

AUDITED FINANCIAL STATEMENTS

CLARENDON COUNTY

MANNING, SOUTH CAROLINA

YEAR ENDED JUNE 30, 2020

AUDITED FINANCIAL STATEMENTS

CLARENDON COUNTY

MANNING, SOUTH CAROLINA

YEAR ENDED JUNE 30, 2020

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PARTNERS

C.C. McGregor, CPA
1906-1968

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

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

D.L. Richardson, CPA
E.C. Inabinet, CPA

S.S. Luoma, CPA
T.M. McCall, CPA
H.D. Brown, Jr, CPA
L.B. Salley, CPA
D.K. Strickland, CPA

J.P. McGuire, CPA
J.R. Matthews II, CPA
C.D. Hinchee, CPA
G.P. Davis, CPA
H.O. Crider, Jr., CPA

ASSOCIATES

V.K. Laroche, CPA
G.N. Mundy, CPA
M.L. Layman, CPA
P.A. Betette, Jr, CPA

D.M. Herpel, CPA
F.C. Gillam, Jr, CPA
H.S. Mims, CPA
T. Solorzano, CPA

C.W. Bolen, CPA
W.C. Sanders, CPA
C.L.T. Valentine, CPA

**Active Retired*

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clarendon County, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

COLUMBIA

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

ORANGEBURG

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

BARNWELL

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

INDEPENDENT AUDITOR'S REPORT

(continued)

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clarendon County, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the County's proportionate share of the net OPEB liability and contributions, and the schedules of the County's proportionate share of the net pension liability and contributions (SCRS) and (PORS) on pages 7 through 14 and 87 through 90 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Restatement

In our original report dated January 25, 2021, an unmodified opinion was issued. As described in Note 21, the County realized revenue of \$363,123 was overstated due to an accrual being made in error, for which these financial statements have been updated.

INDEPENDENT AUDITOR'S REPORT

(continued)

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

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2021, on our consideration of Clarendon County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Clarendon County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clarendon County's internal control over financial reporting and compliance.

McKreger & Co. LLP

Orangeburg, South Carolina

January 25, 2021, except for notes 7, 14, and 21, as to which the date is February 9, 2021

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

Clarendon County's management's discussion and analysis offers readers of the County's financial statements a narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and notes to the financial statements.

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

Financial Highlights:

- Clarendon County's assets exceeded its liabilities at June 30, 2020, by \$2.7 million (net position).
- The County's total net position increased \$1.2 million over the previous year.
- At June 30, 2020, the County's governmental fund balance sheet reported a combined ending fund balance of \$16.3 million, an increase of \$3.0 million over the previous fiscal year. Of the \$16.3 million, \$8.5 million remains in the various funds of the County as committed, assigned, or unassigned.
- The General Fund reported a fund balance of \$5.9 million, reflecting a \$1.3 million increase from last fiscal year. This total ending balance equates to 26.9% of General Fund expenditures for the year. The unassigned fund balance is 17.1% of General Fund expenditures for the year.
- Total bonded debt increased a net \$1.5 million during the fiscal year.

Overview of the Financial Statements

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

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

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

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

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

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

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

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

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

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Clarendon County maintains 13 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, General County Debt Service Fund, Fire Services Fund and C-Program Roads Fund which are considered to be major funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

Fiduciary fund: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

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

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 through 86 of this report.

Other information: In addition to the basic financial statements and accompanying notes, the combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 91 through 111 of this report.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Clarendon County, assets exceeded liabilities by \$2.7 million at the close of the most recent fiscal year. The County's increase in net position for this fiscal year amounts to \$1.2 million.

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

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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 17,643	\$ 15,386	\$ 646	\$ 626	\$ 18,289	\$ 16,012
Capital assets	<u>37,934</u>	<u>36,916</u>	<u>16,302</u>	<u>14,733</u>	<u>54,236</u>	<u>51,649</u>
Total assets	<u>55,577</u>	<u>52,302</u>	<u>16,948</u>	<u>15,359</u>	<u>72,525</u>	<u>67,661</u>
Deferred outflows of resources	<u>4,883</u>	<u>4,353</u>	<u>94</u>	<u>80</u>	<u>4,977</u>	<u>4,433</u>
Long-term liabilities outstanding	55,527	51,564	12,177	7,525	67,704	59,089
Other liabilities	<u>1,867</u>	<u>2,208</u>	<u>2,100</u>	<u>5,685</u>	<u>3,967</u>	<u>7,893</u>
Total liabilities	<u>57,394</u>	<u>53,772</u>	<u>14,277</u>	<u>13,210</u>	<u>71,671</u>	<u>66,982</u>
Deferred inflows of resources	<u>3,026</u>	<u>3,534</u>	<u>64</u>	<u>64</u>	<u>3,090</u>	<u>3,598</u>
Net position						
Invested in capital assets, net of related debt	19,587	19,932	3,627	6,343	23,214	26,275
Restricted	6,605	4,026	313	191	6,918	4,217
Unrestricted	<u>(26,152)</u>	<u>(24,609)</u>	<u>(1,239)</u>	<u>(4,369)</u>	<u>(27,391)</u>	<u>(28,978)</u>
Total net position	<u>\$ 40</u>	<u>\$ (651)</u>	<u>\$ 2,701</u>	<u>\$ 2,165</u>	<u>\$ 2,741</u>	<u>\$ 1,514</u>

An additional portion of the County's net position of the governmental activities (\$6.6 million) represents resources that are subject to external restrictions on how they may be used or deemed to be unspendable.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

The changes in net position displayed below shows the governmental and business-type activities during the fiscal year. Increases in property taxes resulted in a positive change in net position of \$1.2 million.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 2,506	\$ 2,575	\$ 959	\$ 769	\$ 3,465	\$ 3,344
Grants and Contributions	498	1,731	822	361	1,320	2,092
General revenues:						
Ad valorem taxes	20,730	18,737	-	-	20,730	18,737
Other taxes	3,587	3,408	-	-	3,587	3,408
State shared	3,862	4,056	-	-	3,862	4,056
Interest	104	121	4	13	108	134
Other	<u>327</u>	<u>345</u>	<u>-</u>	<u>-</u>	<u>327</u>	<u>345</u>
Total revenues	31,615	30,973	1,785	1,143	33,400	32,116
Expenses						
Government Activities:						
General government	8,321	8,062	-	-	8,321	8,062
Public safety	13,400	10,912	-	-	13,400	10,912
Physical environment	3,834	3,581	-	-	3,834	3,581
Transportation	198	154	-	-	198	154
Economic environment	688	591	-	-	688	591
Court related	1,933	1,705	-	-	1,933	1,705
Cultural and recreational	877	842	-	-	877	842
Agencies	920	898	-	-	920	898
Interest on long-term debt	652	653	-	-	652	653
Business-type Activities:						
Water and sewer fund	-	-	1,233	901	1,233	901
Weldon Auditorium	<u>-</u>	<u>-</u>	<u>257</u>	<u>423</u>	<u>257</u>	<u>423</u>
Total expenses	30,823	27,398	1,490	1,324	32,313	28,722
Transfers in (out)	<u>(109)</u>	<u>(172)</u>	<u>241</u>	<u>272</u>	<u>132</u>	<u>100</u>
Change in net position	<u>\$ 683</u>	<u>\$ 3,403</u>	<u>\$ 536</u>	<u>\$ 91</u>	<u>\$ 1,219</u>	<u>\$ 3,494</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

Primary Governmental Activities: Revenues for the County's governmental activities were \$31.5 million for fiscal year 2020. Taxes constitute the largest source of County revenues, amounting to approximately \$24.3 million for the fiscal year 2020. Real property taxes (\$15.4 million) represent 63.4% of total taxes and 48.9% of all revenue combined. Whereas, intergovernmental revenues decreased to \$4.4 million for the fiscal year end.

Financial Analysis of Clarendon County's Funds

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

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

As of June 30, 2020, Clarendon County governmental funds reported combined fund balances of \$16.3 million, an increase of \$3.0 million from the prior year balances. This increase was primarily the result of an increase in tax collections and bond issuance for capital projects.

The General Fund is the chief operating fund of the County. At June 30, 2020, total fund balance in the General Fund was \$5.9 million, of which \$3.9 million was not restricted. As a measure of the General Fund's liquidity, the total fund balance and total unrestricted and nonspendable fund balances compared to total fund expenditures shows percentages of 26.9% and 18.1%, respectively. The fund balance of the General Fund showed an increase of 28.9%, or \$1.3 million during the fiscal year.

General Fund Budgetary Highlights

A budget to actual statement is provided for the General Fund. A budget column for both the original budget adopted for fiscal year 2020 as well as the final budget is presented. Historically, neither grant revenue nor expenditures are budgeted. The variances reflected are primarily a result of greater tax collections, related grant activities and savings realized at the departmental level (staffing levels less than budgeted).

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

Capital Asset and Debt Administration

Capital assets: Clarendon County's investment in capital assets for its governmental type activities as of June 30, 2020, amounts to \$37.9 million (net of accumulated depreciation) and \$16.3 million within its business-type activities. This investment in capital assets includes land, buildings and improvements, machinery and equipment and construction in progress. Clarendon County's investment in capital assets for the fiscal year was up 5.0% as water system expansion efforts continue.

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

	<u>Government Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 2,936	\$ 2,936	\$ 154	\$ 154	\$ 3,090	\$ 3,090
Infrastructure	4,532	4,744	-	-	4,532	4,744
Construction in progress	1,039	671	5,922	4,050	6,961	4,721
Buildings and improvements	24,737	23,969	2,633	2,707	27,370	26,676
Water distribution system	-	-	7,389	7,624	7,389	7,624
Machinery and equipment	<u>4,690</u>	<u>4,596</u>	<u>204</u>	<u>198</u>	<u>4,894</u>	<u>4,794</u>
Total	<u>\$ 37,934</u>	<u>\$ 36,916</u>	<u>\$ 16,302</u>	<u>\$ 14,733</u>	<u>\$ 54,236</u>	<u>\$ 51,649</u>

Additional information on the County's capital assets can be found in Note 6 on pages 42 through 45 of this report.

