 over the prior year balances.

The General Fund is the chief operating fund of the County. At June 30, 2018, total fund balance in the General Fund was \$6,459,422 of which \$6,258,955 was unassigned and \$200,467 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 53% and 51%, respectively. The fund balance of the General Fund decreased by \$441,845 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 \$397,793 from the prior year.

Proprietary funds: The water/wastewater operations had an operating loss of \$138,161. The Municipal Water Department had operating income of \$461,388 for a total net operating income for both the water/wastewater operations and the Municipal Water Department of \$323,227. The County Golf Course began operations in late April, 2018 and had an operating loss of \$1,845.

General Fund Budgetary Highlights

Budget to actual statement is provided for the General Fund on page 19. 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, 2018**

Capital asset and Debt Administration

Capital assets: Calhoun County's investment in capital assets for its governmental activities as of June 30, 2018 amounts to \$25,446,506 (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)

	Governmental Activities	Business-type Activities
Land	\$ 1,401,996	\$ 175,051
Construction in progress	722,741	230,660
Land improvements	747,400	-
Buildings and improvements	13,187,167	140,657
Machinery and equipment	4,765,664	51,917
Vehicles	5,683,395	60,917
Infrastructure	9,072,020	-
Museum collection	3,127,547	-
Water and wastewater system	-	13,956,442
Total capital assets	38,707,929	14,615,644
Less accumulated depreciation	13,261,424	3,504,155
Total capital assets, net	\$ 25,446,506	\$ 11,111,489

Additional information on the County's capital assets can be found in Note 6 on pages 39 through 42 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

	2018
(Governmental Activities)	
General Obligation Bonds	\$ 815,362
(Business-type Activities)	
Revenue Bonds	\$ 4,142,395

**CALHOUN COUNTY
ST. MATTHEWS, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

Note issued

Additional information on Calhoun County's long-term debt can be found in Note 9 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, and decreased Calhoun County's portion of funding over last year's by \$1,639. Calhoun County budgeted \$600,654 in fiscal year 2017-2018, but received \$592,645 in actual revenues. Funding will remain the same for Calhoun County at a budgeted \$600,654 for fiscal year 2018-2019.

Building permits increased in 2018 due to economic growth which resulted in an increase in revenue from permit fees in the 2017-2018 fiscal year, and this increase is expected to carry over to fiscal year 2018-2019. 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 2018-2019 fiscal year with reserves.

Calhoun County has increased its water rates over the last several years to bring them up to the suggested USDA monthly rates. The rate increase has generated adequate revenue in the water department over the past few years. There will not be a rate increase in the 2018-2019 fiscal year.

New EMS rates went into effect in 2018 which should result in an increase in EMS call revenue for the 2018-2019 fiscal year, provided call volume remains steady or increases.

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.

BASIC FINANCIAL STATEMENTS

CALHOUN COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Calhoun Economic Development Corp.
ASSETS				
Current assets:				
Cash and investments - Note 3	\$ 11,365,970	\$ 1,305,606	\$ 12,671,576	\$ 25,239
Receivables:				
Delinquent taxes	522,669		522,669	-
Other	2,055,689	52,646	2,108,335	25,355
Due from fiduciary funds - Note 4	13,035	-	13,035	-
Due from Calhoun Economic Development Commission	340,698	-	340,698	-
Other assets	104	-	104	-
Total current assets	<u>14,298,165</u>	<u>1,358,252</u>	<u>15,656,417</u>	<u>50,594</u>
Restricted cash:				
Restricted cash - Note 3	-	271,945	271,945	272,631
Total restricted cash	<u>-</u>	<u>271,945</u>	<u>271,945</u>	<u>272,631</u>
Non-current assets:				
Non-depreciable capital assets - Note 6	5,252,284	405,711	5,657,995	252,000
Depreciable capital assets-net - Note 6	20,194,222	10,705,778	30,900,000	1,996,866
Total non-current assets	<u>25,446,506</u>	<u>11,111,489</u>	<u>36,557,995</u>	<u>2,248,866</u>
Total assets	<u>39,744,671</u>	<u>12,741,686</u>	<u>52,486,357</u>	<u>2,572,091</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferrals - Note 7	2,547,748	49,985	2,597,733	-
Total deferred outflows of resources	<u>2,547,748</u>	<u>49,985</u>	<u>2,597,733</u>	<u>-</u>
LIABILITIES				
Current liabilities (payable from current assets):				
Accounts payable	1,993,256	104,356	2,097,612	-
Other liabilities	49,152	-	49,152	-
Accrued interest payable	-	6,474	6,474	-
Unearned revenue	1,629	13,440	15,069	-
Due to other funds	976	(976)	-	-
Due to Calhoun County				340,698
Accrued compensated absences - Note 10	44,956	-	44,956	-
Closures and maintenance costs payable - Note 10	15,800	-	15,800	-
Bonds payable - Note 10	94,629	-	94,629	-
Leases payable - Note 10	23,429	-	23,429	-
Total current liabilities	<u>2,223,827</u>	<u>123,294</u>	<u>2,347,121</u>	<u>340,698</u>
Liabilities (payable from restricted assets):				
Customer deposits	-	95,056	95,056	-
Current portion of notes payable	-	-	-	290,000
Current portion of revenue bonds payable	-	73,600	73,600	-
Total liabilities (payable from restricted assets):	<u>-</u>	<u>168,656</u>	<u>168,656</u>	<u>290,000</u>
Non-current liabilities:				
Accrued compensated absences - Note 10	355,915	-	355,915	-
Closures and maintenance costs payable - Note 10	306,189	-	306,189	-
Note Payable - Note 10	-	-	-	1,740,000
Bonds payable - Note 10	720,733	4,068,795	4,789,528	-
Leases payable - Note 10	75,940	-	75,940	-
Net pension liability - Note 7	12,567,969	249,318	12,817,287	-
OPEB liability - Note 8	3,167,208	79,211	3,246,419	-
Total long-term liabilities	<u>17,193,954</u>	<u>4,397,324</u>	<u>21,591,278</u>	<u>1,740,000</u>
Total liabilities	<u>19,417,781</u>	<u>4,689,274</u>	<u>24,107,055</u>	<u>2,370,698</u>
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals - Note 7	158,153	2,951	161,104	-
Total deferred inflows of resources	<u>158,153</u>	<u>2,951</u>	<u>161,104</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	24,531,775	6,719,200	31,250,975	-
Restricted for:				
Capital projects	3,199,758	-	3,199,758	-
Debt service	57,616	96,815	154,431	-
Local option sales tax reserve	974,583	-	974,583	-
Unrestricted	<u>(6,047,247)</u>	<u>1,283,431</u>	<u>(4,763,816)</u>	<u>201,393</u>
Total net position	<u>\$ 22,716,485</u>	<u>\$ 8,099,446</u>	<u>\$ 30,815,931</u>	<u>\$ 201,393</u>

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit Calhoun Economic Development Corp.
	Expenses	Operating		Capital Grants and Contributions	Primary Governmental Activities	Business-type Activities	Total	
		Charges for Services	Grants and Contributions					
Primary Government:								
Governmental activities:								
General government	\$ 4,165,841	\$ 6,047	\$ 5,151	\$ -	\$ (4,154,643)	\$ -	\$ (4,154,643)	
Finance and taxation	852,809	71,663	-	-	(781,146)	-	(781,146)	
Public safety	3,601,253	305,315	224,280	13,631	(3,058,027)	-	(3,058,027)	
Physical environment	2,131,698	327,002	43,880	180,723	(1,580,093)	-	(1,580,093)	
Health and welfare	3,079,941	1,318,479	61,942	-	(1,699,520)	-	(1,699,520)	
Culture/Recreation	1,073,643	43,828	114,531	56,983	(858,301)	-	(858,301)	
Court related	839,051	285,646	238,066	-	(315,339)	-	(315,339)	
Agencies	469,552	-	-	-	(469,552)	-	(469,552)	
Interest	25,152	-	-	-	(25,152)	-	(25,152)	
Total governmental activities	\$ 16,238,940	\$ 2,357,980	\$ 687,850	\$ 251,337	\$ (12,941,773)	\$ -	\$ (12,941,773)	
Business-type Activities:								
Water/wastewater plant	\$ 261,577	\$ 123,416	\$ -	\$ -	\$ -	(138,161)	(138,161)	
Municipal water system	859,107	1,320,495	-	-	-	461,388	461,388	
County golf course	33,243	31,398	-	-	-	(1,845)	(1,845)	
Interest	143,102	-	-	-	-	(143,102)	(143,102)	
Total business-type activities	\$ 1,297,029	\$ 1,475,309	\$ -	\$ -	\$ -	\$ 178,280	\$ 178,280	
Component Unit:								
Calhoun Economic Development corp	\$ 145,767	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ (45,767)
	\$ 145,767	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ (45,767)
General Revenues:								
Taxes:								
Property taxes, levied for general purposes					9,814,572	-	9,814,572	-
Property taxes, levied for debt services					541,817	-	541,817	-
Sales tax					1,024,426	-	1,024,426	-
Franchise fees					5,534	-	5,534	-
State shared revenues					787,855	-	787,855	-
Interest earnings					31,718	-	31,718	183
Miscellaneous					126,764	488	127,252	25
Gain(loss) on sale of capital assets					(65,992)	-	(65,992)	-
Transfers					(534,355)	534,355	-	-
Total general revenues and transfers					11,732,339	534,843	12,267,182	208
Change in net position					(1,209,434)	713,123	(496,311)	(45,559)
Net position - beginning - as restated - Note 18					23,925,919	7,386,323	31,312,242	246,952
Net position - ending					\$ 22,716,485	\$ 8,099,446	\$ 30,815,931	\$ 201,393

CALHOUN COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	GENERAL	CAPITAL, PROJECTS FUND	LOCAL OPTION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and investments	\$ 5,435,196	\$ 3,158,490	\$ 635,160	\$ 2,137,124	\$ 11,365,970
Accounts receivable					
Property taxes	461,734	3,288	-	57,647	522,669
Other	1,509,164	-	339,423	207,102	2,055,689
Due from other funds	45,515	-	-	889	46,404
Due from fiduciary funds	13,035	-	-	-	13,035
Due from CC Economic Develop.	-	37,980	-	302,718	340,698
Other assets	104	-	-	-	104
Total assets	<u>\$ 7,464,748</u>	<u>\$ 3,199,758</u>	<u>\$ 974,583</u>	<u>\$ 2,705,480</u>	<u>\$ 14,344,569</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 497,033	\$ 388,200	\$ 750,000	\$ 358,024	\$ 1,993,257
Due to other funds	889	-	-	46,491	47,380
Unearned revenue	-	-	-	1,629	1,629
Payroll taxes and withholdings	49,152	-	-	-	49,152
Total liabilities	<u>547,074</u>	<u>388,200</u>	<u>750,000</u>	<u>406,144</u>	<u>2,091,418</u>
Deferred Inflows of Resources					
Unavailable Revenue - Property Taxes	458,252	3,288	-	57,647	519,187
Total Deferred Inflows of Resources	<u>458,252</u>	<u>3,288</u>	<u>-</u>	<u>57,647</u>	<u>519,187</u>
Fund balances:					
Restricted	94,592	-	224,583	2,165,914	2,485,089
Assigned	105,875	2,808,270	-	83,717	2,997,862
Unassigned	6,258,955	-	-	(7,942)	6,251,013
Total fund balances	<u>6,459,422</u>	<u>2,808,270</u>	<u>224,583</u>	<u>2,241,689</u>	<u>11,733,964</u>
Total Liabilities, Deferred Inflows of Resources, and Fund balances	<u>\$ 7,464,748</u>	<u>\$ 3,199,758</u>	<u>\$ 974,583</u>	<u>\$ 2,705,480</u>	<u>\$ 14,344,569</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, 2018**

Total fund balance - total governmental funds	\$ 11,733,964
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.	519,187
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	25,446,506
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Due within a year	(178,813)
Due in more than one year	(1,458,777)
Other Post Employment Benefits(OPEB) liability represents the future unfunded costs associated with current benefit designs.	(3,167,208)
Net pension liability and related deferred inflows and outflows represents the proportionate share of future unfunded costs associated with the the County's participation in the SC Retirement System.	<u>(10,178,374)</u>
Total net position - total governmental activities	<u><u>\$ 22,716,485</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, 2018

	GENERAL	CAPITAL PROJECTS FUND	LOCAL OPTION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Taxes	\$ 8,180,069	\$ 1,196,777	\$ -	\$ 953,827	\$ 10,330,673
Rent	94,672	-	-	-	94,672
Intergovernmental	993,223	-	-	442,674	1,435,897
Charges for services	1,022,030	-	-	-	1,022,030
Fines and forfeitures	86,680	-	-	-	86,680
Local sources	272,428	67,376	712,351	1,352,733	2,404,888
Interest	30,938	-	423	357	31,718
Miscellaneous	197,579	-	-	-	197,579
Total revenues	<u>10,877,619</u>	<u>1,264,153</u>	<u>712,774</u>	<u>2,749,591</u>	<u>15,604,137</u>
EXPENDITURES					
Current:					
Administration	643,431	53,962	-	-	697,393
Public works	948,791	30,554	-	17,539	996,884
Public buildings	585,888	23,182	-	-	609,070
Finance and taxation	792,816	-	-	-	792,816
Judicial	760,798	-	-	-	760,798
Public safety	2,196,031	28,515	-	904,175	3,128,721
Health and welfare	2,069,000	168,599	-	458,446	2,696,045
Culture and recreation	851,306	61,367	-	18,479	931,152
Miscellaneous	531,242	-	-	-	531,242
Employee fringe benefits	2,690,958	-	-	-	2,690,958
Agencies	91,275	-	-	378,277	469,552
Debt service:					
Principal	-	22,545	-	92,673	115,218
Interest and fiscal charges	-	4,777	-	20,375	25,152
Capital outlay	-	972,533	-	515,708	1,488,241
Total expenditures	<u>12,161,536</u>	<u>1,366,034</u>	<u>-</u>	<u>2,405,672</u>	<u>15,933,242</u>
Excess revenues over (under) expenditures before other financial sources (uses)	<u>(1,283,917)</u>	<u>(101,881)</u>	<u>712,774</u>	<u>343,919</u>	<u>(329,105)</u>
Other financing sources (uses)					
Sale of property	23,822	-	-	-	23,822
Transfers in (out)	818,250	(161,978)	(750,000)	(440,627)	(534,355)
Total other financing sources (uses)	<u>842,072</u>	<u>(161,978)</u>	<u>(750,000)</u>	<u>(440,627)</u>	<u>(510,533)</u>
Net changes in fund balances	(441,845)	(263,859)	(37,226)	(96,708)	(839,638)
Fund balances at beginning of year - As restated - Note 18	<u>6,901,267</u>	<u>3,072,129</u>	<u>261,809</u>	<u>2,338,397</u>	<u>12,573,602</u>
Fund balances at end of year	<u>\$ 6,459,422</u>	<u>\$ 2,808,270</u>	<u>\$ 224,583</u>	<u>\$ 2,241,689</u>	<u>\$ 11,733,964</u>

See Notes to the Basic Financial Statements.

**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, 2018**

Net changes in fund balances - total governmental funds		\$ (839,638)
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	1,488,241	
Less current year depreciation	<u>(1,115,807)</u>	372,434
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		(89,815)
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 principal payment	<u>115,218</u>	115,218
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	(134,889)	
Change in Net Pension liability	(652,652)	
Change in compensated absences	(5)	
Change in closure and maintenance costs payable	<u>(5,808)</u>	(793,354)
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>25,721</u>
Change in net position of governmental activities		<u>\$ (1,209,434)</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, 2018**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes:			
Current	\$ 5,900,000	\$ 5,791,924	\$ (108,076)
Delinquent	315,000	302,426	(12,574)
Fee in lieu of taxes	2,044,830	2,085,719	40,889
Interest income	14,000	30,938	16,938
Other local sources	1,577,664	1,673,389	95,725
State sources	886,980	908,409	21,429
Federal sources	95,780	84,814	(10,966)
	10,834,254	10,877,619	43,365
EXPENDITURES			
Current	12,775,112	12,161,536	613,576
TOTAL EXPENDITURES	12,775,112	12,161,536	613,576
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,940,858)	(1,283,917)	656,941
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	-	23,823	23,823
Transfers in/ out	755,000	818,249	63,249
TOTAL OTHER FINANCING SOURCES (USES)	755,000	842,072	87,072
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ (1,185,858)	(441,845)	\$ 744,013
Fund Balance at Beginning of Year - As Restated		6,901,267	
Fund Balance at End of Year		\$ 6,459,422	

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA
COMBINED STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018**

	Business-Type Activities-Enterprise Funds			
	Water/ Wastewater Plant	Municipal Water System	County Golf Course	Total
ASSETS				
Current Assets:				
Cash	\$ 10,021	\$ 1,270,273	\$ 25,312	\$ 1,305,606
Accounts receivable	18,761	33,863	22	52,646
Due from General Fund	-	976	-	976
Total Current Assets	28,782	1,305,112	25,334	1,359,228
Restricted Cash	-	271,945	-	271,945
Property, Plant, and Equipment (Net of accumulated depreciation - Note 6)	3,740,967	7,047,028	323,494	11,111,489
TOTAL ASSETS	3,769,749	8,624,085	348,828	12,742,662
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferral	-	49,985	-	49,985
Total deferred outflows of resources	-	49,985	-	49,985

See Notes to the Basic Financial Statements.

CALHOUN COUNTY, SOUTH CAROLINA
 COMBINED STATEMENT OF FUND NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2018

	Business-Type Activities-Enterprise Funds			Total
	Water/ Wastewater Plant	Municipal Water System	County Golf Course	
LIABILITIES AND FUND EQUITY				
Current Liabilities:				
Accounts payable	19,036	79,652	5,668	104,356
Accrued interest payable	-	6,474	-	6,474
Unearned revenue	-	13,440	-	13,440
Total Current Liabilities	19,036	99,566	5,668	124,270
Current Liabilities (Payable from Restricted Assets)				
Meter deposits payable	-	95,056	-	95,056
Current portion of revenue bonds payable - Note 10	-	73,600	-	73,600
Total Current Liabilities (Payable from Restricted Assets)	-	168,656	-	168,656
Noncurrent Liabilities				
Revenue bonds payable - Note 10	-	4,068,795	-	4,068,795
OPEB liability - Note 8	-	79,211	-	79,211
Net pension liability - Note 7	-	249,318	-	249,318
Total Liabilities	19,036	4,665,546	5,668	4,690,250
DEFERRED INFLOWS OF RESOURCES				
Pension deferral	-	2,951	-	2,951
Total deferred inflows of resources	-	2,951	-	2,951
Net Position				
Net Investment in capital assets	3,740,967	2,978,233	-	6,719,200
Restricted for:				
Expendable:				
Debt retirement	-	96,815	-	96,815
Unrestricted	9,746	930,525	343,160	1,283,431
Total Net Position	\$ 3,750,713	\$ 4,005,573	\$ 343,160	\$ 8,099,446

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, 2018

	<u>Business-Type Activities-Enterprise Funds</u>			Total
	Water/ Wastewater Plant	Municipal Water System	County Golf Course	
Operating Revenues:				
Water/wastewater revenue	\$ 123,416	\$ 1,289,370	\$ -	\$ 1,412,786
Tap fees	-	31,125	-	31,125
Golf Course fees	-	-	31,398	31,398
Total Operating Revenues	<u>123,416</u>	<u>1,320,495</u>	<u>31,398</u>	<u>1,475,309</u>
Operating Expenses:				
Operating and maintenance	155,601	618,619	31,725	805,945
Depreciation expense	105,976	240,488	1,518	347,982
Total Operating Expenses	<u>261,577</u>	<u>859,107</u>	<u>33,243</u>	<u>1,153,927</u>
Operating Income (Loss)	<u>(138,161)</u>	<u>461,388</u>	<u>(1,845)</u>	<u>321,382</u>
Non-Operating Income (Expense):				
Interest expense	-	(143,102)	-	(143,102)
Interest income	7	481	-	488
Net Non-Operating Income (Expense)	<u>7</u>	<u>(142,621)</u>	<u>-</u>	<u>(142,614)</u>
Income (loss) before capital contributions and transfers	<u>(138,154)</u>	<u>318,767</u>	<u>(1,845)</u>	<u>178,768</u>
Transfers in/out	<u>14,000</u>	<u>175,350</u>	<u>345,005</u>	<u>534,355</u>
Change in net position	<u>(124,154)</u>	<u>494,117</u>	<u>343,160</u>	<u>713,123</u>
Net Position - Beginning of Year - Restated - Note 18*	<u>3,874,867</u>	<u>3,511,456 *</u>	<u>-</u>	<u>7,386,323</u>
Net Position - End of Year	<u>\$ 3,750,713</u>	<u>\$ 4,005,573</u>	<u>\$ 343,160</u>	<u>\$ 8,099,446</u>

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018**

	Business-Type Activities-Enterprise Funds			
	Water/ Wastewater Plant	Municipal Water System	County Golf Course	Total
Cash Flows From Operating Activities:				
Cash received from customers	\$ 121,302	\$ 1,345,471	\$ 31,371	\$ 1,498,144
Cash paid to suppliers for goods and services	(138,371)	(466,753)	(26,059)	(631,183)
Cash paid to employees for services	-	(148,555)	-	(148,555)
Net Cash Provided by (Used For) Operating Activities	<u>(17,069)</u>	<u>730,163</u>	<u>5,312</u>	<u>718,406</u>
Cash Flows From Non Capital Financing Activities:				
Transfers from other funds	14,000	175,350	345,005	534,355
Net Cash Provided by Non Capital Financing Activities	<u>14,000</u>	<u>175,350</u>	<u>345,005</u>	<u>534,355</u>
Cash Flows From Capital and Related Financing Activities:				
Principal paid on bonds	-	(71,050)	-	(71,050)
Interest paid on bonds	-	(144,326)	-	(144,326)
Purchase of capital assets	(14,000)	(523,718)	(325,005)	(862,723)
Net Cash Used in Capital and Related Financing Activities	<u>(14,000)</u>	<u>(739,094)</u>	<u>(325,005)</u>	<u>(1,078,099)</u>
Cash Flows From Investing Activities:				
Interest income	7	481	-	488
Net Cash Provided by Investing Activities	<u>7</u>	<u>481</u>	<u>-</u>	<u>488</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(17,062)	166,900	25,312	175,150
Cash and Cash Equivalents at Beginning of Year	27,083	1,375,318	-	1,402,401
Cash and Cash Equivalents at End of Year	<u>\$ 10,021</u>	<u>\$ 1,542,218</u>	<u>\$ 25,312</u>	<u>\$ 1,577,551</u>
Classified as:				
Current Assets	\$ 10,021	\$ 1,270,273	\$ 25,312	\$ 1,305,606
Restricted Assets	-	271,945	-	271,945
Totals	<u>\$ 10,021</u>	<u>\$ 1,542,218</u>	<u>\$ 25,312</u>	<u>\$ 1,577,551</u>

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018**

	Business-Type Activities-Enterprise Funds			
	Water/ Wastewater Plant	Municipal Water System	County Golf Course	Total
Reconciliation of Net Operating Income (Loss)				
Net Cash Provided by Operating Activities				
Operating income (loss)	\$ (138,161)	\$ 461,388	\$ (1,845)	\$ 321,382
Adjustments to reconcile operating income by operating activities:				
Depreciation and amortization expense	105,976	240,488	1,518	347,982
Pension expense difference	-	13,797	-	13,797
OPEB expense difference	-	3,372	-	3,372
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(2,114)	19,942	(28)	17,800
(Increase) decrease in due from General Fund	-	(976)	-	(976)
(Increase) decrease in other assets	-	(204)	-	(204)
Increase (decrease) in accounts payable	17,230	(12,689)	5,667	10,208
Increase (decrease) in deposits payable	-	5,045	-	5,045
Total Adjustments	121,092	268,775	7,157	397,024
Net Cash Provided by (Used for) Operating Activities	\$ (17,069)	\$ 730,163	\$ 5,312	\$ 718,406

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2018**

ASSETS

Cash	\$ 10,857,078
Property taxes receivable	777,960
Due from others	<u>4,327</u>
 Total Assets	 <u><u>\$ 11,639,365</u></u>

LIABILITIES

Due to trust fund holders	\$ 11,622,728
Outstanding bonds	3,766
Held for jurors	240
Due to Treasurer - overage - Note 12	(404)
Due to other funds	<u>13,035</u>
 Total Liabilities	 <u><u>\$ 11,639,365</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 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 2017-18. 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.

**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, continued

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

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.

**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 (continued)

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

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

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

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

2. Fund Financial Statements

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

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.

**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)

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.

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 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.

County Golf Course – This fund accounts for activity related to the Calhoun Hills Golf Complex.

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting (continued)

Governmental Funds (continued)

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.

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.

Local Option Fund – The Local Option Fund accounts for local option monies and transfers those used to offset property taxes to the General Fund.

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.

**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:

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.

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 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."

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

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.

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:

<u>Assets</u>	<u>Years</u>
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.

**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)

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.

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. Other Postemployment Benefits (OPEB)

The Board implemented GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended June 30, 2018.

The primary objective of the Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

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)

8. Other Postemployment Benefits (OPEB) (continued)

This statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agents Multiple-Employer Plans*, for OPEB.

9. 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.

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.

10. 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 \$4,328,772 of restricted net position of which \$974,583 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. The Tech Gressette fund ended 2017-18 with a deficit fund balance of (\$ 7,942) due to the tax shortfall caused by the State devaluation of vehicles.

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

1. Each year, the County Administrator submits to the County Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Three public readings are conducted by County Council and one public hearing to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. The County Administrator is authorized to transfer budgeted amounts between departments within any fund. 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.

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

NOTE 3 – CASH AND INVESTMENTS

Deposits

At year-end, the carrying amount of the County's deposits and investments was \$23,798,109 and the bank balance was \$24,090,875. To reconcile this information to the financial statements, we include the following:

Cash and investments	\$ 23,798,110
Cash on hand	<u>2,489</u>
Total	<u>\$ 23,800,599</u>
Cash – Governmental Activities	\$ 11,365,970
Business Type Activities	1,577,551
Fiduciary Activities	<u>10,857,078</u>
	<u>\$ 23,800,599</u>
Deposits	\$ 14,030,291
Investments	<u>9,770,308</u>
	<u>\$ 23,800,599</u>

Of the bank balance of \$15,478,714 excluding the investment pool funds, \$1,605,753 is secured by FDIC insurance and \$13,872,961 is secured by collateral pledged in the County's name.

Restricted Cash

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

Bond cushion	\$ 177,179
Meter deposits	<u>94,766</u>
	<u>\$ 271,945</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

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

NOTE 3 – CASH AND INVESTMENTS (continued)

Credit Risk (continued)

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.

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

	Maturities	Fair Value
State Investment pool	18 months to 2 years	\$ 8,612,161
Certificate of deposit	6 months to 1 year	1,158,147
		\$ 9,770,308

The local government investment pool is a 2a7-like pool which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The South Carolina State Treasurer oversees the pool. The fair value of the position in the pool is the same as the value of the pool shares. The Pool is included as an investment trust fund in the State of South Carolina Comprehensive Annual Financial Report. At June 30, 2018, the underlying security ratings of the County's investment in the Local 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.

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

NOTE 3 – CASH AND INVESTMENTS (continued)

Foreign Currency Risk

The County has no foreign currency investments.

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, 2018, follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 58,550	\$ 889
Special Revenue Fund:		
Library Lottery	889	-
Grants Fund	-	46,491
Enterprise Fund:		
Water System	976	-
Trust and Agency Funds:		
Magistrates	-	13,035
	<u>\$ 60,415</u>	<u>\$ 60,415</u>
Operating Transfers	Transfer In	Transfer Out
General Fund	\$ 836,913	\$ 18,663
Capital Projects Fund	404,272	566,250
Local Option Fund	-	750,000
Special Revenue Fund:		
Child Support Fund	-	83,042
Victims' Fund	18,663	-
Sheriff	-	3,871
Debt	-	372,377
Rural Fire Debt Service	113,803	-
Rural Fire District	-	228,123
Sandy Run Fire Department	114,320	-
Enterprise Fund:		
Water System	213,950	24,600
Golf Course	345,005	-
	<u>\$ 2,046,926</u>	<u>\$ 2,046,926</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.