Long-term debt: At the end of the current fiscal year, Clarendon County had a total bonded debt and capital leases outstanding of \$31.3 million, of which \$7.3 million is backed by the full faith and credit of the County.

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

	<u>2020</u>	<u>2019</u>
General obligation bond(s)	\$ 7,253	\$ 5,392
Revenue bond(s)	22,845	18,563
Capital lease(s)	<u>1,229</u>	<u>565</u>
	<u>\$ 31,327</u>	<u>\$ 24,520</u>

The County's total debt increased \$4.8 million to fund continued expansion of the water system and additional capital assets. The County currently has a rating of "A+" from Standard & Poor's Corporation on general obligation bond issues. As of June 30, 2020, the County's general obligation debt and capital lease approximated two hundred forty-three dollars (\$243) per capita.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

Additional information on Clarendon County's long-term debt can be found in Note 9 on pages 47 through 56 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Clarendon County is currently 9.3%, which represents an increase from a year ago as a result of the COVID-19 pandemic. This compares to the state's average unemployment rate of 8.9% and the national average rate of 11.2%.
- Assessed taxable property valuation increased to \$106.2 million in 2020, an increase of 2.8% over the prior year.
- County-wide gross taxable sales decreased from \$482 million in 2019 to \$478 million in 2020; however, net taxable sales increased by 3.7% to \$166 million in 2020.

All of these factors were considered in preparing the County's budget for the 2021 fiscal year. Per the Fiscal Year 2021 Adopted Budget, disbursements are budgeted at \$21.8 million, a reduction of 0.4% from the fiscal year 2020 level for the General Fund. The County's commitment to programs such as public safety, health and welfare, community development, public works, and parks, recreation, and cultural activities remains strong. However, pressures on the County's budget due to the additional resources required to keep our communities safe will continue to be a challenge for the County in light of legislated constraints to revenue growth.

Requests for Information

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

CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Harvin Clarendon County Library	Business Development Corp.
ASSETS					
Current assets:					
Cash and cash equivalents - Note 3	\$ 10,359,192	\$ 79,579	\$ 10,438,771	\$ 140,662	\$ 1,117,090
Receivables:					
Delinquent taxes	1,886,868	-	1,886,868	-	-
Other	304,355	126,978	431,333	8,308	-
Due from fiduciary funds	47,759	-	47,759	-	-
Note receivable component unit - Note 5	250,000	-	250,000	-	-
Prepaid expense	-	-	-	26,700	-
Due from other governments	4,701,682	126,439	4,828,121	-	15,000
Inventories	93,175	-	93,175	-	-
Capital leases and notes receivable - Note 5	-	-	-	-	88,114
Total current assets	<u>17,643,031</u>	<u>332,996</u>	<u>17,976,027</u>	<u>175,670</u>	<u>1,220,204</u>
Non-current assets:					
Restricted cash and cash equivalents	-	313,061	313,061	-	382,531
Capital leases and notes receivable - Note 5	-	-	-	-	332,148
Non-depreciable capital assets-net - Note 6	3,975,213	6,075,837	10,051,050	24,000	3,750,602
Depreciable capital assets-net - Note 6	33,959,106	10,225,499	44,184,605	92,148	2,800,653
Total non-current assets	<u>37,934,319</u>	<u>16,614,397</u>	<u>54,548,716</u>	<u>116,148</u>	<u>7,265,934</u>
Total assets	<u>55,577,350</u>	<u>16,947,393</u>	<u>72,524,743</u>	<u>291,818</u>	<u>8,486,138</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension Deferrals	2,876,202	48,698	2,924,900	284,659	-
OPEB Deferrals	2,007,067	45,149	2,052,216	-	-
Total deferred outflows of resources	<u>4,883,269</u>	<u>93,847</u>	<u>4,977,116</u>	<u>284,659</u>	<u>-</u>
LIABILITIES					
Current liabilities (payable from current assets):					
Accounts payable	678,785	63,834	742,619	10,283	10,000
Due to other governments	107,424	-	107,424	-	-
Internal balances	(1,759,024)	1,759,024	-	-	-
Due to fiduciary funds - Note 7	148,293	-	148,293	-	-
Unearned revenue	44,307	103,121	147,428	-	973,038
Note payable - Note 9	-	-	-	-	366,903
Other liabilities	323,700	-	323,700	-	-
Accrued compensated absences - Note 9	437,563	10,525	448,088	-	-
Closures and maintenance costs payable - Note 9	26,800	-	26,800	-	-
Capital lease - Note 9	345,260	-	345,260	-	-
GBAN payable - Note 8	128,800	-	128,800	-	-
Bond payable - Note 9	1,384,732	243,784	1,628,516	-	-
Total current liabilities	<u>1,866,640</u>	<u>2,180,288</u>	<u>4,046,928</u>	<u>10,283</u>	<u>1,349,941</u>
Non-current liabilities:					
Accrued compensated absences - Note 9	166,564	-	166,564	23,297	-
Closures and maintenance costs payable - Note 9	441,100	-	441,100	-	-
Note payable	-	-	-	-	621,962
Net pension liability - Note 12	20,105,150	459,041	20,564,191	814,633	-
OPEB payable - Note 13	16,722,229	376,165	17,098,394	463,775	-
Capital lease - Note 9	884,096	-	884,096	-	-
Bond payable - Note 9	17,207,904	11,261,537	28,469,441	-	-
Total long-term liabilities	<u>55,527,043</u>	<u>12,096,743</u>	<u>67,623,786</u>	<u>1,301,705</u>	<u>621,962</u>
Total liabilities	<u>57,393,683</u>	<u>14,277,031</u>	<u>71,670,714</u>	<u>1,311,988</u>	<u>1,971,903</u>
DEFERRED INFLOWS OF RESOURCES					
Bond premium	156,274	-	156,274	-	-
Pension Deferrals	575,189	11,893	587,082	89,323	-
OPEB Deferrals	2,295,102	51,628	2,346,730	-	-
Total deferred inflows of resources	<u>3,026,565</u>	<u>63,521</u>	<u>3,090,086</u>	<u>89,323</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	19,587,008	3,626,432	23,213,440	116,148	5,562,390
Restricted:					
Debt service	2,922,446	313,061	3,235,507	-	-
Drug interdiction	587,536	-	587,536	-	-
Third circuit solicitor	221,991	-	221,991	-	-
E-911 call center	970,365	-	970,365	-	-
Local option sales tax	1,865,760	-	1,865,760	-	-
I-95 Mega-site	38,087	-	38,087	-	1,341,791
Unrestricted	(26,152,822)	(1,238,805)	(27,391,627)	(940,982)	(389,946)
Total net position	<u>\$ 40,371</u>	<u>\$ 2,700,688</u>	<u>\$ 2,741,059</u>	<u>\$ (824,834)</u>	<u>\$ 6,514,235</u>

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

**CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position								
	Expenses	Program Revenues			Primary Government			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Harvin Clarendon County Library	Business Development Corporation
Primary Government:									
Governmental activities:									
Public safety	\$ 13,400,462	\$ 318,370	\$ 122,124	\$ 75,886	\$ (12,884,082)	\$ -	\$ (12,884,082)		
General government	8,321,039	171,258	457	-	(8,149,324)	-	(8,149,324)		
Physical environment	3,833,536	1,300,997	29,686	-	(2,502,853)	-	(2,502,853)		
Court related	1,933,640	510,478	-	-	(1,423,162)	-	(1,423,162)		
Agencies	919,948	-	-	-	(919,948)	-	(919,948)		
Culture/Recreation	876,718	55,278	-	-	(821,440)	-	(821,440)		
Economic environment	687,690	93,880	-	-	(593,810)	-	(593,810)		
Transportation	198,261	56,472	-	269,359	127,570	-	127,570		
Interest	652,176	-	-	-	(652,176)	-	(652,176)		
Total governmental activities	<u>30,823,470</u>	<u>2,506,733</u>	<u>152,267</u>	<u>345,245</u>	<u>(27,819,225)</u>	<u>-</u>	<u>(27,819,225)</u>		
Business-Type Activities:									
Water & Sewer Utility	1,232,616	946,438	-	821,795	-	535,617	535,617		
Weldon Auditorium	257,207	12,825	-	-	-	(244,382)	(244,382)		
Total business-type activities	<u>1,489,823</u>	<u>959,263</u>	<u>-</u>	<u>821,795</u>	<u>-</u>	<u>291,235</u>	<u>291,235</u>		
Total Primary Government:	<u>\$32,313,293</u>	<u>\$ 3,465,996</u>	<u>\$ 152,267</u>	<u>\$ 1,167,040</u>	<u>(27,819,225)</u>	<u>291,235</u>	<u>(27,527,990)</u>		
Component Units:									
Harvin Clarendon County Library	\$ 797,866	\$ 13,080	\$ 120,808	\$ 2,500			\$ (661,478)	\$ -	
Business Development Corporation	409,930	126,637	254,919	150,000			-	121,626	
Total Component Units	<u>\$ 1,207,796</u>	<u>\$ 139,717</u>	<u>\$ 375,727</u>	<u>\$ 152,500</u>			<u>(661,478)</u>	<u>121,626</u>	
General Revenues:									
Taxes:									
Property taxes, levied for general purposes					18,919,623	-	18,919,623	-	
Property taxes, levied for debt services					1,810,468	-	1,810,468	-	
Sales and use taxes					3,586,883	-	3,586,883	-	
Franchise fees					104,733	-	104,733	-	
State shared revenues					3,862,227	-	3,862,227	-	
Interest earnings					104,389	3,934	108,323	25,074	
Gain on sale of capital assets					33,844	-	33,844	-	
Miscellaneous					188,837	-	188,837	-	
County appropriation					-	-	-	565,000	
Total general revenues					<u>28,611,004</u>	<u>3,934</u>	<u>28,614,938</u>	<u>565,000</u>	
Transfers					<u>(108,964)</u>	<u>240,759</u>	<u>131,795</u>	<u>-</u>	
Total general revenues, transfers and contributions					<u>28,502,040</u>	<u>244,693</u>	<u>28,746,733</u>	<u>565,000</u>	
Change in net position					<u>682,815</u>	<u>535,928</u>	<u>1,218,743</u>	<u>(96,478)</u>	
Net position - beginning - as restated - Note 18					<u>(642,444)</u>	<u>2,164,760</u>	<u>1,522,316</u>	<u>(728,356)</u>	
Net position - ending					<u>\$ 40,371</u>	<u>\$ 2,700,688</u>	<u>\$ 2,741,059</u>	<u>\$ (824,834)</u>	

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

**CLARENDON COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	GENERAL	CAPITAL PROJECTS	GENERAL COUNTY DEBT SVC	FIRE DEPARTMENT	C-PROGRAM ROADS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash and cash equivalents	\$ 1,344,621	\$ 1,184,448	\$ 2,899,349	\$ 699,153	\$ 2,043,678	\$ 2,187,943	\$ 10,359,192
Accounts receivable							
Property taxes	1,420,348	-	76,989	293,897	-	95,634	1,886,868
Other	270,904	-	-	-	-	33,451	304,355
Due from other funds	188,540	-	58,150	244,880	-	9,427	500,997
Due from fiduciary funds	47,759	-	-	-	-	-	47,759
Due from business enterprise	630,541	1,128,483	-	-	-	-	1,759,024
Due from component unit	250,000	-	-	-	-	-	250,000
Due from other governments	4,342,630	57,477	-	-	300,575	1,000	4,701,682
Supplies inventory	93,175	-	-	-	-	-	93,175
Total assets	<u>\$ 8,588,518</u>	<u>\$ 2,370,408</u>	<u>\$ 3,034,488</u>	<u>\$ 1,237,930</u>	<u>\$ 2,344,253</u>	<u>\$ 2,327,455</u>	<u>\$ 19,903,052</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 333,205	\$ 61,609	\$ -	\$ 35,877	\$ 773	\$ 2,767	\$ 434,231
Accrued payroll and withholdings	236,999	-	-	1,061	-	-	238,060
Due to other funds	312,457	-	187,000	1,540	-	-	500,997
Due to fiduciary funds	148,293	-	-	-	-	-	148,293
Due to other governments	107,424	-	-	-	-	-	107,424
Bonds payable	-	128,800	-	-	-	-	128,800
Unearned revenue	44,307	-	-	-	-	-	44,307
Advance mobile home revenue	6,494	-	-	-	-	-	6,494
Other liabilities	318,756	-	-	4,944	-	-	323,700
Total liabilities	<u>1,507,935</u>	<u>190,409</u>	<u>187,000</u>	<u>43,422</u>	<u>773</u>	<u>2,767</u>	<u>1,932,306</u>
Deferred Inflows of Resources							
Unavailable Revenue-Property Taxes	<u>1,220,108</u>	<u>-</u>	<u>65,248</u>	<u>246,843</u>	<u>-</u>	<u>89,938</u>	<u>1,622,137</u>
Total Deferred Inflows of Resources	<u>1,220,108</u>	<u>-</u>	<u>65,248</u>	<u>246,843</u>	<u>-</u>	<u>89,938</u>	<u>1,622,137</u>
Fund balances:							
Nonspendable	93,175	-	-	-	-	-	93,175
Restricted	1,903,847	1,128,483	2,782,240	-	-	1,920,098	7,734,668
Committed	-	193,118	-	-	-	-	193,118
Assigned	123,690	858,398	-	947,665	2,343,480	314,652	4,587,885
Unassigned	3,739,763	-	-	-	-	-	3,739,763
Total fund balances	<u>5,860,475</u>	<u>2,179,999</u>	<u>2,782,240</u>	<u>947,665</u>	<u>2,343,480</u>	<u>2,234,750</u>	<u>16,348,609</u>
Total Liabilities, Deferred Inflows of Resources, and Fund balances	<u>\$ 8,588,518</u>	<u>\$ 2,370,408</u>	<u>\$ 3,034,488</u>	<u>\$ 1,237,930</u>	<u>\$ 2,344,253</u>	<u>\$ 2,327,455</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, therefore, are not reported in funds.	37,934,319
Long-term liabilities, including bonds payable (\$18,592,636), capital lease (\$1,229,356), accrued compensated absences (\$604,127), closure and maintenances costs payable (\$467,900) and bond premium (\$156,274) are not reported in funds.	(21,050,293)
Other Post Employment Benefits (OPEB) liability and deferred inflows/outflows represent the future unfunded costs associated with current benefits design.	(17,010,264)
Net pension liability and deferred outflow/inflows represent the proportionate share of the future unfunded costs associated with County's participation in the South Carolina Retirement System.	(17,804,137)
Delinquent taxes receivable are not financial resources in the current period and, therefore, are reported as unearned revenue in the funds.	<u>1,622,137</u>
Total net position - total governmental activities	<u>\$ 40,371</u>

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

**CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	GENERAL	CAPITAL PROJECTS	GENERAL COUNTY DEBT SVC	FIRE DEPARTMENT	C-PROGRAM ROADS	OTHER GOVERNMENTAL FUNDS	TOTAL
REVENUES							
Taxes	\$ 18,379,731	\$ -	\$ 1,697,496	\$ 3,460,236	\$ -	\$ 685,737	\$ 24,223,200
Licenses and permits	139,109	-	-	-	-	-	139,109
Intergovernmental	2,216,439	57,477	-	-	1,471,626	613,739	4,359,281
Charges for services	1,642,696	-	-	17,122	-	117,962	1,777,780
Fines and forfeitures	280,784	-	-	-	-	95,947	376,731
Interest	15,212	8,487	27,661	5,819	12,975	34,235	104,389
Miscellaneous	475,723	-	-	-	-	-	475,723
Total revenues	<u>23,149,694</u>	<u>65,964</u>	<u>1,725,157</u>	<u>3,483,177</u>	<u>1,484,601</u>	<u>1,547,620</u>	<u>31,456,213</u>
EXPENDITURES							
Current:							
General government	5,697,993	203,360	-	-	950,519	258,489	7,110,361
Public safety	8,112,546	209,907	-	2,690,088	-	642,821	11,655,362
Physical environment	3,704,082	-	-	-	-	-	3,704,082
Transportation	148,179	-	-	-	-	-	148,179
Economic environment	646,098	-	-	-	-	-	646,098
Agencies	918,055	-	-	-	-	-	918,055
Culture/Recreation	516,399	82,214	-	-	-	155,113	753,726
Court Related	1,580,840	-	-	-	-	232,868	1,813,708
Debt service:							
Principal	-	-	1,210,371	-	-	73,375	1,283,746
Interest and fiscal charges	-	-	635,358	-	-	31,794	667,152
Capital outlay	500,504	1,777,449	-	169,135	302,784	71,300	2,821,172
Total expenditures	<u>21,824,696</u>	<u>2,272,930</u>	<u>1,845,729</u>	<u>2,859,223</u>	<u>1,253,303</u>	<u>1,465,760</u>	<u>31,521,641</u>
Excess of revenues over (under) expenditures	1,324,998	(2,206,966)	(120,572)	623,954	231,298	81,860	(65,428)
OTHER FINANCING SOURCES (USES)							
Sale of assets	73,076	-	-	-	-	-	73,076
Bond proceeds	-	2,300,000	289,000	-	-	-	2,589,000
Lease proceeds	-	500,000	-	-	-	-	500,000
Transfers	(83,031)	450,000	143,995	(440,000)	-	(179,928)	(108,964)
Net other financing sources (uses)	<u>(9,955)</u>	<u>3,250,000</u>	<u>432,995</u>	<u>(440,000)</u>	<u>-</u>	<u>(179,928)</u>	<u>3,053,112</u>
Net changes in fund balances	<u>1,315,043</u>	<u>1,043,034</u>	<u>312,423</u>	<u>183,954</u>	<u>231,298</u>	<u>(98,068)</u>	<u>2,987,684</u>
Fund balances at beginning of year - as restated - Note 18	<u>4,545,432</u>	<u>1,136,965</u>	<u>2,469,817</u>	<u>763,711</u>	<u>2,112,182</u>	<u>2,332,818</u>	<u>13,360,925</u>
Fund balances at end of year	<u>\$ 5,860,475</u>	<u>\$ 2,179,999</u>	<u>\$ 2,782,240</u>	<u>\$ 947,665</u>	<u>\$ 2,343,480</u>	<u>\$ 2,234,750</u>	<u>\$ 16,348,609</u>

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

**CLARENDON COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Net Changes in fund balances - total governmental funds		\$ 2,987,684
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.		
Expenditures for capital assets	\$ 2,821,172	
Less current year depreciation	<u>(2,214,486)</u>	606,686
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.		
Difference between proceeds and book value of assets sold.	<u>(39,232)</u>	(39,232)
Lease and bond proceeds provide current financial resources to government funds, but incurring debt increases long-term liabilities in the statement of net position.		
Bond proceeds	(2,589,000)	
Lease proceeds	(500,000)	
Bond principal payment	1,083,519	
Bond premium	14,976	
Capital lease payment	<u>286,582</u>	(1,703,923)
Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences	(72,689)	
Change in OPEB liability, deferred outflows and inflows	(523,258)	
Change in Pension liability, deferred outflows and inflows	(717,446)	
Change in closure and maintenance costs payable	<u>19,800</u>	(1,293,593)
Some property tax will not be collected for several months after the County's fiscal year-end, they are not considered "available" revenues in the governmental funds.		<u>125,193</u>
Change in net position of governmental activities.		<u><u>\$ 682,815</u></u>