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

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.

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, 2018 was as follows:

	Balance June 30, 2017 Restated*	Reclassi- fications	Additions	Deletions	Balance June 30, 2018
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 1,401,996	\$ -	\$ -	\$ -	\$ 1,401,996
Construction in Progress	66,141	-	656,600	-	722,741
Museum collection	<u>3,127,547</u>	-	-	-	<u>3,127,547</u>
Total capital assets not being depreciated	<u>4,595,684</u>	-	<u>656,600</u>	-	<u>5,252,284</u>
Capital assets, being depreciated:					
Building and improvements	13,014,517	-	172,650	-	13,187,167
Infrastructure	9,012,027	-	59,993	-	9,072,020
Land improvements	747,400	-	-	-	747,400
Vehicles	5,296,479	-	559,454	172,538	5,683,395
Equipment, furniture and fixtures	<u>4,798,436</u>	-	<u>39,544</u>	<u>72,316</u>	<u>4,765,664</u>
Total capital assets Being depreciated	<u>32,868,859</u>	-	<u>831,641</u>	<u>244,854</u>	<u>33,455,646</u>

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

NOTE 6 – CAPITAL ASSETS (continued)

	Balance June 30, 2017 Restated*	Reclassi- fications	Additions	Deletions	Balance June 30, 2018
Less accumulated depreciation for:					
Building and improvements	3,386,934	-	340,438	-	3,727,372
Land improvements	203,819	-	23,654	-	227,473
Infrastructure	2,368,499	-	128,225	-	2,496,724
Vehicles	* 2,690,522	-	411,476	148,410	2,953,588
Equipment, furniture and fixtures	<u>3,650,882</u>	-	<u>212,014</u>	<u>6,629</u>	<u>3,856,267</u>
Total accumulated depreciation	<u>12,300,656</u>	-	<u>1,115,807</u>	<u>155,039</u>	<u>13,261,424</u>
 Total capital assets, being depreciated, net	 <u>20,568,203</u>	 -	 <u>(284,166)</u>	 <u>(89,815)</u>	 <u>20,194,222</u>
 Governmental activities capital assets	 <u>\$ 25,163,887</u>	 <u>\$ -</u>	 <u>\$ 372,434</u>	 <u>\$ (89,815)</u>	 <u>\$ 25,446,506</u>
 Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 4,500	\$ -	\$ 170,551	\$ -	\$ 175,051
Construction in Progress	<u>-</u>	<u>-</u>	<u>230,660</u>	<u>-</u>	<u>230,660</u>
Total capital assets not being depreciated	<u>4,500</u>	<u>-</u>	<u>401,211</u>	<u>-</u>	<u>405,711</u>
Capital assets, being depreciated:					
Water System	10,207,808	-	286,013	-	10,493,821
Wastewater System	3,448,621	-	14,000	-	3,462,621
Equipment, furniture and fixtures	31,070	-	20,847	-	51,917
Buildings and improvements	-	-	140,657	-	140,657
Vehicles	* <u>60,917</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,917</u>
Total capital assets being depreciated	<u>13,748,416</u>	<u>-</u>	<u>461,517</u>	<u>-</u>	<u>14,209,933</u>
 Less accumulated depreciation	 <u>3,156,173</u>	 -	 <u>347,982</u>	 -	 <u>3,504,155</u>
 Total capital assets, being depreciated, net	 <u>10,592,243</u>	 -	 <u>113,535</u>	 -	 <u>10,705,778</u>
 Business-type activities capital assets, net	 <u>\$ 10,596,743</u>	 <u>\$ -</u>	 <u>\$ 514,746</u>	 <u>\$ -</u>	 <u>\$ 11,111,489</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, 2018:

	<u>Water/ Wastewater Plant</u>	<u>Municipal Water System</u>	<u>County Golf Course</u>	<u>Total Proprietary Funds</u>
Land	\$ -	\$ 4,500	\$ 170,551	\$ 175,051
Buildings and improvements	-	-	140,662	140,662
Construction in progress	-	230,660	-	230,660
Water system	782,271	9,711,550	-	10,493,821
Wastewater system	3,462,620	-	-	3,462,620
Vehicles	-	60,917	-	60,917
Equipment, furniture, fixtures and software	-	38,120	13,798	51,918
Less, accumulated depreciation	<u>(503,924)</u>	<u>(2,998,719)</u>	<u>(1,517)</u>	<u>(3,504,160)</u>
Net Property, Plant and Equipment	<u>\$ 3,740,967</u>	<u>\$ 7,047,028</u>	<u>\$ 323,494</u>	<u>\$ 11,111,489</u>

The depreciation and amortization expense for the Water/Wastewater Plant, the Water System, and the Golf course was \$347,982 for the year ended June 30, 2018.

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

Administration	\$ 172,883
Public Safety	257,576
Physical Environment	452,938
Health and Welfare	164,119
Cultural and Recreation	<u>68,291</u>
Total depreciation expense-governmental activities	<u>\$ 1,115,807</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, 2017</u>	<u>Reclassi- fications</u>	<u>Addi- tions</u>	<u>Retire- ments</u>	<u>Balance June 30, 2018</u>
Assets not being depreciated:					
Land	\$ 252,000	\$ -	\$ -	\$ -	\$ 252,000
Total assets not being depreciated	<u>252,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>252,000</u>
Assets being depreciated:					
Building	<u>2,051,573</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,051,573</u>
Total assets being depreciated	<u>2,051,573</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,051,573</u>
Less accumulated depreciation for:					
Building	<u>13,676</u>	<u>-</u>	<u>41,031</u>	<u>-</u>	<u>54,707</u>
Total assets being depreciated, net	<u>2,037,897</u>	<u>-</u>	<u>(41,031)</u>	<u>-</u>	<u>1,996,866</u>
Total capital assets, net	<u>\$ 2,289,897</u>	<u>\$ -</u>	<u>\$ (41,031)</u>	<u>\$ -</u>	<u>\$ 2,248,866</u>

Depreciation expense for 2017-18 is \$41,031.

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

NOTE 7 – RETIREMENT PLAN

Description of the Entity

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (Systems) and serves as a co-trustee of the Systems in conducting that review. Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 assigned the PEBA Board of Directors as the Custodian of the Retirement Trust Funds and assigned SC PEBA and the Retirement Systems Investment Commission (RSIC) as co-trustees of the Retirement Trust Funds.

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

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

Plan Descriptions

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

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

NOTE 7 – RETIREMENT PLAN (continued)

Membership

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

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

Benefits

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

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

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

NOTE 7 – RETIREMENT PLAN (continued)

Benefits (continued)

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

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

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

Contributions

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

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

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

NOTE 7 – RETIREMENT PLAN (continued)

Contributions (continued)

necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 90 percent.

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

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

<u>SCRS</u>	
Employee Class Two	9.00%
Employee Class Three	9.00%
<u>PORS</u>	
Employee Class Two	9.75%
Employee Class Three	9.75%

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

<u>SCRS</u>	
Employer Class Two	13.41%
Employer Class Three	13.41%
Employer Incidental Death Benefit	0.15%
<u>PORS</u>	
Employer Class Two	15.84%
Employer Class Three	15.84%
Employer Incidental Death Benefit	0.20%
Employer Accidental Death Program	0.20%

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

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

NOTE 7 – RETIREMENT PLAN (continued)

Contributions (continued)

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>SCRS</u>			
Employee Contributions	\$ 390,041	\$ 355,350	\$ 347,536
Employer Contributions	581,163	473,053	464,456
Employer Group Life Contributions	<u>6,501</u>	<u>6,219</u>	<u>6,387</u>
Total	<u>\$ 977,705</u>	<u>\$ 834,622</u>	<u>\$ 818,379</u>
<u>PORS</u>			
Employee Contributions	\$ 140,354	\$ 129,212	\$ 112,324
Employer Contributions	227,976	193,538	171,442
Employer Group Life Contributions	<u>5,757</u>	<u>5,594</u>	<u>5,141</u>
Total	<u>\$ 374,087</u>	<u>\$ 328,344</u>	<u>\$ 288,907</u>

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, 2018, the County reported a liability of \$9,805,606 for its proportionate share of the net pension liability for SCRS and a liability of \$3,011,681 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, 2017, using membership as of that date projected forward to the end of the retirement plan's fiscal year, and financial information of the pension trust funds as of June 30, 2018. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental units, actuarially determined.

At the retirement plan's year end of June 30, 2018, the County's proportion was .04356% and .10993% for SCRS and PORS, respectively.

For the year ended June 30, 2018, the County recognized pension expense of \$1,527,804, including \$1,117,965 for SCRS and \$409,839 for PORS, respectively.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>SCRS</u>		
Differences between expected and actual experience	\$ 43,713	\$ 5,435
Assumption changes	574,013	-
Net difference between projected and actual earnings on pension plan investments	273,725	-
Deferred amounts from changes in proportionate share and differences between County contributions and proportionate share of contributions	292,769	114,945
County contributions subsequent to the measurement date	<u>587,663</u>	<u>-</u>
Totals	<u>\$1,771,883</u>	<u>\$ 120,380</u>
<u>PORS</u>		
Differences between expected and actual experience	\$ 26,856	\$ -
Assumption changes	285,836	-
Net difference between projected and actual earnings on pension plan investments	107,318	-
Deferred amounts from changes in proportionate share and differences between County contributions and proportionate share of contributions	172,107	40,724
County contributions subsequent to the measurement date	<u>233,733</u>	<u>-</u>
Totals	<u>\$ 825,850</u>	<u>\$ 40,724</u>

The amount of \$587,663 for SCRS and \$233,733 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, 2019.

**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)

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, 2018.

<u>Difference between expected and actual experience¹</u>		
	<u>SCRS</u>	<u>PORS</u>
	June 30, 2017	June 30, 2017
Initial Balance	\$ 302,905	\$ 96,445
Amortized ² period ending June 30, 2014	\$ (65,728)	\$ (14,564)
2015	(61,058)	(16,116)
2016	(66,002)	(18,846)
2017	(71,839)	(20,063)
2018	(21,426)	(17,966)
2019	(10,015)	(5,182)
2020	(6,411)	(3,035)
2021	(426)	(673)

<u>Assumption Changes</u>		
	<u>SCRS</u>	<u>PORS</u>
	June 30, 2017	June 30, 2017
Initial Balance	\$ 760,805	\$ 366,276
2017	\$ (186,792)	\$ (80,440)
2018	(186,792)	(80,447)
2019	(186,792)	(80,447)
2020	(186,792)	(80,447)
2021	(13,637)	(44,495)

**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)

	<u>Difference between projected and actual investment earnings³</u>	
	<u>SCRS</u>	<u>PORS</u>
	June 30, 2017	June 30, 2017
Initial Balance	\$ 299,658	\$ 124,288
Amortized ² period ending June 30, 2014	\$ 158,060	\$ 60,877
2015	25,691	8,665
2016	(149,752)	(61,658)
2017	(59,932)	(24,854)
2018	(59,932)	(24,854)
2019	(217,992)	(85,735)
2020	(85,623)	(33,523)
2021	89,822	36,794

¹ 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 4.164 years for 6/30/15; 4.116 years for 6/30/16 and 4.873 years for 6/30/17 for SCRS and are 4.796 for 6/30/15; 4.665 for 6/30/16 and 4.553 for 6/30/17 for PORS.

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

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

Actuarial Assumptions and Methods

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

The June 30, 2017, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2016. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2017, using generally accepted actuarial principles. The Retirement System Funding and Administration Act of 2017 was signed into law April 25, 2017, and included a provision to reduce the assumed rate of return from 7.50% to 7.25% effective July 1, 2017. As a result of this legislation, GRS made an adjustment to the calculation of the roll-forward total pension liability for this assumption change as of the measurement date of June 30, 2017.

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

NOTE 7 – RETIREMENT PLAN (continued)

Actuarial Assumptions and Methods (continued)

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

	<u>SCRS</u>	<u>PORS</u>
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return ¹	7.25%	7.25%
Projected salary increases	3.0% to 12.5%(varies by service) ¹	3.50% to 9.5%(varies by service) ¹
Benefit adjustments	Lesser of 1%or \$500 annually	Lesser of 1%or \$500 annually
¹ Includes inflation at 2.75%		

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

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

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

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

NOTE 7 – RETIREMENT PLAN (continued)

Net Pension Liability

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

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
SCRS	\$48,244,437,494	\$ 25,732,829,268	\$ 22,511,608,226	53.3%
PORS	7,013,684,001	4,274,123,178	2,739,560,823	60.9%

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

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 30 year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

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

NOTE 7 – RETIREMENT PLAN (continued)

Long-term Expected Rate of Return (continued)

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity	45.0%		
Global Public Equity	31.0%	6.72%	2.08%
Private Equity	9.0%	9.60%	0.86%
Equity Options Strategies	5.0%	5.91%	0.30%
Real Assets	8.0%		
Real Estate (Private)	5.0%	4.32%	0.22%
Real Estate (REITs)	2.0%	6.33%	0.13%
Infrastructure	1.0%	6.26%	0.06%
Opportunistic	17.0%		
GTAA/Risk Parity	10.0%	4.16%	0.42%
Hedge Funds (non-PA)	4.0%	3.82%	0.15%
Other Opportunistic Strategies	3.0%	4.16%	0.12%
Diversified Credit	18.0%		
Mixed Credit	6.0%	3.92%	0.24%
Emerging Markets Debt	5.0%	5.01%	0.25%
Private Debt	7.0%	4.37%	0.31%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	1.60%	0.16%
Cash and Short Duration (Net)	2.0%	0.92%	0.02%
Total Expected Real Return	100%		5.31%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.56%

Discount Rate

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

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

NOTE 7 – RETIREMENT PLAN (continued)

Sensitivity Analysis

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 12,638,660	\$ 9,805,606	\$ 8,087,332
PORS	\$ 4,066,232	\$ 3,011,681	\$ 2,180,879

Additional Financial and Actuarial Information

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' separately issued Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for SCRS and PORS. Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2017.