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

CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		Actual Budget Basis (Note 2)	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 17,180,650	\$ 17,180,650	\$ 18,379,731	\$ 1,199,081
Licenses and permits	118,500	118,500	139,109	20,609
Intergovernmental	1,834,740	1,834,740	2,216,439	381,699
Charges for services	1,626,000	1,626,000	1,642,696	16,696
Fines and forfeitures	305,000	305,000	280,784	(24,216)
Interest	8,500	8,500	15,212	6,712
Miscellaneous	550,600	550,600	475,723	(74,877)
Total revenues	<u>21,623,990</u>	<u>21,623,990</u>	<u>23,149,694</u>	<u>1,525,704</u>
EXPENDITURES				
Current:				
General government	5,545,380	5,545,380	5,968,195	(422,815)
Public safety	8,430,520	8,430,520	8,317,733	112,787
Physical environment	3,774,520	3,774,520	3,715,834	58,686
Transportation	218,680	218,680	197,712	20,968
Economic environment	675,140	675,140	646,098	29,042
Culture/Recreation	590,350	590,350	544,125	46,225
Court related	1,664,350	1,664,350	1,580,840	83,510
Agencies	918,050	918,050	918,055	(5)
Total expenditures	<u>21,816,990</u>	<u>21,816,990</u>	<u>21,888,592</u>	<u>(71,602)</u>
Excess of revenues over (under) expenditures	(193,000)	(193,000)	1,261,102	1,454,102
OTHER FINANCING SOURCES (USES)				
Sale of assets	140,000	140,000	73,076	(66,924)
Transfers In/(out)	53,000	53,000	(83,031)	(136,031)
Net other financing sources (uses)	<u>193,000</u>	<u>193,000</u>	<u>(9,955)</u>	<u>(202,955)</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	1,251,147	<u>\$ 1,251,147</u>
Fund balance at beginning of year as restated			<u>4,495,426</u>	
Fund balance at end of year			<u>\$ 5,746,573</u>	

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

CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	BUSINESS-TYPE ACTIVITIES				
	ENTERPRISE FUNDS				
	WATER UTILITY	SEWER UTILITY	TOTAL UTILITY	WELDON AUDITORIUM	TOTAL ENTERPRISE FUNDS
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 14,173	\$ 49,450	\$ 63,623	\$ 15,956	\$ 79,579
Accounts receivable, net of allowance	107,677	19,301	126,978	-	126,978
Due from other governments	126,439	-	126,439	-	126,439
Total current assets	<u>248,289</u>	<u>68,751</u>	<u>317,040</u>	<u>15,956</u>	<u>332,996</u>
Noncurrent Assets					
Restricted cash and cash equivalents	149,286	-	149,286	163,775	313,061
Capital assets:					
Land	114,764	38,771	153,535	-	153,535
Buildings and improvements	13,478	-	13,478	3,438,173	3,451,651
Machinery and equipment	443,233	28,026	471,259	-	471,259
Water and sewer system	8,506,863	313,184	8,820,047	-	8,820,047
Construction in Progress	5,922,302	-	5,922,302	-	5,922,302
Less: Accumulated Depreciation	(1,536,929)	(163,963)	(1,700,892)	(816,566)	(2,517,458)
Total noncurrent assets	<u>13,612,997</u>	<u>216,018</u>	<u>13,829,015</u>	<u>2,785,382</u>	<u>16,614,397</u>
TOTAL ASSETS	<u>13,861,286</u>	<u>284,769</u>	<u>14,146,055</u>	<u>2,801,338</u>	<u>16,947,393</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension deferrals	35,126	3,903	39,029	9,669	48,698
OPEB deferrals	33,862	3,694	37,556	7,593	45,149
Total deferred outflows of resources	<u>68,988</u>	<u>7,597</u>	<u>76,585</u>	<u>17,262</u>	<u>93,847</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	57,219	5,538	62,757	402	63,159
Accrued payroll and withholdings	-	-	-	675	675
Due to other funds	1,350,628	151,519	1,502,147	256,877	1,759,024
Unearned revenue	102,327	794	103,121	-	103,121
Accrued compensated absences	7,306	812	8,118	2,407	10,525
Bond payable	163,784	-	163,784	80,000	243,784
Total current liabilities	<u>1,681,264</u>	<u>158,663</u>	<u>1,839,927</u>	<u>340,361</u>	<u>2,180,288</u>
Noncurrent Liabilities:					
Bond payable	9,091,537	-	9,091,537	2,170,000	11,261,537
Pension liability - Note 11	331,110	36,790	367,900	91,141	459,041
Net OPEB liability - Note 12	282,124	30,777	312,901	63,264	376,165
Total noncurrent liabilities	<u>9,704,771</u>	<u>67,567</u>	<u>9,772,338</u>	<u>2,324,405</u>	<u>12,096,743</u>
TOTAL LIABILITIES	<u>11,386,035</u>	<u>226,230</u>	<u>11,612,265</u>	<u>2,664,766</u>	<u>14,277,031</u>
DEFERRED INFLOWS OF RESOURCES					
Pension deferrals	8,579	953	9,532	2,361	11,893
OPEB deferrals	38,721	4,224	42,945	8,683	51,628
Total deferred inflows of resources	<u>47,300</u>	<u>5,177</u>	<u>52,477</u>	<u>11,044</u>	<u>63,521</u>
NET POSITION					
Net investment in capital assets	3,135,398	119,427	3,254,825	371,607	3,626,432
Restricted:					
Debt service	149,286	-	149,286	163,775	313,061
Unrestricted	(787,745)	(58,468)	(846,213)	(392,592)	(1,238,805)
TOTAL NET POSITION	<u>\$ 2,496,939</u>	<u>\$ 60,959</u>	<u>\$ 2,557,898</u>	<u>\$ 142,790</u>	<u>\$ 2,700,688</u>

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

**CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

**BUSINESS-TYPE ACTIVITIES
ENTERPRISE FUNDS**

	WATER UTILITY	SEWER UTILITY	TOTAL UTILITY	WELDON AUDITORIUM	TOTAL ENTERPRISE FUNDS
OPERATING REVENUES					
Charges for services	\$ 772,387	\$ 174,051	\$ 946,438	\$ 12,825	\$ 959,263
Total operating revenues	<u>772,387</u>	<u>174,051</u>	<u>946,438</u>	<u>12,825</u>	<u>959,263</u>
OPERATING EXPENSES					
Cost of sales & services	186,113	92,750	278,863	-	278,863
Production expense	-	-	-	1,372	1,372
Personnel & benefits	312,301	34,121	346,422	49,806	396,228
Administration	27,668	9,223	36,891	52,092	88,983
Depreciation	<u>259,552</u>	<u>14,558</u>	<u>274,110</u>	<u>85,954</u>	<u>360,064</u>
Total operating expenses	<u>785,634</u>	<u>150,652</u>	<u>936,286</u>	<u>189,224</u>	<u>1,125,510</u>
OPERATING INCOME (LOSS)	<u>(13,247)</u>	<u>23,399</u>	<u>10,152</u>	<u>(176,399)</u>	<u>(166,247)</u>
NON-OPERATING REVENUE (EXPENSES)					
Investment income	3,579	-	3,579	355	3,934
Interest and fiscal charges	<u>(296,330)</u>	<u>-</u>	<u>(296,330)</u>	<u>(67,983)</u>	<u>(364,313)</u>
Total non-operating revenue (expenses)	<u>(292,751)</u>	<u>-</u>	<u>(292,751)</u>	<u>(67,628)</u>	<u>(360,379)</u>
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(305,998)</u>	<u>23,399</u>	<u>(282,599)</u>	<u>(244,027)</u>	<u>(526,626)</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital contributions	821,795	-	821,795	-	821,795
Transfers	<u>307,500</u>	<u>(327,500)</u>	<u>(20,000)</u>	<u>260,759</u>	<u>240,759</u>
Net other financing sources (uses)	<u>1,129,295</u>	<u>(327,500)</u>	<u>801,795</u>	<u>260,759</u>	<u>1,062,554</u>
CHANGE IN NET POSITION	823,297	(304,101)	519,196	16,732	535,928
Net position at beginning of year	<u>1,673,642</u>	<u>365,060</u>	<u>2,038,702</u>	<u>126,058</u>	<u>2,164,760</u>
NET POSITION AT END OF YEAR	<u>\$ 2,496,939</u>	<u>\$ 60,959</u>	<u>\$ 2,557,898</u>	<u>\$ 142,790</u>	<u>\$ 2,700,688</u>

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

**CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	WATER & SEWER UTILITY	WELDON AUDITORIUM	TOTAL ENTERPRISE FUNDS
Cash Flows From Operating Activities:			
Cash received from customers	\$ 827,979	\$ 12,825	\$ 840,804
Cash paid to suppliers for goods and services	(678,507)	(56,046)	(734,553)
Cash paid to employees for services	(253,853)	(61,005)	(314,858)
Internal activity-payments to other funds	175,428	(39,669)	135,759
Net Cash Provided (Used) By Operating Activities	<u>71,047</u>	<u>(143,895)</u>	<u>(72,848)</u>
Cash Flows from Noncapital Financing Activities			
Transfers	(20,000)	260,759	240,759
Cash Flows From Capital and Related Financing Activities:			
Bond proceeds	4,749,000	-	4,749,000
Principal payments	(3,570,137)	-	(3,570,137)
Interest paid on debt	(296,330)	(67,983)	(364,313)
Capital contributions	821,795	-	821,795
Purchase of capital assets	(1,928,215)	-	(1,928,215)
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(223,887)</u>	<u>(67,983)</u>	<u>(291,870)</u>
Cash Flow From Investing Activities:			
Interest income	3,579	355	3,934
Net Cash Provided (Used) By Investing Activities	<u>3,579</u>	<u>355</u>	<u>3,934</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(169,261)	49,236	(120,025)
Cash and Cash Equivalents at Beginning of Year	382,170	130,495	512,665
Cash and Cash Equivalents at End of Year	<u>\$ 212,909</u>	<u>\$ 179,731</u>	<u>\$ 392,640</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by operating Activities			
Operating income (loss)	\$ 10,152	\$ (176,399)	\$ (166,247)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation expense	274,110	85,954	360,064
Adjustments for retirement and OPEB expense	87,964	(11,598)	76,366
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(140,376)	-	(140,376)
Increase (decrease) in accounts payable	(362,753)	(2,582)	(365,335)
Increase (decrease) in due to other funds	175,428	(39,669)	135,759
Increase (decrease) in accrued compensated absences	4,605	399	5,004
Increase (decrease) in deferred revenue	21,917	-	21,917
Net Cash Provided by (Used for) Operating Activities	<u>\$ 71,047</u>	<u>\$ (143,895)</u>	<u>\$ (72,848)</u>

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

**CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2020**

ASSETS

Cash and investments	\$ 5,735,266
Delinquent taxes receivable	1,623,560
Due from other funds	148,293
Due from other magistrates	122
Total Assets	<u>\$ 7,507,241</u>

LIABILITIES

Due to trust fund holders	\$ 7,407,236
Due to Treasurer - cash overage (shortage)	48,879
Due to other funds	47,759
Due to other	3,245
Due to other magistrates	122
Total Liabilities	<u>\$ 7,507,241</u>

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Clarendon County, South Carolina (the “County”) is a political subdivision of the State. Incorporated in 1855, the County encompasses 599 square miles of land with an estimated population of 34,652. The County is governed by an elected five member council.

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

A. Reporting Entity

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

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

Blended Component Unit:

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

Discretely Presented Component Units:

Harvin Clarendon County Library

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity (continued)

Discretely Presented Component Units: (continued)

Business Development Corporation of Clarendon County (BDC)

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

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

B. Measurement Focus and Basis of Accounting

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

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

1. Government-wide Financial Statements

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting (continued)

1. Government-wide Financial Statements (continued)

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

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

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

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

2. Fund Financial Statements

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting (continued)

2. Fund Financial Statements (continued)

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

Governmental Funds

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting (continued)

Governmental Funds (continued)

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

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

C. Description of Funds

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

1. Governmental Major Funds:

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Description of Funds (continued)

1. Governmental Major Funds: (continued)

Other Governmental Funds

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

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

2. Other Fund Types:

Proprietary Funds

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

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

D. Assets, Liabilities, and Net Position or Equity

1. Cash and Cash Equivalents

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

For purposes of the cash flow statement, cash and cash equivalents include restricted cash, as follows:

	Water and Sewer	Weldon	Total
Cash and cash equivalents	\$ 63,623	\$ 15,956	\$ 79,579
Restricted cash and cash equivalents	<u>149,286</u>	<u>163,775</u>	<u>313,061</u>
Total cash – Statement of Cash Flows	<u>\$212,909</u>	<u>\$ 179,731</u>	<u>\$ 392,640</u>

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.”

3. Inventory

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

4. Capital Assets

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

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

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

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

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

5. Deferred Outflows/Inflows of Resources

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

5. Deferred Outflows/Inflows of Resources (continued)

In addition to liabilities, the Statement of Net Position and/or the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of resources that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

6. Tax Abatements

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

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

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

7. Accrued Compensated Absences

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

8. Landfill Closure Costs

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

9. Nature and Purpose of Restrictions of Fund Equity

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

10. Net Position

Net position represents the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources. Net position in government-wide and proprietary fund financial statements is classified as net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute. The government-wide statement of net position reports \$6,606,185 of restricted net position for governmental activities which \$1,865,760 is restricted by enabling legislation. The County will use restricted amounts first when both restricted and unrestricted fund balances are available. Additionally, the County would use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

11. Pensions

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

11. Pensions (continued)

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

12. Other Postemployment Benefits (OPEB)

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

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

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

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

Budgets and Budgetary Accounting (continued)

5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Revenue Funds (Accommodation Tax Fund and the Fire Department).
6. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP) except for encumbrances. Budgetary comparisons presented for the General Fund in this report are on this non-GAAP budgetary basis.
7. Budgeted amounts are as originally adopted, or as amended by the County Council as close to June 30 as possible. Individual amendments were not material in relation to the original appropriations which were adopted.

Budgetary Basis Of Accounting

The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual presents a comparison of the County's legally adopted budget of the General Fund with actual data on the budgetary basis of accounting. Budgetary accounting principles, however, differ from generally accepted accounting principles (GAAP). These different accounting principles result in the following differences in the excess (deficiency) of revenues and other financing sources (uses) over expenditures at June 30, 2020:

	<u>General Fund</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - budgetary basis	\$ 1,251,147
Timing differences:	
Net change in encumbrances	<u>63,896</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - GAAP basis	<u>\$ 1,315,043</u>

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

Actual expenditures exceeded those budgeted by \$71,602 because grant expenditures are not budgeted (as grant revenues are not budgeted).

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

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS

Primary Government

At June 30, 2020, the carrying amount of the County's deposits and investments was \$16,484,618 and the bank balances and investment pool balances were \$18,575,808. To reconcile this information to the financial statements, we include the following:

Cash and investments	\$ 16,484,618
Cash on hand	<u>2,480</u>
 Total cash	 <u>\$ 16,487,098</u>
 Proprietary fund	 \$ 392,640
Fiduciary funds	5,735,266
Governmental funds	<u>10,359,192</u>
 Total all funds	 <u>\$ 16,487,098</u>

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of June 2020, none of the County's bank balance of \$13,523,875 was exposed to custodial credit risk.

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

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

	<u>Maturities</u>	<u>Fair Value</u>
State investment pool	18 months to 2 years	\$ 2,181,842
Treasury money market	33 day weighted average	<u>2,870,091</u>
		<u>\$ 5,051,933</u>

The local government investment pool is a 2a7-like pool which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The South Carolina State Treasurer oversees the pool. The fair value of the position in the pool is the same as the value of the pool shares. The Pool is included as an investment trust fund in the State of South Carolina Comprehensive Annual Financial Report. At June 30, 2020, the underlying security ratings of the County's investment in the Local

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

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

Credit Risk: (continued)

Government Investment Pool (LGIP) is classified in risk category “A” and may be obtained from the LGIP’s complete financial statements by writing to the following address:

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

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

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

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

Discretely Presented Component Units

Harvin Clarendon County Library

As of June 30, 2020, the carrying amount of the Library’s deposits totaled \$140,662 (including \$50 of cash on hand) and the bank balance totaled \$157,243. The bank balance was fully covered by the Federal Depository Insurance Corporation (FDIC).

Business Development Corporation of Clarendon County (BDC)

As of June 30, 2020, the book balance of the BDC’s deposits totaled \$1,499,621. The bank balance of \$1,236,164 and an additional \$263,457 in a certificate of deposit were covered by the Federal Depository Insurance Corporation (FDIC) or collateralized by securities pledged by the bank in the Corporation’s name.

NOTE 4 – PROPERTY TAXES

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

In Clarendon County, taxes are collected for county and school purposes as a single tax bill which must be paid in full by the individual taxpayer. Taxes are collected on a calendar year basis. Real and personal taxes in the County are

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

NOTE 4 – PROPERTY TAXES (continued)

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

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

NOTE 5 – NOTES RECEIVABLE AND LEASE AGREEMENTS

The County has a receivable due from the Business Development Corporation in the amount of \$250,000. This represents the amount owed to the Central SC Alliance for a loan granted to the County for the construction of a Speculative Building in the Industrial Park. A liability is also shown by the County in this amount. The maturity date of this loan is June 30, 2021.

Discretely Presented Component Units

Business Development Corporation of Clarendon County (BDC)

The BDC had a note receivable from a local industry dated January 14, 2013. Loan amount is \$150,000 with no interest. Upon satisfying a minimum investment threshold of \$3,500,000, credit to be given at the rate of \$2,500 for each full-time or full-time equivalent job created by borrower, measured as of December 31, 2018. The Board has approved extending the maturity date until January 8, 2021. Any principal unpaid after said date will be due in full. As of the extension date of January 8, 2019, the company had satisfied the minimum investment threshold and created 37 full-time equivalent jobs; therefore, the note receivable was reduced to \$57,500.

The Corporation has a note receivable from a local industry dated September 3, 2014. Loan amount is \$50,000 with no interest. Credit will be given at the rate of \$4,166 for each full time employee hired above the current 33 employees. The entire outstanding principal balance of this note shall be due and payable in full on the maturity date which was extended to September 3, 2021.

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

NOTE 5 – NOTES RECEIVABLE AND LEASE AGREEMENTS (continued)

Discretely Presented Component Units (continued)

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

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

Meritor Heavy Vehicle Systems, LLC

The BDC leases a building to Meritor Heavy Vehicle Systems, LLC for \$12,162.50 per month. The BDC entered into a new five year lease agreement commencing on March 1, 2014, with two one year options to renew. Meritor also makes an annual payment in December to reimburse the BDC for the property taxes on the property. These payments are used by the BDC to pay the note payable on the property and the property taxes. This lease is classified as an operating lease. The cost of the building is \$1,800,000 and the accumulated depreciation is \$1,175,000. The future minimum lease payments are as follows:

June 30,

2021	\$ <u>85,138</u>
Total minimum lease payments	<u>\$ 85,138</u>

Select Laboratories-SC, LLC

The BDC leases a building to Select Laboratories-SC, LLC for \$3,711.19 per month. These payments are used by the BDC to pay the notes payable on the property. The original amount of the lease receivable was \$509,000. After the initial lease term signed on May 10, 2010 expired, and every five years thereafter, the amount of rent will be renegotiated based on the recalculation of interest on the note and mortgage entered into between the corporation and the bank. At the end of the lease, the building transfers to Select Laboratories-SC, LLC. This lease is classified as a direct financing lease. The future minimum lease payments are as follows:

June 30,

2021	\$ 44,534
2022	44,534
2023	44,534
2024	<u>235,695</u>
Total minimum lease payments	369,297
Less amount representing interest	<u>(60,246)</u>
Present value of minimum lease payment	<u>\$ 309,051</u>
Current \$26,903 Long-term \$282,148	