Payables to the Pension Plan

As of June 30, 2018, the County had \$100,753 in payables outstanding to the pension plans for its legally required contributions.

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Background

Calhoun County follows Governmental Accounting Standards Board (GASB) Statement No. 75 (Implemented July 1, 2017) for other post-employment benefits (OPEB) offered to retirees. This standard addresses how local governments should account for and report their costs related to post-employment health care and other non-pension benefits, such as the County's retiree health benefit subsidy. Historically, the County's subsidy was funded on a pay-as-you-go basis but GASB 75 (previously GASB 45) requires that the County accrue the cost of 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 OPEB (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 CIGNA Now Fully Insured Policy. The plan is a single employer OPEB plan. The County pays into the health reimbursement account monthly for retirees as follows:

- Pre 65 retirees – The County will contribute \$590 per month for 2017-18.
- Post 65 retirees – The County will contribute \$350 per month into a health reimbursement plan for each retiree.

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.

Funding Policy

The County has elected not to pre-fund OPEB liabilities and to fund healthcare benefits on a pay-as-you-go basis "PayG" (no funding of the obligation). No assets are accumulated in a Trust that meets the criteria in paragraph 4 of Statement 75.

Employees Covered by Benefit Terms

At June 30, 2017, (measurement date) the following employees were covered by benefit terms:

Active participants	67
Retired participants	<u>18</u>
	<u>85</u>

Eligibility and Benefits Provided

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.
- Dependent coverage (medical and dental) is not available for reimbursement through the County health reimbursement account.

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

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

Changes in Total OPEB Obligation

The County's total OPEB liability of \$3,246,419 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2017, restated	<u>\$ 3,108,160</u>
Charges for the Year:	
Service Cost	75,237
Interest	119,210
Benefit Payments – Net Employer Contributions	<u>(56,188)</u>
Net Changes	<u>138,259</u>
Balance at June 30, 2018	<u>\$ 3,246,419</u>

Changes of assumptions and other inputs reflect a change in the following from the previous actuarial study with a July 1, 2015, measurement date:

The discount rate was updated from 4.50% (under GASB 45) to 3.87% as of June 30, 2018, respectively, in accordance with GASB 75.

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

The mortality table was updated from RP-2014 white-collar mortality table backed off to 2006 and projected generationally with Scale MP-2015 to RP-2014 white-collar mortality table backed off to 2006 and projected generationally with Scale MP-2017.

The retirement rates were updated to reflect the rates used for "General Employees" in the South Carolina Retirement System Actuarial Valuation as of July 1, 2016.

The medical trend rates were updated from an initial rate of 7.00% in fiscal 2017 grading down to an ultimate rate of 4.50%.

The impact of the ACA excise tax on high-cost healthcare plans was estimated and updated.

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

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

Changes in Total OPEB Liability (continued)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1.00% Decrease (<u>2.87%</u>)	Discount Rate (<u>3.87%</u>)	1.00% Increase (<u>4.87%</u>)
Total OPEB Liability	\$ 3,625,999	\$ 3,246,419	\$ 2,921,871

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.0 percent decreasing to 3.0 percent) or 1-percentage-point higher (8.5 percent decreasing to 5.0 percent) than the current healthcare cost trend rates:

	1.00% Decrease (<u>6.0% Decreasing to 3.0%</u>)	Healthcare Cost Trend Rates (<u>7.0% Decreasing to 4.0%</u>)	1.00% Increase (<u>8.0% Decreasing to 5.0%</u>)
Total OPEB Liability	\$ 3,154,864	\$ 3,246,419	\$ 3,353,757

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

For the year ended June 30, 2018, the County recognized OPEB expense of \$138,259. At June 30, 2018, the County reported no deferred outflows of resources and deferred inflows of resources related to OPEB.

Actuarial Methods and Assumptions

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	2.5 percent, average, including inflation
Discount Rate	3.87 percent
Healthcare Cost Trend Rates	7.0 percent decreasing .25 percent per year to an ultimate rate of 4.5 percent for June 30, 2038, and later years.
Retiree's Share of Benefit-Related Costs	\$103.96 per month for pre-retirees \$350.00 per month for post-retirees

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

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

Actuarial Methods and Assumptions (continued)

The discount rate was based on the S&P municipal bond 20-year high grade rate index as of the measurement dates.

Mortality rates were based on rates used in the July 1, 2016, SCRS valuation.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study as of June 30, 2017.

NOTE 9 – SHORT-TERM OBLIGATIONS

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

	<u>Balance at June 30, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2018</u>
GO Bond – Series 2017A	\$ -	\$ 360,000	\$ 360,000	\$ -

In December 2017, the County issued a General Obligation Bond (Series 2017A) for \$360,000 to be used for building improvements, software purchases and upgrades, and heavy equipment purchases. This bond was paid off utilizing debt service tax collections.

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, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2018</u>	<u>Due Within One Year</u>
Accrued Compensated Absences	\$ 400,866	\$ 38,117	\$ 38,112	\$ 400,871	\$ 44,956
Closure and Maintenance Costs	316,181	21,608	15,800	321,989	15,800
Capital Lease Motorola	121,914	-	22,545	99,369	23,429
Fire Bond	<u>908,036</u>	<u>-</u>	<u>92,674</u>	<u>815,362</u>	<u>94,629</u>
Total long-term debt	<u>\$1,746,997</u>	<u>\$ 59,725</u>	<u>\$ 169,131</u>	<u>\$1,637,591</u>	<u>\$ 178,814</u>

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

NOTE 10 – LONG-TERM DEBT (continued)

A. Primary Government (continued)

General Obligation Bond

\$1,000,000 bond issued March 17, 2016 (Series 2016) to provide for facilities for the Calhoun County Rural Fire District. 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. Because millage is set for this bond within the county's fire district, the bond does not count against the county debt limit.

Total General Obligation Bond payable \$ 815,362

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

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 94,629	\$ 17,204
2020	96,626	15,207
2021	98,665	13,169
2022	100,746	11,087
2023	102,872	8,961
2024-2028	<u>321,824</u>	<u>13,675</u>
	<u>\$ 815,362</u>	<u>\$ 79,303</u>

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 \$49,346.

Total Capital Lease \$ 99,369

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

<u>Year ending June 30,</u>	
2019	\$ 27,323
2020	27,323
2021	27,323
2022	<u>27,323</u>
Total Minimum Lease Payment	109,292
Less Amount Representing Interest	<u>9,923</u>
Present Value of Net Minimum Lease Payment	<u>\$ 99,369</u>

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

NOTE 10 – LONG-TERM DEBT (continued)

A. Primary Government (continued)

Business-type Activities:

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

	<u>Revenue Bonds</u>
Balance June 30, 2017	\$ 4,213,445
Issued during the period	-
Retired during the period	<u>71,050</u>
Balance at June 30, 2018	<u>\$ 4,142,395</u>

Details of long-term debt at June 30, 2018 are as follows:

	<u>Revenue Bonds</u>
\$265,000 FHA Revenue Bonds due in monthly installments of \$1,302 through December 15, 2033, with interest at 5.125%	\$ 165,044
\$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.	1,456,199
\$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>2,521,152</u>
	4,142,395
Less current portion	<u>(73,600)</u>
Long-term portion	<u>\$ 4,068,795</u>

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

NOTE 10 – LONG-TERM DEBT (continued)

A. Primary Government (continued)

Business-type Activities: (continued)

The annual requirements to amortize all debt outstanding of the proprietary funds as of June 30, 2018, including bond interest payments of \$2,702,223 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Revenue Bonds Interest</u>	<u>Total</u>
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	84,824	130,947	215,771
2024-2028	472,865	605,989	1,078,854
2029-2033	566,635	512,219	1,078,854
2034-2038	596,624	407,899	1,004,523
2039-2043	706,110	294,624	1,000,734
2044-2048	842,569	158,165	1,000,734
2049-2053	544,801	39,933	584,734
2054-2055	17,265	66	17,331
	<u>\$ 4,142,395</u>	<u>\$ 2,702,223</u>	<u>\$ 6,844,618</u>

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>
2019	\$ 290,000	\$ 25,172
2020	290,000	(1)
2021	290,000	(2)
2022	290,000	(2)
2023	290,000	(2)
2024-2025	<u>580,000</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 1st 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.

CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

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 and has been amended to be renewed January 1, 2019. The current annual rent is \$34,200. The cost of the building is \$565,318 with accumulated depreciation of \$163,000.

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

June 30, 2019	\$ 34,200
June 30, 2020	34,200
June 30, 2021	34,200
June 30, 2022	<u>17,100</u>
	<u>\$ 119,700</u>

NOTE 12 – OVERAGES IN TRUST AND AGENCY FUNDS

As of June 30, 2018, excess funds were on deposit in the checking account of one trust and agency fund. This overage, totaling \$866, represents 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.) There were shortages recorded in two trust and agency funds. These amounted to \$1,270 and they represent the amount liabilities exceed cash on deposit.

NOTE 13 – 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 14 – 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

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

NOTE 14 – CLOSURE AND POST CLOSURE CARE COSTS (continued)

care costs has a balance of \$321,989 as of June 30, 2018, which is based on the following estimated percentages:

Municipal landfill (MSWLF)	100%
Construction and debris landfill (C&D)	98%

The estimated remaining useful life of the C&D landfill is 48 months. The estimated costs of landfill closure and postclosure care costs for twenty years increased by \$20,758 in the current year and the balance of the liability for the C&D landfill is \$232,289 at June 30, 2018. In addition, \$15,800 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, 2018. 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.

NOTE 15 – RISK MANAGEMENT

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

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.

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

NOTE 15 – RISK MANAGEMENT (continued)

The County has not reported a supplemental premium assessment expenditure, and the related liability at June 30, 2018, because the requirements of GASB Statement No. 10, which 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, 2018, 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.

NOTE 16 – 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, 2018 were classified as follows:

<u>Description</u>	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Local Option Fund</u>	<u>Other- Governmental Funds</u>	<u>Total- Governmental Funds</u>
Restricted:					
LOST Reserve	\$ -	\$ -	\$ 224,583	\$ -	\$ 224,583
Grants	-	-	-	558,959	558,959
Debt Service	-	-	-	57,616	57,616
Library Lottery	-	-	-	889	889
E-911 Funds	-	-	-	330,769	330,769
Sandy Run					
Fire Department	-	-	-	321,706	321,706
Council on Aging	-	-	-	577,379	577,379
Sheriff Department					
Drug Funds	-	-	-	4,043	4,043
Child Support Funds	94,592	-	-	23,941	118,533
Rural Fire District	-	-	-	222,537	222,537
Rural Fire Debt Service	-	-	-	68,075	68,075
Assigned:					
Banks Estate Fund	-	-	-	83,717	83,717
Capital Projects	-	2,808,270	-	-	2,808,270
Museum Funds	64,024	-	-	-	64,024
EMS Donations	1,173	-	-	-	1,173
Library donations	20,111	-	-	-	20,111
Animal control donations	20,267	-	-	-	20,267
Veterans Memorial	300	-	-	-	300
Unassigned	<u>6,258,955</u>	<u>-</u>	<u>-</u>	<u>(7,942)</u>	<u>6,251,013</u>
Total Fund Balance	<u>\$ 6,459,422</u>	<u>\$ 2,808,270</u>	<u>\$ 224,583</u>	<u>\$ 2,241,689</u>	<u>\$ 11,733,964</u>

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

NOTE 17 - TAX ABATEMENTS

As of June 30, 2018, the County provides tax incentives under two programs: Fee in Lieu of Tax Agreements (FILO) and Special Source Revenue Credits (SSRCs). The purpose of both programs is the retention of jobs, job growth, and /or capital investment.

The County has entered into fee in lieu of tax agreements pursuant to the authority granted by Title 12, Chapter 44, Title 4, Chapter 29, and/or Title 4, Chapter 12 of the Code of Laws of South Carolina, 1976, as amended. Property subject to a fee in lieu of tax agreement is exempt from ad valorem property tax and is instead subject to a fee in lieu of tax equal to the product of the value of the property, an assessment ratio that is generally no lower than 6% (but may be as low as 4% for extraordinary projects that satisfy the statutory definition of an "enhanced investment"), and a millage rate that is either fixed for the life of the agreement or is adjusted every five years based on the trailing five-year average. For the fiscal year ended June 30, 2018, the County abated property taxes totaling \$2,340,514 under its various fee in lieu of tax agreements.

In addition, the County provides special source revenue credits, generally in conjunction with fee in lieu of tax agreements, pursuant to the authority granted by Sections 4-29-68 and 4-1-170 of the Code of Laws of South Carolina, 1976, as amended. Special source revenue credits, often referred to as SSRCs or "Infrastructure Credits", are reductions to a taxpayer's payments in lieu of taxes. Generally, property that receives SSRCs is added to a "multi-county industrial park" pursuant to Sections 4-1-170 – 4-1-175 of the Code of Laws of South Carolina, 1976, as amended. Most multi-county industrial park agreements allocate 1% of property tax (or fee in lieu of tax) revenue to the partner county. Generally, the SSRCs are utilized to offset costs of design, acquiring, construction, improving, or expanding improved or unimproved real estate and personal property used in the operation of a manufacturing or commercial enterprise, or infrastructure serving the project. For the fiscal year ended June 30, 2018, the County abated property taxes totaling \$1,795,236 under its special source revenue credits.

NOTE 18 - RESTATEMENT OF FUND BALANCE AND NET POSITION

Fund balances and net position for June 30, 2017 were restated as follows:

	<u>General Fund</u>	<u>Grants Fund</u>	<u>Total Fund Balance Governmental Funds</u>
Balance, June 30, 2017	\$ 6,901,734	\$ 457,694	\$ 12,494,069
Miscellaneous restatement	(467)	-	(467)
Grant not accrued	<u>-</u>	<u>80,000</u>	<u>80,000</u>
Balance restated at June 30, 2017	<u>\$ 6,901,267</u>	<u>\$ 537,694</u>	<u>\$ 12,573,602</u>

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

NOTE 18 - RESTATEMENT OF FUND BALANCE AND NET POSITION (continued)

	Total Net Position	
	Governmental Activities	Business-type Activities
Balance, June 30, 2017	\$ 25,919,004	\$ 7,376,125
To restate for GASB 75 implementation	(2,013,191)	(75,839)
To adjust accumulated depreciation	26,612	-
To adjust for pension allocation	(86,037)	86,037
To adjust for cumulative adjustments in Governmental funds	<u>79,531</u>	<u>-</u>
Balance restated at June 30, 2017	<u>\$ 23,925,919</u>	<u>\$ 7,386,323</u>

NOTE 19 – CONTINGENCIES AND COMMITMENTS

Grants:

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

Construction Commitments:

The County was obligated under the following construction commitments at June 30, 2018:

	Total Contract	Completed	Balance
Courthouse Renovation	\$ 1,697,951	\$ 524,789	\$ 1,173,162
Zeus Waterline – Well	521,384	41,310	480,074
John Ford Community Center	593,600	23,281	570,319

NOTE 20 – SUBSEQUENT EVENTS

Calhoun County will be finishing an economic development project – Code Name E1/G2 which carries an investment of approximately \$77,000,000 in real and personal property and a FILOT agreement completed in February of 2018. The County has committed water and wastewater to the site for the project and received a \$1,000,000 grant from the Coordinating Council of the South Carolina Department of Commerce. The County also received a \$500,000 grant from the South Carolina Rural Infrastructure Authority to go to the water and wastewater expenses. The infrastructure is scheduled to be completed by the end of the second quarter of 2019.

CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 20 – SUBSEQUENT EVENTS (continued)

Calhoun County will be finishing an infrastructure project in the Sandy Run area encompassing an addition of a water well to expand the capacity of the Sandy Run Water System by up to 400,000 gallons per day, and an upgrade of an existing water line extending from the corner of Bellinger Road and Old Sandy Run Road to in front of the Sandy Run Fire Department Station on Old Sandy Run Road. The project cost is approximately \$890,000, and Calhoun County received a \$500,000 grant from the South Carolina Rural Infrastructure Authority to defray that much of the project costs.

Calhoun County will be finishing the second phase of renovations to the John Ford Community Center in St. Matthews. The first phase of renovations was completed in 2015. The cost of the renovations will total approximately \$900,000, and Calhoun County has received three grants to defray \$299,000 of those costs. \$99,000 will come from two grants from the USDA and will go toward kitchen equipment purchases and bringing air conditioning to the gymnasium. \$200,000 has been obtained from the South Carolina Legislature to renovate the kitchen including the construction of new restrooms.

The County began renovations on its courthouse which is listed on the National Historic Registry. Said renovations should be completed by December 2018. The total cost of the renovations is \$1,477,157 and the project is funded through a G.O. bond in the amount of \$1,500,000 issued in July 2018.

Calhoun County passed its first capital projects sales tax referendum in November 2018. The additional penny will generate approximately \$8,001,056 over an eight-year period. The Capital Project Sales Tax Commission has placed \$6,642,000 in capital projects on the referendum to be completed over the eight-year period. March 1, 2019, is when the additional sales tax is scheduled to be implemented.

A \$390,000 revenue bond backed by accommodations tax revenue was issued in September 2018 for golf course capital expenditures and reimbursements. The first payment will be due September 1, 2019.

CALHOUN COUNTY
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST 10 FISCAL YEARS ENDING JUNE 30

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Service Cost	\$ 75,237	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Interest	119,210	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Differences Between Expected and Actual Experience	-	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Changes of Assumptions or Other Inputs	-	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Benefit Payments	(56,188)	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Net Change in Total OPEB Liability	<u>138,259</u>	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Total OPEB Liability - Beginning - Restated	<u>3,108,160</u>	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Total OPEB Liability - Ending	<u>\$ 3,246,419</u>	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Covered - Employee Payroll	\$ 2,638,845	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Total OPEB Liability as a Percentage of Covered - Employee Payroll	123.02%	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *

*N/A Not Available - This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Notes to Schedule

The discount rate was updated from 4.50% (under GASB 45) to 3.87 % as of June 30, 2018, respectively, in accordance with GASB 75.

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

The mortality table was updated from RP-2014 white collar mortality tables backed off to 2006 and projected generationally with the Scale MP-2015 to RP-2014 white collar mortality tables backed off to 2006 and projected generationally with Scale MP-2017.

The retirement rates were updated to reflect the rates used for "General Employees" in the South Carolina Retirement System Actuarial Valuation as of July 1, 2016.

The medical trend rates were updated from an initial rate of 7.00% in fiscal 2017 grading down to an ultimate rate of 4.50%.

The impact of the ACA excise tax on high-cost healthcare plans was estimated and updated.

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

LAST 10 FISCAL YEARS ENDING JUNE 30

Fiscal Year	Employer Contribution Information									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually Determined Employer Contribution	\$ 56,188	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Actual Employer Contribution	\$ (56,188)	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Contribution Deficiency (Excess)	\$ -	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Covered - Employee payroll	\$ 2,638,845	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Contributions as Percent of Covered Payroll	2.13%	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *

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

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
County										
County's proportion of the net pension liability (asset)	0.041997%	0.042687%	0.040897%	0.039343%	0.039343%	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset)	\$ 9,454,200	\$ 9,117,880	\$ 7,756,313	\$ 6,773,560	\$ 7,056,731	NA*	NA*	NA*	NA*	NA*
County's covered-employee payroll	\$ 3,988,507	\$ 4,135,601	\$ 3,837,216	\$ 3,581,825	\$ 3,460,314	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	237.04%	220.47%	202.13%	189.11%	203.93%	NA*	NA*	NA*	NA*	NA*
Council on Aging										
Council on Aging's proportion of net pension liability (asset)	0.001561%	0.001275%	0.00142%	0.00137%	0.00137%	NA*	NA*	NA*	NA*	NA*
Council on Aging's proportion of net pension liability (asset)	351,406	\$ 272,338	\$ 268,362	\$ 127,906	\$ 247,164	NA*	NA*	NA*	NA*	NA*
Council on Aging's covered employee payroll	157,458	\$ 123,467	\$ 132,716	\$ 127,906	\$ 127,906	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	223.17%	220.58%	202.21%	100.00%	193.24%	NA*	NA*	NA*	NA*	NA*
Plan fiduciary net position as a percentage of the total pension liability	53.30%	52.90%	57.00%	59.90%	56.40%	NA*	NA*	NA*	NA*	NA*
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, 2017.

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
County's proportion of the net pension liability (asset)	0.10993%	0.10096%	0.104330%	0.102080%	0.102080%	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset)	\$ 3,011,681	\$ 2,560,749	\$ 2,273,847	\$ 1,954,257	\$ 2,116,111	NA*	NA*	NA*	NA*	NA*
County's covered-employee payroll	\$ 1,334,981	1,285,274	\$ 1,289,894	\$ 1,218,001	\$ 1,012,807	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	225.60%	199.24%	176.28%	160.45%	208.94%	NA*	NA*	NA*	NA*	NA*
Plan fiduciary net position as a percentage of the total pension liability	60.90%	60.40%	64.60%	67.50%	63.00%	NA*	NA*	NA*	NA*	NA*
NA* - Not Available										

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

Source: Audit report on the schedules of employer allocations, schedules of pension amounts by employer, and related notes of the South Carolina Retirement Systems, as administered by the SC Public Employee Benefits Authority for the year ended June 30, 2017.

CALHOUN COUNTY, SOUTH CAROLINA
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS (SCRS AND PORS)
 Last 10 Fiscal Years

County	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 564,732	\$ 461,071	\$ 457,188	\$ 418,256	\$ 378,610	NA*	NA*	NA*	NA*	NA*
Contributions in relation to the contractually required contribution	(564,732)	(461,071)	(457,188)	(418,256)	(378,610)	NA*	NA*	NA*	NA*	NA*
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 4,164,691	\$ 3,988,507	\$ 4,135,601	\$ 3,837,216	\$ 3,581,825	NA*	NA*	NA*	NA*	NA*
Contributions as a percentage of covered-employee payroll	13.56%	11.56%	11.05%	10.90%	10.57%	NA*	NA*	NA*	NA*	NA*
Council on Aging										
Contractually required contribution	22,932	18,201	\$ 13,655	\$ 14,466	\$ 13,261	NA*	NA*	NA*	NA*	NA*
Contributions in relation to the contractually required contribution	(22,932)	(18,201)	(13,655)	(14,466)	(13,261)	NA*	NA*	NA*	NA*	NA*
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Council on Aging's covered-employee payroll	\$ 169,109	\$ 157,458	\$ 123,467	\$ 132,716	\$ 127,906	NA*	NA*	NA*	NA*	NA*
Contributions as a percentage of covered-employee payroll	13.56%	11.56%	11.06%	10.90%	10.37%	NA*	NA*	NA*	NA*	NA*
PORS										
Contractually required contribution	\$ 233,733	\$ 199,132	\$ 176,583	\$ 172,974	\$ 157,646	NA*	NA*	NA*	NA*	NA*
Contributions in relation to the contractually required contribution	(233,733)	(199,132)	(176,583)	(172,974)	(157,646)	NA*	NA*	NA*	NA*	NA*
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 1,439,245	\$ 1,334,981	\$ 1,285,274	\$ 1,289,894	\$ 1,218,001	NA*	NA*	NA*	NA*	NA*
Contributions as a percentage of covered-employee payroll	16.24%	14.92%	13.74%	13.44%	12.94%	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, 2018

	O-C Tec and L M Gressette Center	Library Lottery	Calhoun Rural Fire Dist.	Sheriff's Department	Sandy Run Fire Department
ASSETS					
Cash	\$ 6,074	\$ -	\$ 351,340	4,043	\$ 320,286
Delinquent property taxes	20,720	-	-	-	1,805
Due from other funds	-	889	-	-	-
Due from Calhoun Economic Development Corp.	-	-	-	-	-
Accounts Receivable	4,039	-	21,288	-	4,454
TOTAL ASSETS	\$ 30,833	\$ 889	\$ 372,628	\$ 4,043	\$ 326,545
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 18,055	\$ -	\$ 150,091	\$ -	\$ 3,034
Unearned revenue	-	-	-	-	-
Due to General Fund	-	-	-	-	-
Total Liabilities	18,055	-	150,091	-	3,034
Deferred Inflows of Resources					
Unavailable Revenue - Property Taxes	20,720	-	-	-	1,805
Total Deferred Inflows of Resources	20,720	-	-	-	1,805
Fund Balances					
Restricted	-	889	222,537	4,043	321,706
Assigned	-	-	-	-	-
Unassigned	(7,942)	-	-	-	-
Total Fund Balances	(7,942)	889	222,537	4,043	321,706
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 30,833	\$ 889	\$ 372,628	\$ 4,043	\$ 326,545

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

SPECIAL REVENUE

	Victims Rights	E-911	Council on Aging	Banks Estate Fund
Cash	\$ 589	\$ 292,885	\$ 580,846	\$ 83,850
Delinquent property taxes	-	-	-	-
Due from other funds	-	-	-	-
Due from Calhoun Economic Development Corp.	-	-	-	-
Accounts Receivable	1,580	41,062	20,899	-
TOTAL ASSETS	\$ 2,169	\$ 333,947	\$ 601,745	\$ 83,850

LIABILITIES, DEFERRED INFLOWS OF RESOURCES,
 AND FUND BALANCES

	Liabilities	Deferred Inflows of Resources	Fund Balances	Total Fund Balances
Accounts payable	\$ 2,169	\$ 3,178	\$ 24,366	\$ 133
Unearned revenue	-	-	-	-
Due to General Fund	-	-	-	-
Total Liabilities	2,169	3,178	24,366	133
Deferred Inflows of Resources	-	-	-	-
Unavailable Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances	-	330,769	577,379	-
Restricted	-	-	-	83,717
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	-	330,769	577,379	83,717
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 2,169	\$ 333,947	\$ 601,745	\$ 83,850

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

	DEBT SERVICE				TOTAL
	Grants Fund	Child Support Fund	Calhoun County Rural Fire Debt Service	County Debt Service	
ASSETS					
Cash	\$ 299,058	\$ 72,462	\$ 68,075	\$ 57,616	\$ 2,137,124
Delinquent property taxes	-	-	11,100	24,022	57,647
Due from other funds	-	-	-	-	889
Due from Calhoun Economic Development Corp.	302,718	-	-	-	302,718
Accounts Receivable	78,885	34,895	-	-	207,102
TOTAL ASSETS	\$ 680,661	\$ 107,357	\$ 79,175	\$ 81,638	\$ 2,705,480
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 73,582	\$ 83,416	-	-	\$ 358,024
Unearned revenue	1,629	-	-	-	1,629
Due to Other Funds	46,491	-	-	-	46,491
Total Liabilities	121,702	83,416	-	-	406,144
Deferred Inflows of Resources					
Unavailable Revenue - Property Taxes	-	-	11,100	24,022	57,647
Total Deferred Inflows of Resources	-	-	11,100	24,022	57,647
Fund Balances					
Restricted	558,959	23,941	68,075	57,616	2,165,914
Assigned	-	-	-	-	83,717
Unassigned	-	-	-	-	(7,942)
Total Fund Balances	558,959	23,941	68,075	57,616	2,241,689
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 680,661	\$ 107,357	\$ 79,175	\$ 81,638	\$ 2,705,480

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

	O-C Tec and L. M. Gressette Center	Library Lottery	Calhoun Rural Fire Dist.	Sheriff's Department	Sandy Run Fire Department
REVENUES					
Property taxes:					
Current	\$ 319,627	-	\$ -	\$ -	\$ 77,133
Delinquent	14,072	-	-	-	1,178
Interest income	93	-	-	-	-
Local sources	-	-	534,679	3,000	48,368
State sources	-	-	-	-	-
Federal sources	-	-	-	-	-
Total Revenues	333,792	-	534,679	3,000	126,679
EXPENDITURES					
Public Works	-	-	-	-	-
Public safety	-	-	466,187	1,576	124,592
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital improvements	-	-	256,570	-	-
Agencies	378,277	-	-	-	-
Debt Service	-	-	-	-	-
Total Expenditures	378,277	-	722,757	1,576	124,592
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(44,485)	-	(188,078)	1,424	2,087
OTHER FINANCING SOURCES (USES)					
Transfer in / (out)	-	-	113,803	(3,871)	114,320
TOTAL OTHER FINANCING SOURCES (USES)	-	-	113,803	(3,871)	114,320
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(44,485)	-	(74,275)	(2,447)	116,407
Fund Balances at Beginning of Year, As Restated, Note 18	36,543	889	296,812	6,490	205,299
Fund Balances at End of Year	(7,942)	889	222,537	4,043	321,706