Agricultural Leases

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

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

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Construction Completed</u>	<u>Additions</u>	<u>Retire- ments</u>	<u>Ending Balance</u>
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 2,936,014	\$ -	\$ -	\$ -	\$ 2,936,014
Construction in progress	<u>670,628</u>	<u>(344,529)</u>	<u>713,100</u>	<u>-</u>	<u>1,039,199</u>
Total capital assets not being depreciated	<u>3,606,642</u>	<u>(344,529)</u>	<u>713,100</u>	<u>-</u>	<u>3,975,213</u>
Capital assets being depreciated:					
Buildings and improvements	31,767,487	344,304	1,183,847	-	33,295,638
Infrastructure	10,170,576	225	243,536	-	10,414,337
Equipment	<u>16,003,763</u>	<u>-</u>	<u>1,131,570</u>	<u>269,888</u>	<u>16,865,445</u>
Total capital assets being depreciated	<u>57,941,826</u>	<u>344,529</u>	<u>2,558,953</u>	<u>269,888</u>	<u>60,575,420</u>
Less accumulated depreciation for:					
Buildings and improvements	7,798,017	-	760,902	-	8,558,919
Infrastructure	5,426,516	-	455,596	-	5,882,112
Equipment	<u>11,407,952</u>	<u>-</u>	<u>997,988</u>	<u>230,657</u>	<u>12,175,283</u>
Total accumulated depreciation	<u>24,632,485</u>	<u>-</u>	<u>2,214,486</u>	<u>230,657</u>	<u>26,616,314</u>
Total capital assets being depreciated, net	<u>33,309,341</u>	<u>344,529</u>	<u>344,467</u>	<u>39,231</u>	<u>33,959,106</u>
Governmental activities capital assets, net	<u>\$ 36,915,983</u>	<u>\$ -</u>	<u>\$ 1,057,567</u>	<u>\$ 39,231</u>	<u>\$ 37,934,319</u>

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

Governmental activities:	
General Government	\$ 1,072,795
Public Safety	932,820
Cultural/Recreation	88,035
Physical Environment	68,239
Transportation	34,429
Economic Environment	11,302
Court Related	<u>6,866</u>
Total depreciation expense-governmental activities	<u>\$ 2,214,486</u>

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

NOTE 6 – CAPITAL ASSETS (continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Ending Balance</u>
Business-Type Activities			
Water and Sewer			
Capital assets not being depreciated:			
Land	\$ 153,535	\$ -	\$ 153,535
Construction in Progress	<u>4,049,646</u>	<u>1,872,656</u>	<u>5,922,302</u>
Total capital assets not being depreciated	<u>4,203,181</u>	<u>1,872,656</u>	<u>6,075,837</u>
Capital assets being depreciated:			
Buildings and improvements	1,978	11,500	13,478
Water system	8,820,047	-	8,820,047
Equipment	<u>427,201</u>	<u>44,058</u>	<u>471,259</u>
Total capital assets being depreciated	<u>9,249,226</u>	<u>55,558</u>	<u>9,304,784</u>
Less accumulated depreciation for:			
Buildings and improvements	1,979	48	2,027
Water system	1,196,025	235,473	1,431,498
Equipment	<u>228,778</u>	<u>38,589</u>	<u>267,367</u>
Total accumulated depreciation	<u>1,426,782</u>	<u>274,110</u>	<u>1,700,892</u>
Total capital assets being depreciated, net	<u>7,822,444</u>	<u>(218,552)</u>	<u>7,603,892</u>
Business-Type activities capital assets, net	<u>\$ 12,025,625</u>	<u>\$ 1,654,104</u>	<u>\$ 13,679,729</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Ending Balance</u>
Weldon Auditorium			
Capital assets being depreciated:			
Buildings and improvements	\$ 3,438,171	\$ -	\$ 3,438,171
Total capital assets being depreciated	<u>3,438,171</u>	<u>-</u>	<u>3,438,171</u>
Less accumulated depreciation for:			
Buildings and improvements	<u>730,610</u>	<u>85,954</u>	<u>816,564</u>
Total accumulated depreciation	<u>730,610</u>	<u>85,954</u>	<u>816,564</u>
Total capital assets being depreciated, net	<u>2,707,561</u>	<u>(85,954)</u>	<u>2,621,607</u>
Business-Type activities capital assets, net	<u>\$ 2,707,561</u>	<u>\$ (85,954)</u>	<u>\$ 2,621,607</u>
Grand Total	<u>\$ 14,733,186</u>	<u>\$ 1,568,150</u>	<u>\$ 16,301,336</u>

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

NOTE 6 – CAPITAL ASSETS (continued)

Component Units

Harvin Clarendon County Library

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 24,000	\$ -	\$ -	\$ 24,000
Capital assets being depreciated:				
Building	451,067	-	-	451,067
Equipment	398,878	2,500	-	401,378
Books	<u>180,824</u>	<u>-</u>	<u>23,075</u>	<u>157,749</u>
Total Capital Assets being depreciated	<u>1,030,769</u>	<u>2,500</u>	<u>23,075</u>	<u>1,010,194</u>
Less accumulated depreciation for:				
Building	351,282	11,882	-	363,164
Equipment	396,006	1,127	-	397,133
Books	<u>180,824</u>	<u>-</u>	<u>(23,075)</u>	<u>157,749</u>
Total accumulated depreciated	<u>928,112</u>	<u>13,009</u>	<u>(23,075)</u>	<u>918,046</u>
Total Capital Assets, being depreciated, net	<u>102,657</u>	<u>(10,509)</u>	<u>-</u>	<u>92,148</u>
Total Capital Assets, net	<u>\$ 126,657</u>	<u>\$ (10,509)</u>	<u>\$ -</u>	<u>\$ 116,148</u>

Depreciation expense for the year ended June 30, 2020, was \$13,009.

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

NOTE 6 – CAPITAL ASSETS (continued)

Component Units

Business Development Corporation of Clarendon County (BDC)

Capital asset activity for the year ended June 30, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reclassi- fications</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land restricted for I-95 Megasite	\$ 961,855	\$ -	\$ -	\$ 961,855
Land	2,515,448	210,123	(365,115)	2,725,571
Construction WIP	407,751	17,249	-	59,885
Easement	<u>3,291</u>	<u>-</u>	<u>-</u>	<u>3,291</u>
 Total capital assets not being depreciated	 <u>3,888,345</u>	 <u>227,372</u>	 <u>(365,115)</u>	 <u>3,750,602</u>
 Capital assets being depreciated:				
Buildings and improvements	3,933,768	-	-	3,933,768
Infrastructure	<u>254,911</u>	<u>-</u>	<u>365,000</u>	<u>620,026</u>
 Total capital assets being depreciated	 <u>4,188,679</u>	 <u>-</u>	 <u>365,000</u>	 <u>4,553,794</u>
 Less accumulated depreciation for:				
Buildings and improvements	1,501,719	131,125	-	1,632,844
Infrastructure	<u>102,672</u>	<u>17,625</u>	<u>-</u>	<u>120,297</u>
 Total accumulated depreciation	 <u>1,604,391</u>	 <u>148,750</u>	 <u>-</u>	 <u>1,753,141</u>
 Total capital assets being depreciated, net	 <u>2,584,288</u>	 <u>(148,750)</u>	 <u>-</u>	 <u>2,800,653</u>
 Total capital assets, net	 <u>\$6,472,633</u>	 <u>\$ 78,622</u>	 <u>\$ -</u>	 <u>\$6,551,255</u>

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

Building and Improvements 30 years

Depreciation expense for the year ended June 30, 2020, was \$148,750.

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

NOTE 7 – INTERFUND BALANCES

Individual fund interfund receivable and payable balances at June 30, 2020, were as follows:

	Interfund Receivables	Interfund Payables
Governmental Funds		
General Fund	\$ 188,540	\$ 312,457
Fire Department	244,880	1,540
Special Revenue Funds:		
Special Purpose Districts	1,746	-
Debt Service Funds:		
General Obligations	58,150	187,000
Fire Obligations	7,681	-
Governmental Funds	<u>500,997</u>	<u>500,997</u>
Enterprise Funds		
General Fund	630,541	-
Capital Projects Fund	1,128,483	-
Weldon Auditorium	-	256,877
Water & Sewer Fund	-	1,502,147
Enterprise Funds	<u>1,759,024</u>	<u>1,759,024</u>
Fiduciary Funds		
General Fund	47,759	148,293
Fiduciary Fund Types:		
Probate	-	5,177
Magistrates		
General & Civil	-	17,102
Clerk of Court	-	25,480
School Districts Debt Service	116,079	-
School Districts Operating	32,214	-
Fiduciary Funds	<u>196,052</u>	<u>196,052</u>
	<u>\$ 2,456,073</u>	<u>\$ 2,456,073</u>

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

<u>Operating Transfers</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 156,795	\$ 239,826
Capital Projects	450,000	-
Fire Operating Fund	10,000	450,000
General Debt Service	143,995	-
Water & Sewer	-	20,000
Weldon Auditorium	260,759	-
Non Major Funds	58,831	238,759
Fiduciary Funds	-	131,795
	<u>\$ 1,080,380</u>	<u>\$ 1,080,380</u>

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

NOTE 8 – SHORT-TERM OBLIGATIONS

During the year ended June 30, 2020, the following transactions occurred in short-term liabilities:

	<u>Balance at June 30, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2020</u>
Governmental Activities				
GBAN – Series 2018B	\$ 535,000	-	\$ 535,000	-
GBAN – Series 2020B	-	\$ 128,800	-	\$ 128,800
Enterprise Fund				
BAN – Series 2018	\$ 3,458,504	\$ -	\$ 3,458,504	\$ -

In March 2020, the County issued a General Bond Anticipation Note (Series 2020B) for \$850,000 to be used for facility renovations associated with business development project located within the City of Manning.

NOTE 9 – LONG-TERM DEBT

A. Primary Government

Governmental Activities

General Obligation Bonds

\$720,000 Bond issued September 6, 2013, (Series 2013B) to fund acquisition of self contained breathing apparatus for the Fire service. Due in equal annual installments of \$62,518 (principal and interest) beginning September 6, 2014 and ending September 1, 2028. Interest accrues at a rate of 3.50%. \$ 475,561

\$3,500,000 Bond issued April 10, 2014, (Series 2014B) to fund construction of new office building for Dept. of Social Services, State Probation and Parole and County Coroner office. Due in annual installments beginning March 1, 2017, of \$105,000 and ending March 1, 2039, of \$220,000. Interest accrues at a blended rate of 3.61% and is payable semi-annually on March 1 and September 1 each year to maturity. 3,060,000

\$500,000 Bond issued October 13, 2015, (Series 2015B) to fund acquisition of fire engine. Due in annual principal and interest installments beginning October 1, 2016, of \$42,645 and ending October 13, 2030. Interest accrues at a rate of 3.25%. 389,161

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

NOTE 9 – LONG-TERM DEBT (continued)

A. Primary Government (continued)

Governmental Activities (continued)

General Obligation Bonds (continued)

\$750,000 Bond issued May 17, 2017, (Series 2017B) to fund renovations to office building for Dept. of Social Services, State Probation and Parole and County Coroner office. Due in annual installments beginning September 1, 2017, of \$36,998 and ending March 1, 2027, of \$41,601. Interest accrues at a rate of 2.35% and is payable semi-annually on March 1 and September 1 each year to maturity. 540,432

\$289,000 Bond issued February 12, 2019, (Series 2019A) to fund semi-annual installment lease purchase obligation on Courthouse Project. Due in annual installments beginning March 1, 2020, of \$90,518 and ending March 1, 2021, of \$198,482. Interest accrues at a rate of 3.45% and is payable semi-annually on March 1 and September 1 each year to maturity. 198,482

\$1,800,000 Bond issued August 19, 2019, (Series 2019B) to fund various capital improvement projects. Due in annual installments beginning March 1, 2021, of \$185,052 and ending March 1, 2029, of \$215,630. Interest accrues at a rate of 1.93% and is payable semi-annually on March 1 and September 1 each year to maturity. 1,800,000

\$500,000 Bond issued December 20, 2019, (Series 2019C) to acquire and equip new ambulance as well as facility improvements to fire station. Due in annual installments beginning March 1, 2021, of \$95,830 and ending March 1, 2025, of \$104,259. Interest accrues at a rate of 2.13% and is payable semi-annually on March 1 and September 1 each year to maturity. 500,000

\$289,000 Bond issued February 12, 2020, (Series 2020A) to fund semi-annual installment lease purchase obligation on Courthouse Project. Due in annual installments beginning March 1, 2021, of \$272,598 and ending March 1, 2022, of \$16,402. Interest accrues at a rate of 2.67% and is payable semi-annually on March 1 and September 1 each year to maturity. 289,000

Total General Obligations Bonds Payable \$ 7,252,636

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

NOTE 9 – LONG-TERM DEBT (continued)

B. Primary Government (continued)

Governmental Activities (continued)

General Obligation Bonds (continued)

The annual debt service payments for General Obligation bonds outstanding at June 30, 2020, are as follows:

General Obligation Bonds

June 30,	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,019,732	\$ 215,256
2022	574,947	187,209
2023	573,679	173,036
2024	589,058	158,906
2025	599,691	144,374
2026 – 2030	2,144,239	515,261
2031 – 2035	916,290	276,142
2036 – 2039	<u>835,000</u>	<u>85,200</u>
	<u>\$ 7,252,636</u>	<u>\$1,755,384</u>

Blended Component Unit – Clarendon Facilities Corporation

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

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

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

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

NOTE 9 – LONG-TERM DEBT (continued)

A. Primary Government (continued)

Governmental Activities (continued)

Blended Component Unit – Clarendon Facilities Corporation (continued)

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

June 30, 2020 \$ 11,340,000

The annual debt service payments for Clarendon Facilities Corporation Installment Purchase Revenue bonds outstanding at June 30, 2020, are as follows:

Revenue Bonds

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 365,000	\$ 382,090
2022	375,000	374,640
2023	380,000	366,578
2024	390,000	357,575
2025	395,000	347,893
2026 – 2030	2,180,000	1,547,177
2031 – 2035	2,425,000	1,115,309
2036 – 2040	2,850,000	645,277
2041 – 2043	<u>1,980,000</u>	<u>113,245</u>
	<u>\$ 11,340,000</u>	<u>\$ 5,249,784</u>

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

NOTE 9 – LONG-TERM DEBT (continued)

A. Primary Government (continued)

Governmental Activities (continued)

Capital Leases

<p>\$126,501 – Lease/purchase agreement to finance the purchase of one knuckleboom truck. Due in annual payments of \$20,260, including interest, due on March 1 of each year. First payment due March 1, 2015, and ending payment due March 1, 2021. The truck’s gross cost is \$126,501 and the accumulated depreciation is \$54,817.</p>	<p>\$ 19,450</p>
<p>\$190,271 – Lease/purchase agreement to finance the purchase of several motor vehicles. Due in monthly payments of \$3,323, including interest. First payment due January 1, 2017, and ending payment due December 1, 2021. The vehicles’ gross cost is \$98,628 and the accumulated depreciation is \$55,889.</p>	<p>58,927</p>
<p>\$250,000 – Lease/purchase agreement to finance the purchase of several motor vehicles. Due in monthly payments of \$4,432, including interest. First payment due January 1, 2018, and ending payment due December 1, 2022. The vehicles’ gross cost is \$219,528 and the accumulated depreciation is \$87,411.</p>	<p>129,291</p>
<p>\$250,000 – Lease/purchase agreement to finance the purchase of several motor vehicles. Due in monthly payments of \$4,587, including interest. First payment due January 1, 2019, and ending payment due December 1, 2023. The vehicles’ gross cost is \$263,223 and the accumulated depreciation is \$31,734.</p>	<p>181,437</p>
<p>\$500,000 – Lease/purchase agreement to finance the purchase of several motor vehicles. Due in monthly payments from \$8,000, plus interest to \$9,000, plus interest. First payment due January 1, 2020, and ending payment due December 1, 2024. The vehicles’ gross cost is \$586,813 and the accumulated depreciation is \$30,740.</p>	<p>457,000</p>
<p>\$450,881 – Lease/purchase agreement to finance the purchase of energy efficient lighting fixtures/systems for several facilities. Due in monthly payments from \$7,515, no interest. First payment due October 14 2020, and ending payment due September 4, 2024. The vehicles’ gross cost is \$450,881 and the accumulated depreciation is \$5,636.</p>	<p><u>383,251</u></p>
<p style="text-align: right;">Total Capital Leases</p>	<p><u>\$ 1,229,356</u></p>

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

NOTE 9 – LONG-TERM DEBT (continued)

A. Primary Government (continued)

Governmental Activities (continued)

Capital Leases (continued)

Future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 2020:

Year Ending June 30,	
2021	\$ 365,064
2022	326,860
2023	279,248
2024	225,531
2025	<u>76,445</u>
Total Minimum Lease Payment	1,273,148
Less Amount Representing Interest	<u>43,792</u>
Present Value of Net Minimum Lease Payment	<u><u>\$1,229,356</u></u>

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

NOTE 9 – LONG-TERM DEBT (continued)

B. Business Type Activities

Enterprise Revenue Bond – Weldon Auditorium

On March 14, 2019, the County issued a \$2,250,000 Enterprise Charge Limited Obligation Refunding Revenue Bond. The net proceeds (plus available sinking fund monies) were used to refund \$2.8 million balance of the \$3,250,000 Enterprise Charge Limited Obligation Bond issued May 13, 2010, originally used to finance a capital project. These securities were deposited in an irrevocable trust with an escrow agent to provide all future debt service payments. Due in annual installments beginning July 1, 2020, of \$80,000 and ending July 1, 2039, of \$155,000. Interest accrues at 3.79% and is payable semi-annually on January 1 and July 1 each year until maturity. Revenue from County's Hospitality charge has been dedicated for required debt service.

\$ 2,250,000

The annual debt service payments for Weldon Auditorium Enterprise Charge Limited Obligation bonds outstanding at June 30, 2020, are as follows:

Revenue Bonds		
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 80,000	\$ 83,759
2022	80,000	80,727
2023	85,000	77,600
2024	85,000	74,379
2025	90,000	71,063
2026 – 2030	505,000	300,452
2031 – 2035	600,000	196,132
2036 - 2040	<u>725,000</u>	<u>70,588</u>
	<u>\$ 2,250,000</u>	<u>\$ 954,700</u>

Enterprise Revenue Bonds – Water & Sewer

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

\$ 2,279,154

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

906,813

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

NOTE 9 – LONG-TERM DEBT (continued)

B. Business Type Activities (continued)

Enterprise Revenue Bonds – Water & Sewer (continued)

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

1,104,090

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

240,677

\$2,501,000 Bond issued February 14, 2020, (Series 2020A) to fund water system expansion. Due in equal monthly installments thereafter beginning March 14, 2020, of \$7,929 and ending February 14, 2060. Interest accrues at a rate of 2.25%.

2,488,143

\$2,248,000 Bond issued February 14, 2020, (Series 2020B) to fund water system expansion. Due in equal monthly installments thereafter beginning March 14, 2020, of \$7,127 and ending February 14, 2060. Interest accrues at a rate of 2.25%.