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

	SPECIAL REVENUE			
	Victims Rights	E-911	Council on Aging	Banks Estate Fund
REVENUES				
Property taxes:				
Current	-	-	-	-
Delinquent	-	-	-	-
Interest income	18,011	271,413	469,962	264
Local sources	-	-	-	-
State sources	-	-	-	-
Federal sources	-	-	20,109	-
Total Revenues	18,011	271,413	490,071	264
EXPENDITURES				
Public Works	-	-	-	-
Public safety	41,793	257,566	-	-
Health and welfare	-	-	431,810	-
Culture and recreation	-	-	-	13,924
Capital improvements	-	7,800	-	-
Agencies	-	-	-	-
Debt Service	-	-	-	-
Total Expenditures	41,793	265,366	431,810	13,924
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(23,782)	6,047	58,261	(13,660)
OTHER FINANCING SOURCES (USES)				
Transfer in / (out)	18,663	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	18,663	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(5,119)	6,047	58,261	(13,660)
Fund Balances at Beginning of Year, As Restated, Note 18	5,119	324,722	519,118	97,377
Fund Balances at End of Year	-	\$ 330,769	\$ 577,379	\$ 83,717

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

	Grants Fund	Child Support Fund	Calhoun County		DEBT SERVICES		TOTAL
			Rural Fire Debt Service	County Debt Service	Non-Major Governmental Funds		
REVENUES							
Property taxes:							
Current	-	\$ -	\$ 174,145	\$ 347,734	\$ 918,639		
Delinquent	-	-	4,831	15,107	35,188		
Interest income	-	-	-	-	357		
Local sources	7,300	-	-	-	1,352,733		
State sources	264,196	-	-	-	264,196		
Federal sources	56,925	101,444	-	-	178,478		
Total Revenues	328,421	101,444	178,976	362,841	2,749,591		
EXPENDITURES							
Public Works	17,539	-	-	-	17,539		
Public safety	12,481	-	-	-	904,175		
Health and welfare	21,263	5,373	-	-	458,446		
Culture and recreation	4,555	-	-	-	18,479		
Capital improvements	251,338	-	-	-	515,708		
Agencies	-	-	-	-	378,277		
Debt Service	-	-	111,833	1,215	113,048		
Total Expenditures	307,156	5,373	111,833	1,215	2,405,672		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	21,265	96,071	67,143	361,626	343,919		
OTHER FINANCING SOURCES (USES)							
Transfer in(out)	-	(83,042)	(228,123)	(372,377)	(440,627)		
TOTAL OTHER FINANCING SOURCES (USES)	-	(83,042)	(228,123)	(372,377)	(440,627)		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	21,265	13,029	(160,980)	(10,751)	(96,708)		
Fund Balances at Beginning of Year, As Restated, Note 18	537,694	10,912	229,055	68,367	2,338,397		
Fund Balances at End of Year	558,959	23,941	68,075	57,616	2,241,689		

CALHOUN COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2018

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Local Sources				
Taxes:				
Current	\$ 5,900,000	\$ 5,900,000	\$ 5,791,924	\$ (108,076)
Delinquent	315,000	315,000	302,426	(12,574)
Fee in lieu of taxes - County	2,044,830	2,044,830	2,085,719	40,889
Total Property Taxes	<u>8,259,830</u>	<u>8,259,830</u>	<u>8,180,069</u>	<u>(79,761)</u>
Interest income	<u>14,000</u>	<u>14,000</u>	<u>30,938</u>	<u>16,938</u>
Total Interest Income	<u>14,000</u>	<u>14,000</u>	<u>30,938</u>	<u>16,938</u>
Other Local Sources				
Court income, fines and penalties	13,000	50,000	86,680	36,680
Fees of offices	459,000	459,000	451,891	(7,109)
EMS Service	590,000	590,000	570,139	(19,861)
Rent	83,090	83,090	94,672	11,582
Calhoun County Public Schools	108,574	108,574	158,702	50,128
Solicitor's Office	95,000	95,000	97,470	2,470
Donations	20,000	20,000	16,256	(3,744)
Miscellaneous	219,000	172,000	197,579	25,579
Total Other Local Sources	<u>1,587,664</u>	<u>1,577,664</u>	<u>1,673,389</u>	<u>95,725</u>
Total Local Sources	<u>9,861,494</u>	<u>9,851,494</u>	<u>9,884,396</u>	<u>32,902</u>

CALHOUN COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2018

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
State Sources				
Aid to Subdivisions	600,654	600,654	592,645	(8,009)
Accommodations Tax	180,000	180,000	188,910	8,910
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	-
Cameron Magistrate	-	-	829	829
SC Public Service	5,000	5,000	4,178	(822)
State Aid - Library	75,000	75,000	76,000	1,000
State Lottery	-	-	17,391	17,391
Veteran Affairs officer	4,500	4,500	4,704	204
Election Commission	10,526	10,526	11,250	724
Solid Waste Tire Fee	5,000	5,000	6,202	1,202
Total State Sources	886,980	886,980	908,409	21,429
Federal Sources				
Emergency Management Performance	45,780	45,780	46,491	711
DSS - In Lieu of rent	40,000	40,000	28,615	(11,385)
DSS - Filing fees	-	10,000	9,708	(292)
Total Federal Sources	85,780	95,780	84,814	(10,966)
TOTAL REVENUES	10,834,254	10,834,254	10,877,619	43,365

**CALHOUN COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
EXPENDITURES				
Administration	688,210	688,210	643,431	44,779
Public works	1,076,640	1,076,640	948,791	127,849
Public buildings	656,882	654,882	585,888	68,994
Finance and taxation	820,033	820,033	792,816	27,217
Judicial	746,332	746,332	760,798	(14,466)
Public safety	2,253,042	2,253,042	2,196,031	57,011
Health and welfare	2,150,829	2,150,829	2,069,000	81,829
Culture and recreation	840,884	842,884	851,306	(8,422)
Miscellaneous	658,985	658,985	531,242	127,743
Employee fringe benefits	2,792,000	2,792,000	2,690,958	101,042
Agencies	91,275	91,275	91,275	-
	<u>12,775,112</u>	<u>12,775,112</u>	<u>12,161,536</u>	<u>613,576</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(1,940,858)</u>	<u>(1,940,858)</u>	<u>(1,283,917)</u>	<u>656,941</u>
OTHER FINANCING SOURCES (USES)				
Sale of assets	-	-	23,823	23,823
Transfer to/from Special Revenue Funds	755,000	755,000	818,249	63,249
	<u>755,000</u>	<u>755,000</u>	<u>842,072</u>	<u>87,072</u>
TOTAL OTHER FINANCING SOURCES (USES)				
	<u>755,000</u>	<u>755,000</u>	<u>842,072</u>	<u>87,072</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)				
	<u>\$ (1,185,858)</u>	<u>\$ (1,185,858)</u>	<u>(441,845)</u>	<u>\$ 744,013</u>
Fund Balance at Beginning of Year, As Restated - Note 18			<u>6,901,267</u>	
Fund Balance at End of Year			<u>\$ 6,459,422</u>	

CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2018

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Administration				
Salaries	\$ 516,226	\$ 516,226	\$ 502,684	\$ 13,542
Travel, members	19,500	19,500	10,744	8,756
Vehicle maintenance	1,500	1,500	292	1,208
Membership, dues, and meetings	6,000	5,500	3,427	2,073
Lower Savannah Council	14,506	14,506	14,506	-
SC Assoc. of Counties	6,478	6,478	6,477	1
Supplies and operating	16,000	16,000	14,586	1,414
Gasoline and oil	1,500	1,500	565	935
Telephone	10,000	10,000	8,071	1,929
Professional services	95,000	95,000	79,680	15,320
Advertising	1,500	2,000	2,399	(399)
TOTAL ADMINISTRATION	688,210	688,210	643,431	44,779
PUBLIC WORKS				
Roads, Repair, and Construction:				
Salaries	238,986	238,986	215,645	23,341
Equipment maintenance	65,000	65,000	73,809	(8,809)
Supplies and operating	18,000	18,000	15,309	2,691
Gas, fuel, and oil	37,000	37,000	36,372	628
Telephone	1,200	1,200	1,296	(96)
	360,186	360,186	342,431	17,755
Landfill:				
Salaries	39,906	39,906	39,481	425
Supplies and operating	8,000	8,000	7,377	623
Telephone	1,400	2,744	3,065	(321)
Electricity	3,500	3,500	3,574	(74)
Equipment maintenance	35,000	35,000	12,938	22,062
Heat	1,200	1,200	157	1,043
Landfill closeout	25,000	25,000	22,222	2,778
Water	500	484	348	136
Gas, fuel, and oil	5,000	5,000	4,177	823
	119,506	120,834	93,339	27,495

CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2018

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Collections:				
Salaries	216,248	216,248	188,181	28,067
Equipment maintenance	38,000	38,000	25,493	12,507
Supplies and operating	3,000	3,000	2,555	445
Gas, fuel, and oil	32,000	32,000	21,986	10,014
Contract service	280,000	280,000	254,661	25,339
Telephone	3,000	1,656	1,504	152
Electricity	16,000	16,000	15,565	435
Collection site maintenance	7,500	7,500	1,664	5,836
Water	1,200	1,216	1,412	(196)
	<u>596,948</u>	<u>595,620</u>	<u>513,021</u>	<u>82,599</u>
TOTAL PUBLIC WORKS	<u>1,076,640</u>	<u>1,076,640</u>	<u>948,791</u>	<u>127,849</u>
PUBLIC BUILDINGS				
Salaries	176,382	176,382	159,137	17,245
Supplies and operating	18,000	14,098	7,458	6,640
Telephone	1,500	1,745	1,877	(132)
Electricity	230,000	224,663	215,654	9,009
Water	15,000	15,000	15,078	(78)
Janitorial service	40,000	40,000	22,166	17,834
Heat	3,000	2,594	1,618	976
Building maintenance	60,000	60,000	55,626	4,374
Vehicle maintenance	5,000	5,161	5,275	(114)
Grounds maintenance	35,000	33,290	23,065	10,225
Copier contracts	24,000	29,612	30,824	(1,212)
Utilities - John Ford	35,000	38,337	37,486	851
Gas, fuel, and oil	14,000	14,000	10,624	3,376
	<u>656,882</u>	<u>654,882</u>	<u>585,888</u>	<u>68,994</u>
TOTAL PUBLIC BUILDINGS	<u>656,882</u>	<u>654,882</u>	<u>585,888</u>	<u>68,994</u>
FINANCE AND TAXATION				
County Auditor:				
Salaries	60,765	60,765	60,945	(180)
Travel and dues	1,500	1,500	1,262	238
Supplies and postage	2,250	2,250	2,063	187
Telephone	750	750	697	53
	<u>65,265</u>	<u>65,265</u>	<u>64,967</u>	<u>298</u>
County Treasurer:				
Salaries	94,944	94,944	95,303	(359)
Travel and dues	3,000	3,000	1,744	1,256
Supplies and postage	12,000	12,000	10,550	1,450
Telephone	350	350	325	25
	<u>110,294</u>	<u>110,294</u>	<u>107,922</u>	<u>2,372</u>

**CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2018**

	<u>Budgeted</u>		Actual	Variance Favorable (Unfavorable)
	Original	Final		
County Tax Collector:				
Salaries	35,875	35,875	36,055	(180)
Travel and dues	1,200	1,425	2,049	(624)
Supplies and postage	30,000	29,775	29,774	1
Telephone	150	150	82	68
Contract Service	20,000	20,000	23,275	(3,275)
	<u>87,225</u>	<u>87,225</u>	<u>91,235</u>	<u>(4,010)</u>
County Tax Assessor:				
Salaries	187,374	187,374	165,355	22,019
Travel and dues	4,500	4,500	3,940	560
Vehicle maintenance	1,500	1,500	831	669
Supplies and postage	12,600	12,600	8,079	4,521
Gasoline and oil	1,500	1,359	542	817
Telephone	1,000	1,000	585	415
Assessment Appeals Board	1,000	1,000	100	900
GIS mapping	-	141	140	1
GIS Website Hosting/Admin Fees	7,200	7,200	6,120	1,080
Legal advertisement	500	500	-	500
	<u>217,174</u>	<u>217,174</u>	<u>185,692</u>	<u>31,482</u>
Computer Service:				
Salaries	45,075	45,075	44,255	820
Computer service	185,000	185,236	190,150	(4,914)
Wide area telephone network	98,000	98,000	99,127	(1,127)
Travel and training	2,000	2,213	2,212	1
On Line Access	10,000	9,551	7,256	2,295
	<u>340,075</u>	<u>340,075</u>	<u>343,000</u>	<u>(2,925)</u>
TOTAL FINANCE AND TAXATION	<u>820,033</u>	<u>820,033</u>	<u>792,816</u>	<u>27,217</u>
JUDICIAL				
Clerk of Court:				
Salaries	194,526	194,526	215,620	(21,094)
Travel and dues	2,250	2,325	1,397	928
Supplies and operating	14,000	12,062	10,449	1,613
Court expense	18,000	17,925	14,921	3,004
Contract services	28,000	28,000	24,302	3,698
Telephone	2,100	4,038	4,189	(151)
Case management system	36,000	36,000	36,000	-
	<u>294,876</u>	<u>294,876</u>	<u>306,878</u>	<u>(12,002)</u>
Judge of Probate:				
Salaries	91,386	91,386	91,566	(180)
Travel and dues	2,200	2,200	1,721	479
Supplies and operating	3,300	3,300	3,823	(523)
Telephone	700	700	278	422
	<u>97,586</u>	<u>97,586</u>	<u>97,388</u>	<u>198</u>

CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2018

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Magistrate - St. Matthews:				
Salaries	99,668	99,668	70,688	28,980
Travel and dues	1,250	1,250	591	659
Court expense	4,000	4,000	2,485	1,515
Supplies and operating	4,000	4,000	2,778	1,222
Telephone	1,750	1,750	1,418	332
	<u>110,668</u>	<u>110,668</u>	<u>77,960</u>	<u>32,708</u>
Magistrate - Cameron:				
Salaries	29,045	29,045	36,838	(7,793)
Travel and dues	2,500	2,500	1,997	503
Supplies	1,000	1,000	539	461
Telephone	500	500	458	42
Rent	1,200	1,200	1,200	-
	<u>34,245</u>	<u>34,245</u>	<u>41,032</u>	<u>(6,787)</u>
Magistrate - Sandy Run:				
Salaries	48,385	48,385	55,690	(7,305)
Travel and dues	4,750	4,750	2,422	2,328
Telephone	3,500	3,500	3,533	(33)
Clerical	-	-	-	-
Vehicle Expense	1,000	1,000	747	253
Supplies and operating	3,000	3,000	1,480	1,520
	<u>60,635</u>	<u>60,635</u>	<u>63,872</u>	<u>(3,237)</u>
Public Defender:				
Contract funding	<u>36,000</u>	<u>36,000</u>	<u>36,000</u>	<u>-</u>
Master-In-Equity:				
Salaries	14,522	14,522	14,522	-
Supplies	2,800	2,800	2,800	-
	<u>17,322</u>	<u>17,322</u>	<u>17,322</u>	<u>-</u>
Sollcitor's Office:				
Supplement	<u>95,000</u>	<u>95,000</u>	<u>120,346</u>	<u>(25,346)</u>
TOTAL JUDICIAL	<u>746,332</u>	<u>746,332</u>	<u>760,798</u>	<u>(14,466)</u>

**CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2018**

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
PUBLIC SAFETY				
County Sheriff:				
Salaries	1,163,281	1,163,281	1,135,249	28,032
Travel and dues	6,000	6,000	3,666	2,334
Supplies and operating	46,000	46,000	52,073	(6,073)
Gasoline and oil	120,000	120,000	110,599	9,401
Uniforms	38,000	38,000	33,249	4,751
Telephone	44,000	44,000	36,554	7,446
Vehicle maintenance	55,000	55,000	63,266	(8,266)
Tactical aids	18,500	18,500	17,602	898
Contract service/custodial	12,000	12,000	10,796	1,204
Contract service/radio	22,400	22,400	17,085	5,315
Information service	2,000	2,000	2,000	-
	<u>1,527,181</u>	<u>1,527,181</u>	<u>1,482,139</u>	<u>45,042</u>
County Coroner:				
Salaries	23,409	23,409	23,589	(180)
Travel and dues	1,500	1,775	1,785	(10)
Supplies and operating	2,500	2,500	1,707	793
Gasoline and oil	1,200	1,200	641	559
Vehicle maintenance	500	500	90	410
Contract service/radio	300	300	180	120
Post mortem and inquests	13,000	12,220	8,715	3,505
Indigent burial	800	972	972	-
Telephone	2,200	2,533	2,882	(349)
	<u>45,409</u>	<u>45,409</u>	<u>40,561</u>	<u>4,848</u>
Emergency Management:				
Salaries	27,452	27,452	29,432	(1,980)
Travel and dues	1,000	31	-	31
Supplies and operating	5,000	5,405	3,120	2,285
Telephone	3,000	3,541	3,770	(229)
Sat. phone / weather	1,000	1,023	1,157	(134)
Transmitter/towers/generators	15,000	15,000	10,013	4,987
LEPC	1,500	1,500	-	1,500
Internet	1,500	1,500	839	661
	<u>55,452</u>	<u>55,452</u>	<u>48,331</u>	<u>7,121</u>
Detention Center:				
O-C Detention Center	625,000	625,000	625,000	-
	<u>625,000</u>	<u>625,000</u>	<u>625,000</u>	<u>-</u>
TOTAL PUBLIC SAFETY	<u>2,253,042</u>	<u>2,253,042</u>	<u>2,196,031</u>	<u>57,011</u>

CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2018

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
HEALTH AND WELFARE				
Health Department:				
Supplies and operating	2,500	2,500	500	2,000
Contract services	500	500	255	245
Telephone	3,000	3,000	1,658	1,342
	<u>6,000</u>	<u>6,000</u>	<u>2,413</u>	<u>3,587</u>
Emergency Medical Service:				
Salaries	1,032,463	1,032,463	984,265	48,198
Travel and dues	14,000	14,569	12,666	1,903
Vehicle maintenance	40,000	40,000	41,755	(1,755)
Supplies and operating	93,133	93,767	88,635	5,132
Gasoline and oil	40,000	40,000	35,334	4,666
Telephone	12,000	12,096	12,364	(268)
Contract /Cardio Monitors	14,000	14,000	14,479	(479)
Contract service/radio	2,000	701	1,600	(899)
Medical control physician	4,800	4,800	4,800	-
Medical control physician insurance	7,000	7,000	6,745	255
Uniforms	8,000	8,000	5,995	2,005
Special projects	-	-	4,965	(4,965)
	<u>1,267,396</u>	<u>1,267,396</u>	<u>1,213,603</u>	<u>53,793</u>
Council on Aging:				
Grant match	<u>136,000</u>	<u>136,000</u>	<u>136,000</u>	<u>-</u>
Department of Social Services:				
Emergency fund	1,400	1,400	988	412
Telephone	6,000	6,000	5,681	319
	<u>7,400</u>	<u>7,400</u>	<u>6,669</u>	<u>731</u>
Veteran Affairs Office:				
Salaries	23,409	23,409	23,501	(92)
Travel and dues	1,400	1,400	864	536
Supplies and operating	800	662	560	102
Telephone	700	838	912	(74)
	<u>26,309</u>	<u>26,309</u>	<u>25,837</u>	<u>472</u>

CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2018

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Animal and Mosquito Control:				
Salaries	94,679	94,679	92,389	2,290
Travel & dues	2,000	2,000	830	1,170
Vehicle expenses	2,000	2,895	3,630	(735)
Supplies and operating	14,800	13,905	12,530	1,375
Gasoline/Oil	8,000	8,000	4,936	3,064
Mosquito Supply	17,800	17,800	34,105	(16,305)
Telephone	3,500	3,604	3,793	(189)
Electricity	5,000	4,155	3,749	406
Heat	3,500	4,241	4,240	1
Animal Control Vet	1,900	1,900	900	1,000
	<u>153,179</u>	<u>153,179</u>	<u>161,102</u>	<u>(7,923)</u>
Litter & Risk Management:				
Salaries	45,450	45,450	45,630	(180)
Travel and dues	1,000	1,000	-	1,000
Vehicle expenses	2,000	2,000	244	1,756
Supplies and operating	1,200	1,200	274	926
Gasoline and oil	4,000	4,000	776	3,224
Telephone	1,000	1,000	457	543
	<u>54,650</u>	<u>54,650</u>	<u>47,381</u>	<u>7,269</u>
E-911:				
Travel and dues	2,000	2,000	1,000	1,000
Supplies and operating	10,000	10,000	5,222	4,778
Gasoline and oil	200	200	-	200
Telephone	200	200	125	75
	<u>12,400</u>	<u>12,400</u>	<u>6,347</u>	<u>6,053</u>
Communications Center:				
Salaries	420,295	420,295	391,923	28,372
Uniforms	2,000	2,000	2,016	(16)
Supplies and operating	6,000	6,000	4,530	1,470
Telephone	9,000	9,000	14,616	(5,616)
Generator Svc. Contract	1,200	1,200	629	571
Contract services	49,000	49,000	55,934	(6,934)
	<u>487,495</u>	<u>487,495</u>	<u>469,648</u>	<u>17,847</u>
TOTAL HEALTH AND WELFARE	<u>2,150,829</u>	<u>2,150,829</u>	<u>2,069,000</u>	<u>81,829</u>

**CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2018**

	<u>Budgeted</u>		Actual	Variance
	Original	Final		Favorable (Unfavorable)
CULTURE AND RECREATION				
County Library:				
Salaries	323,775	323,775	316,513	7,262
Travel and dues	3,700	3,700	2,641	1,059
Supplies and operating	45,130	45,130	43,351	1,779
Gasoline and oil	2,000	2,000	911	1,089
Telephone	13,600	13,600	10,883	2,717
Copier & Supplies	2,500	2,500	2,456	44
Contract Serv/IT Support	2,000	2,000	1,597	403
State Aid expense	75,000	75,000	75,968	(968)
Lottery funds expense	-	-	3,549	(3,549)
Special programs-expense	-	-	24,788	(24,788)
Building maintenance/air conditioning	8,400	6,870	6,042	828
Vehicle maintenance	2,000	3,530	3,529	1
	<u>478,105</u>	<u>478,105</u>	<u>492,228</u>	<u>(14,123)</u>
Historical Commission:				
Salaries	169,439	169,439	158,048	11,391
Travel and dues	4,500	4,500	2,583	1,917
Supplies and operating	26,200	27,386	20,220	7,166
Telephone	1,500	1,500	1,560	(60)
Advertising	3,500	2,314	2,717	(403)
Ground Maintenance	7,000	7,000	7,000	-
Special project-GALA	5,000	4,478	4,258	220
Donation Expense	10,000	10,000	16,166	(6,166)
S. C. Arts Grant Match	11,000	11,522	11,521	1
	<u>238,139</u>	<u>238,139</u>	<u>224,073</u>	<u>14,066</u>
Recreation:				
Salaries	59,000	59,000	63,433	(4,433)
Custodial/Janitorial	3,000	1,028	971	57
Electricity	5,000	10,935	11,154	(219)
Vehicle Maintenance	500	2,122	2,122	-
Building Maintenance	-	587	587	-
Building - John Ford	2,000	1,434	1,434	-
Software	2,140	2,140	1,968	172
Telephone	2,000	1,257	1,257	-
Advertising	5,000	3,637	3,636	1
Travel and dues	2,500	1,100	949	151
Supplies and operating	30,000	30,136	37,693	(7,557)
Gasoline	3,500	3,264	3,901	(637)
District 1	2,000	2,000	500	1,500
District 2	2,000	2,000	1,000	1,000
District 3	2,000	2,000	600	1,400
District 4	2,000	2,000	1,800	200
District 5	2,000	2,000	2,000	-
	<u>124,640</u>	<u>126,640</u>	<u>135,005</u>	<u>(8,365)</u>
TOTAL CULTURE AND RECREATION	<u>840,884</u>	<u>842,884</u>	<u>851,306</u>	<u>(8,422)</u>

CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2018

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
MISCELLANEOUS				
Board of Registration:				
Salaries	94,002	94,002	78,417	15,585
Salaries-Part Time	-	-	15,140	(15,140)
Travel and dues	6,500	6,500	3,420	3,080
Supplies and operating	21,000	21,000	26,466	(5,466)
Telephone	500	500	349	151
	<u>122,002</u>	<u>122,002</u>	<u>123,792</u>	<u>(1,790)</u>
Development Commission:				
Travel and dues	1,500	1,500	1,500	-
Supplies and operating	2,750	2,750	437	2,313
Special events, advertising, and options	4,200	4,200	1,179	3,021
Lake Marion water fees	70,000	70,000	32,605	37,395
Central Alliance	72,000	72,000	72,000	-
	<u>150,450</u>	<u>150,450</u>	<u>107,721</u>	<u>42,729</u>
Contingent				
Contingent	75,000	75,000	23,775	51,225
Fuel Contingent	5,000	5,000	-	5,000
	<u>80,000</u>	<u>80,000</u>	<u>23,775</u>	<u>56,225</u>
Building and Planning:				
Salary	68,633	68,633	69,111	(478)
Board members	1,500	1,645	2,415	(770)
Travel Dues	1,000	990	155	835
Vehicle Expense	1,200	985	147	838
Supplies and operating	2,700	2,700	2,020	680
Gasoline and oil	3,000	3,000	2,064	936
Telephone	1,700	1,780	1,904	(124)
	<u>79,733</u>	<u>79,733</u>	<u>77,816</u>	<u>1,917</u>
Other:				
Tort liability insurance	176,000	176,000	161,729	14,271
Bank charges	7,000	7,000	3,626	3,374
Donation Expense	-	-	4,306	(4,306)
Bond premium	3,800	3,800	3,840	(40)
Grant match	40,000	40,000	24,637	15,363
	<u>226,800</u>	<u>226,800</u>	<u>198,138</u>	<u>28,662</u>
TOTAL MISCELLANEOUS	<u>658,985</u>	<u>658,985</u>	<u>531,242</u>	<u>127,743</u>

CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2018

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
EMPLOYEE FRINGE BENEFITS				
HRA account	50,000	50,000	46,344	3,656
Unemployment	8,000	8,000	1,389	6,611
Social Security	438,000	438,000	401,989	36,011
Retirement	566,000	566,000	547,823	18,177
Police retirement/cnty	215,000	215,000	219,239	(4,239)
Health and life insurance	1,200,000	1,200,000	1,178,704	21,296
Employee Recognition	5,000	5,000	4,264	736
Worker's compensation insurance	225,000	225,000	235,019	(10,019)
Retirees/health insurance	85,000	85,000	56,187	28,813
TOTAL EMPLOYEE FRINGE BENEFITS	<u>2,792,000</u>	<u>2,792,000</u>	<u>2,690,958</u>	<u>101,042</u>
AGENCIES				
Alcohol&drug Abuse Commission	8,000	8,000	8,000	-
Mental Health	6,000	6,000	6,000	-
Indigent Hospitalization	57,775	57,775	57,775	-
Vocational Rehabilitation	2,500	2,500	2,500	-
OCAB Community Action	7,000	7,000	7,000	-
Santee Cooper Counties	500	500	500	-
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	-
TOTAL AGENCIES	<u>91,275</u>	<u>91,275</u>	<u>91,275</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 12,775,112</u>	<u>\$ 12,775,112</u>	<u>\$ 12,161,536</u>	<u>\$ 613,576</u>
OTHER FINANCING SOURCES (USES)				
Sale of property	\$ -	\$ -	\$ 23,823	\$ 23,823
Transfers to/ from Special Revenue Funds	755,000	755,000	818,249	63,249
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 755,000</u>	<u>\$ 755,000</u>	<u>\$ 842,072</u>	<u>\$ 87,072</u>

CALHOUN COUNTY, SOUTH CAROLINA
FIDUCIARY FUNDS
COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2018

	Clerk of Court	Magistrate St. Matthews	Magistrate Sandy Run	Magistrate Cameron	School District	Master in Equity	Delinquent Tax	Judge of Probate	Total
ASSETS									
Cash	\$ 52,138	\$ 6,576	\$ 7,138	\$ 4,849	10,535,695	\$ 21,998	\$ 228,684	\$ -	\$ 10,857,078
Property taxes receivable	-	-	-	-	777,960	-	-	-	777,960
Due from Others	4,102	225	-	-	-	-	-	-	4,327
TOTAL ASSETS	\$ 56,240	\$ 6,801	\$ 7,138	\$ 4,849	\$ 11,313,655	\$ 21,998	\$ 228,684	\$ -	\$ 11,639,365
LIABILITIES									
Due to Trust Fund holders	\$ 56,240	\$ 2,151	\$ -	\$ -	\$ 11,313,655	\$ 21,998	\$ 228,684	\$ -	\$ 11,622,728
Due to Treasurer	-	4,004	5,824	3,207	-	-	-	-	13,035
Outstanding Bonds Held for Jurors	-	1,721	1,509	536	-	-	-	-	3,766
Due to Treasurer - cash overage (shortage) - Note 12	-	-	-	240	-	-	-	-	240
		(1,075)	(195)	866	-	-	-	-	(404)
Total Liabilities	\$ 56,240	\$ 6,801	\$ 7,138	\$ 4,849	\$ 11,313,655	\$ 21,998	\$ 228,684	\$ -	\$ 11,639,365

**CALHOUN COUNTY, SOUTH CAROLINA
FIDUCIARY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2018**

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
CLERK OF COURT				
Assets				
Cash	\$ 55,436	\$ 5	\$ 3,303	\$ 52,138
Due from others	1,568	2,534	-	4,102
Total Assets	<u>\$ 57,004</u>	<u>\$ 2,539</u>	<u>\$ 3,303</u>	<u>\$ 56,240</u>
Liabilities				
Due to Trust Fund Holders	\$ 57,004	-	\$ 764	\$ 56,240
Total Liabilities	<u>\$ 57,004</u>	<u>\$ -</u>	<u>\$ 764</u>	<u>\$ 56,240</u>
ST. MATTHEWS MAGISTRATE FUND				
Assets				
Cash	\$ 21,629	\$ 144,411	\$ 159,464	\$ 6,576
Due from others	(350)	1,525	950	225
Total Assets	<u>\$ 21,279</u>	<u>\$ 145,936</u>	<u>\$ 160,414</u>	<u>\$ 6,801</u>
Liabilities				
Due to Treasurer	\$ 17,498	-	\$ 13,494	\$ 4,004
Outstanding Bonds	3,586	-	1,865	1,721
Due to Trust Fund holders	389	1,762	-	2,151
Due to Treasurer - Cash overage (shortage) - Note 12	(194)	-	881	(1,075)
Total Liabilities	<u>\$ 21,279</u>	<u>\$ 1,762</u>	<u>\$ 16,240</u>	<u>\$ 6,801</u>
SANDY RUN MAGISTRATE FUND				
Assets				
Cash	\$ 12,249	\$ 75,659	\$ 80,770	\$ 7,138
Total Assets	<u>\$ 12,249</u>	<u>\$ 75,659</u>	<u>\$ 80,770</u>	<u>\$ 7,138</u>
Liabilities				
Due to Treasurer	\$ 11,323	-	\$ 5,499	\$ 5,824
Outstanding Bonds	631	878	-	1,509
Due to Treasurer - Cash overage (shortage) - Note 12	295	-	490	(195)
Total Liabilities	<u>\$ 12,249</u>	<u>\$ 878</u>	<u>\$ 5,989</u>	<u>\$ 7,138</u>

**CALHOUN COUNTY, SOUTH CAROLINA
FIDUCIARY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2018**

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
CAMERON MAGISTRATE FUND				
Assets				
Cash	\$ 1,535	\$ 37,353	\$ 34,039	\$ 4,849
Total Assets	<u>\$ 1,535</u>	<u>\$ 37,353</u>	<u>\$ 34,039</u>	<u>\$ 4,849</u>
Liabilities				
Due to Treasurer	\$ 1,074	\$ 2,134	\$ 1	\$ 3,207
Outstanding bonds	497	39	-	536
Held for jurors	241	-	1	240
Due to Treasurer - Cash overage (shortage) - Note 12	(277)	1,143	-	866
Total Liabilities	<u>\$ 1,535</u>	<u>\$ 3,316</u>	<u>\$ 2</u>	<u>\$ 4,849</u>
DELINQUENT TAX FUND				
Assets				
Cash	\$ 179,749	\$ 787,498	\$ 738,563	\$ 228,684
Total Assets	<u>\$ 179,749</u>	<u>\$ 787,498</u>	<u>\$ 738,563</u>	<u>\$ 228,684</u>
Liabilities				
Due to Trust Fund Holders	\$ 179,749	\$ 48,935	-	\$ 228,684
Total Liabilities	<u>\$ 179,749</u>	<u>\$ 48,935</u>	<u>\$ -</u>	<u>\$ 228,684</u>
CALHOUN COUNTY SCHOOL DISTRICT FUND				
Assets				
Cash	\$ 10,845,386	\$ -	\$ 309,691	\$ 10,535,695
Property taxes receivable	742,281	35,679	-	777,960
Total Assets	<u>\$ 11,587,667</u>	<u>\$ 35,679</u>	<u>\$ 309,691</u>	<u>\$ 11,313,655</u>
Liabilities				
Due to Trust Fund Holders	\$ 11,587,667	\$ -	\$ 274,012	\$ 11,313,655
Total Liabilities	<u>\$ 11,587,667</u>	<u>\$ -</u>	<u>\$ 274,012</u>	<u>\$ 11,313,655</u>

**CALHOUN COUNTY, SOUTH CAROLINA
FIDUCIARY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2018**

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
MASTER IN EQUITY				
Assets				
Cash	\$ 141,113	\$ 6,800	\$ 125,915	\$ 21,998
Total Assets	<u>\$ 141,113</u>	<u>\$ 6,800</u>	<u>\$ 125,915</u>	<u>\$ 21,998</u>
Liabilities				
Due to Trust Fund Holders	\$ 141,113	\$ -	\$ 119,115	\$ 21,998
Total Liabilities	<u>\$ 141,113</u>	<u>\$ -</u>	<u>\$ 119,115</u>	<u>\$ 21,998</u>
JUDGE OF PROBATE				
Assets				
Cash	\$ -	\$ 34,967	\$ 34,967	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 34,967</u>	<u>\$ 34,967</u>	<u>\$ -</u>
Liabilities				
Due to Treasurer	\$ -	\$ 34,967	\$ 34,967	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 34,967</u>	<u>\$ 34,967</u>	<u>\$ -</u>
TOTAL AGENCY FUNDS				
Assets				
Cash	\$ 11,257,097	\$ 1,086,693	\$ 1,486,712	\$ 10,857,078
Property taxes receivable	742,281	35,679	-	777,960
Due from others	1,218	4,059	950	4,327
Total Assets	<u>\$ 12,000,596</u>	<u>\$ 1,126,431</u>	<u>\$ 1,487,662</u>	<u>\$ 11,639,365</u>
Liabilities				
Due to Treasurer	\$ 29,895	\$ 37,101	\$ 53,961	\$ 13,035
Outstanding Bonds	4,714	917	1,865	3,766
Due to Treasurer - Cash overage (shortage) - Note 12	(176)	1,143	1,371	(404)
Held for jurors	241	-	1	240
Due to Trust Fund holders	11,965,922	50,697	393,891	11,622,728
Total Liabilities	<u>\$ 12,000,596</u>	<u>\$ 89,858</u>	<u>\$ 451,089</u>	<u>\$ 11,639,365</u>

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

	Clerk of Court	Magistrates	Total
County Fines			
Court fines collected	\$ 121,294	\$ 7,530	\$ 128,824
Court fines retained by County	<u>55,045</u>	<u>-</u>	<u>55,045</u>
Court fines remitted to the State Treasurer	<u>\$ 66,249</u>	<u>\$ 7,530</u>	<u>\$ 73,779</u>
Court Assessments			
Court assessments collected	\$ 5,479	\$ 89,681	\$ 95,160
Court assessments retained by County	<u>1,609</u>	<u>9,453</u>	<u>11,062</u>
Court assessments remitted to the State Treasurer	<u>\$ 3,870</u>	<u>\$ 80,228</u>	<u>\$ 84,098</u>
Court Surcharges			
Court surcharges collected	\$ 5,533	\$ 45,568	\$ 51,101
Court surcharges retained by County	<u>3,491</u>	<u>3,458</u>	<u>6,949</u>
Court surcharges remitted to State Treasurer	<u>\$ 2,042</u>	<u>\$ 42,110</u>	<u>\$ 44,152</u>
Victims Service Revenue:			
Court assessments allocated to Victim Services	\$ 1,609	\$ 9,453	\$ 11,062
Court surcharges allocated to Victim Services	<u>3,491</u>	<u>3,458</u>	<u>6,949</u>
Funds available for carryforward	<u>\$ 5,100</u>	<u>\$ 12,911</u>	<u>\$ 18,011</u>
Carryforward -Beginning of year - July 1, 2017		\$ 5,119	
Transfer in from General Fund		18,663	
Funds retained by the County from above		<u>18,011</u>	
Total Funds Allocated to Victim Service Fund		<u>41,793</u>	
Expenditures for Victim Service Program:			
Victims Services expenditures		<u>(41,793)</u>	
Carryforward -End of Year - June 30, 2018		<u>\$ -</u>	

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

Real and Other Personal Property Assessed Value	\$ 54,485,891
Less: Exempt Property Assessed Value	<u>1,030,340</u>
Net Real Other Personal Property Assessed Value	53,455,551
Vehicles Assessed Value	<u>8,670,740</u>
Total Taxable Assessed Value	<u>62,126,291</u>
Debt Limit - Eight Percent (8%) of Total Taxable Assessed Value	4,970,103
Amount of Debt Applicable to Debt Limit: Total Bonded Debt	<u>-</u>
LEGAL DEBT MARGIN	<u>\$ 4,970,103</u>

CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF MISCELLANEOUS REVENUE
FOR THE YEAR ENDED JUNE 30, 2018

Franchise fees	\$ 5,534
Library - fax, fines, and postage	31,393
Elections	200
Miscellaneous	32,290
Landfill fees	21,040
Animal control fees	6,965
Veteran's memorial	300
Returned check fees	360
Sale of recycle goods	19,948
Heavy equipment surcharge	46,952
Recreation fees	10,538
Clerk of Court/Sheriff	2,970
Sheriff's Dept.	3,300
Miscellaneous -Coroner	20
Miscellaneous -Sheriff	7,352
Miscellaneous -Emergency management state funding support	530
Miscellaneous -EMS	7,887
	7,887
 TOTAL MISCELLANEOUS REVENUE	 \$ 197,579

**CALHOUN COUNTY, SOUTH CAROLINA
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
JUNE 30, 2018**

Tax Year	Delinquent Taxes
2008	\$ 84,056
2009	86,334
2010	69,267
2011	55,506
2012	51,603
2013	57,497
2014	68,908
2015	70,450
2016	92,434
2017	526,653
Rollbacks	6,176
	<u>1,168,884</u>
DELINQUENT TAXES RECEIVABLE, JUNE 30, 2018	\$ 1,168,884
Delinquent taxes, June 30, 2017	\$ 1,112,765
Add executions, March 18, 2018	816,004
Supplementals	73,891
Less:	
Collections	714,069
Errors	90,452
Refunds	24,726
Nulla Bonaes	4,529
	<u>833,776</u>
DELINQUENT TAXES RECEIVABLE, JUNE 30, 2018	\$ 1,168,884
Distribution	
General Fund	\$ 458,252
Special Assessment Fund	22,525
Calhoun County School District	649,697
Capital Projects	3,288
Debt Service	24,022
Fire Debt	11,100
	<u>1,168,884</u>
TOTAL	\$ 1,168,884

PARTNERS

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1906–1968

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

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 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, 2018, 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 February 19, 2019.

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.

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

(continued)

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did identify a certain deficiency in internal control, described in the accompanying schedule of finding and response that we consider to be a material weakness (2018-1).

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*.

Calhoun County's Response to Finding

Calhoun County's response to the finding identified in our audit is described in the accompanying schedule of finding and response. Calhoun County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

McGaughey & Co. LLP

Orangeburg, South Carolina
February 19, 2019

CALHOUN COUNTY, SOUTH CAROLINA
ST. MATTHEWS, SOUTH CAROLINA
SCHEDULE OF FINDING AND RESPONSE
YEAR ENDED JUNE 30, 2018

**A. Findings – Relating to the Basic Financial Statements Reported in Accordance with
*Government Auditing Standards***

Material Weakness

2018-1 – Material Adjustments

Criteria: Ledger balances should be reviewed for reasonableness to determine if all payables are recorded to ensure accuracy and proper cut-off.

Condition: A material adjustment of \$357,449 had to be posted to the ledger to record an accounts payable for the Capital Projects Fund. An accounts payable for \$55,255 was recorded as a payable and should not have been. The net adjustment to accounts payable was \$302,194.

Cause: Recording of accounts payable in the proper year in three instances was not accomplished by County personnel.

Effect: Liabilities were understated and net position/fund balance and changes in net position were overstated.

Recommendation: Ledger accounts should be reviewed for accuracy and proper cut-off and corrections made when necessary. Subsequent check registers should be reviewed to ensure that disbursements are accrued if they relate to the accounting year being closed.

County response: The Finance Director will continue to work with the staff to ensure that payables are recorded within the correct period.