2,236,444

Balance at June 30, 2020 \$ 9,255,321

The annual debt service payments for Water and Sewer Enterprise Revenue bonds outstanding at June 30, 2020, are as follows:

Revenue Bonds	<u>Principal</u>	<u>Interest</u>
<u>June 30,</u>		
2021	\$ 163,784	\$ 218,500
2022	167,754	214,530
2023	171,818	210,466
2024	175,986	206,298
2025	180,256	202,028
2026 – 2030	969,106	942,314
2031 – 2035	1,092,832	818,588
2036 – 2040	1,232,652	678,768
2041 – 2045	1,390,701	520,719
2046 – 2050	1,569,381	342,039
2051 – 2055	1,274,335	160,755
2056 - 2060	<u>866,716</u>	<u>44,675</u>
	<u><u>\$ 9,255,321</u></u>	<u><u>\$ 4,559,680</u></u>

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

NOTE 9 – LONG-TERM DEBT (continued)

C. Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
General Obligation Bonds					
- Series 2013B	\$ 519,884	\$ -	\$ 44,323	\$ 475,561	\$ 45,873
- Series 2014B	3,175,000	-	115,000	3,060,000	120,000
- Series 2015B	418,214	-	29,053	389,161	29,997
- Series 2017A	126,249	-	126,249	-	-
- Series 2017B	610,671	-	70,239	540,432	71,900
- Series 2018A	253,137	-	253,137	-	-
- Series 2019A	289,000	-	90,518	198,482	198,482
- Series 2019B	-	1,800,000	-	1,800,000	185,052
- Series 2019C	-	500,000	-	500,000	95,830
- Series 2020A	-	289,000	-	289,000	272,598
Revenue Bonds					
- IPRB (Admin) Refunding	4,785,000	-	345,000	4,440,000	355,000
- IPRB (Courthouse)	6,910,000	-	10,000	6,900,000	10,000
Total Bonds	<u>17,087,155</u>	<u>2,589,000</u>	<u>1,083,519</u>	<u>18,592,636</u>	<u>1,384,732</u>
Other Liabilities					
Compensated Absences	531,438	72,689	-	604,127	437,563
Closure & Maintenance	487,700	-	19,800	467,900	26,800
Capital Leases	565,057	950,881	286,582	1,229,356	345,260
Net Pension Liability	19,771,597	333,553	-	20,105,150	-
OPEB Payable	14,792,488	1,929,741	-	16,722,229	-
Total Other Liabilities	<u>36,148,280</u>	<u>3,286,864</u>	<u>306,382</u>	<u>39,128,762</u>	<u>809,623</u>
Governmental Activities Long Term Liabilities	<u>53,235,435</u>	<u>5,875,864</u>	<u>1,389,901</u>	<u>57,721,398</u>	<u>2,194,355</u>
Business Type Activities					
Revenue Bonds					
Weldon Refunding 2019	2,250,000	-	-	2,250,000	80,000
Water Expansion (2012A)	2,323,300	-	44,146	2,279,154	45,378
Water Expansion (2012B)	924,376	-	17,563	906,813	18,053
Water Expansion (2016A)	1,125,037	-	20,947	1,104,090	21,346
Water Expansion (2016B)	245,241	-	4,564	240,677	4,651
Water Expansion (2020A)	-	2,501,000	12,857	2,488,143	39,159
Water Expansion (2020B)	-	2,248,000	11,556	2,236,444	35,197
Total Bonds	<u>6,867,954</u>	<u>4,749,000</u>	<u>111,633</u>	<u>11,505,321</u>	<u>243,784</u>
Other Liabilities					
Compensated Absences	5,521	5,004	-	10,525	10,525
Net Pension Liability	460,692	-	1,651	459,041	-
OPEB Payable	283,427	92,738	-	376,165	-
Total Other Liabilities	<u>749,640</u>	<u>97,742</u>	<u>1,651</u>	<u>845,731</u>	<u>10,525</u>
Business Type Activities Long Term Liabilities	<u>7,617,594</u>	<u>4,846,742</u>	<u>113,284</u>	<u>12,351,052</u>	<u>254,309</u>
Total Combined	<u>\$ 60,853,029</u>	<u>\$ 10,722,606</u>	<u>\$ 1,503,185</u>	<u>\$ 70,072,450</u>	<u>\$ 2,448,664</u>

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

NOTE 9 – LONG-TERM DEBT (continued)

D. Discretely Presented Component Units

Business Development Corporation of Clarendon County (BDC)

Note payable to bank with monthly payments of \$3,711.19, including interest at 5.95% due June 10, 2024. \$ 308,865

Note payable to Santee Electric Co-operative Inc., with interest at 2%. Payments, interest only for the first two years, in the amount of \$3,600 annually. The loan was extended on November 1, 2019. One half of the principal and interest (\$93,600) is due December 1, 2020. The balance of \$91,800 is due on or before December 1, 2021. If Spec Building #7 is sold during the period, the debt shall be satisfied with proceeds from the sale. 180,000

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

Note payable to Clarendon County with 0% interest (Central SC Alliance) due upon the sale, lease or donation of Spec Building #7 or June 30, 2021, whichever is earlier. Note recorded at face value excluding imputed interest as the initial term is indefinite. 250,000

Subtotal of notes payable 988,865

Less current portion (366,903)

Notes payable – noncurrent portion \$ 621,962

The maturities of long-term debt is as follows:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 366,903	\$ 21,232
2022	118,548	17,787
2023	30,293	14,241
2024	223,121	12,388
Thereafter	<u>250,000</u>	<u>-</u>
	<u>\$ 988,865</u>	<u>\$ 65,648</u>

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

NOTE 10 – OPERATING LEASES

The County entered into an operating lease for its judicial building. The thirty (30) year lease term began October 1, 2004, and was to end September 30, 2034. In September, 2020 said lease was amended to terminate September 30, 2035. There is a renewal option for an additional ten years with a thirty-day notice. The rental amount is \$6,400 per month for a term of ten years. The remaining rental amount is \$4,100 plus the percentage of increase or decrease in the Consumer Price Index of all urban consumers for the next five years. The lease does contain cancellation provisions and is subject to annual appropriations. The lease expense for 2019-20 is \$66,253.

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

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

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

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

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

The County entered into an operating lease for a 650K John Deere Dozer. The 60-month lease term began September 19, 2019, and ends August 15, 2024. Monthly lease payments are \$2,119.

The County entered into an operating lease for a 670G John Deere motor grader. The 60-month lease term began November 19, 2019, and ends October 15, 2024. Monthly lease payments are \$1,871.

The future annual rental payments are as follows:

2021	\$ 182,441
2022	152,880
2023	131,126
2024	124,685
2025	88,523
2026 - 2030	384,000
2031 - 2035	252,900
2036	<u>12,300</u>
	<u>\$ 1,328,855</u>

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

NOTE 11 – PROVISION FOR CLOSURE COSTS

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

While Clarendon County's original landfill was closed and capped in 2002 to municipal waste, the construction demolition and land clearing debris (C&D) landfill is still open with a life expectancy of nineteen years. The county landfill's liability at June 30, 2020, is \$467,900. See Note 9.

The nature and source of landfill closure and postclosure care requirements are monitored by both federal and State of South Carolina environmental protection agencies. Levels of ground water pollutants are set by State agencies and the monitoring of these amounts have been reported to County officials to be in conformity with guidelines. The County annually obtains updated and revised estimates of total future closure and post-closure costs from its consulting engineers. The provision for closure costs reported in the financial statements as operating expense represents the portion of these estimated future outlays which are allocable to the current year based on the amount of capacity used. The estimated total current cost of the landfill closure and post-closure care is based on the amount that would be paid if all equipment, facilities and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2020. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Clarendon County has not accumulated or segregated funds to meet this reserve.

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

NOTE 12 – RETIREMENT PLANS

Description of the Entity

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Board, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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 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 and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

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

NOTE 12 – RETIREMENT PLANS (continued)

Plan Descriptions (continued)

- The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established 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 and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges, and magistrates.

In addition to the plans described above, PEBA also administers three single employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for Judges and Solicitors of the State of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

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; be a coroner in a full-time permanent position; or be 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.

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

NOTE 12 – RETIREMENT PLANS (continued)

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.

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.

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

NOTE 12 – RETIREMENT PLANS (continued)

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year through July 1, 2022. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. 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 85 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 85 percent. 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 85 percent, then effective on the following July first, and annually thereafter as necessary, the Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

Required **employee** contribution rates¹ for fiscal year 2019-2020 are as follows:

SCRS

Employee Class Two	9.00%
Employee Class Three	9.00%

PORS

Employee Class Two	9.75%
Employee Class Three	9.75%

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

NOTE 12 – RETIREMENT PLANS (continued)

Contributions (continued)

Required employer contribution rates¹ are as follows:

SCRS

Employer Class Two	15.41%
Employer Class Three	15.41%
Employer Incidental Death Benefit	0.15%

PORS

Employer Class Two	17.84%
Employer Class Three	17.84%
Employer Incidental Death Benefit	0.20%
Employer Accidental Death Program	0.20%

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

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

County:

SCRS	<u>2020</u>	<u>2019</u>	<u>2018</u>
Employee Contributions	\$ 488,895	\$ 462,628	\$ 459,773
Employer Contributions	837,094	740,717	685,064
Employer Group Life Contributions	<u>8,148</u>	<u>7,710</u>	<u>7,663</u>
Total	<u>\$1,334,137</u>	<u>\$1,211,055</u>	<u>\$1,152,500</u>
PORS			
Employee Contributions	\$ 500,528	\$ 466,281	\$ 437,370
Employer Contributions	915,836	805,349	710,554
Employer Group Life Contributions	<u>20,534</u>	<u>19,129</u>	<u>17,943</u>
Total	<u>\$1,436,898</u>	<u>\$1,290,759</u>	<u>\$1,165,867</u>

Harvin Clarendon County Library:

SCRS	<u>2020</u>	<u>2019</u>	<u>2018</u>
Employee Contributions	\$ 27,954	\$ 28,018	\$ 27,033
Employer Contributions	44,903	41,112	40,280
Employer Group Life Contributions	<u>466</u>	<u>467</u>	<u>456</u>
Total	<u>\$ 73,323</u>	<u>\$ 69,597</u>	<u>\$ 67,769</u>

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

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

NOTE 12 – RETIREMENT PLANS (continued)

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

At June 30, 2020, the County reported a liability of \$11,114,808 for its proportionate share of the net pension liability for SCRS and a liability of \$9,449,383 for its proportionate share of the net pension liability for PORS. Harvin Clarendon County Library reported a liability of \$814,633 for its proportionate share of the net pension liability for SCRS. The net pension liability of the defined benefit plan was determined based on the most recent actuarial valuation as of July 1, 2018, 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, 2019. 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, 2019, the County's proportion was .04868 percent and .32971 percent for SCRS and PORS, respectively. The Library's proportion was .003568 percent.

For the year ended June 30, 2020, the County recognized pension expense of \$2,508,641, including \$1,172,443 for SCRS and \$1,336,198 for PORS, respectively. Harvin Clarendon County Library recognized pension expense of \$92,307. At June 30, 2020, the County and the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

County:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>SCRS</u>		
Differences between Expected and Actual Experience	\$ 7,640	\$ 79,847
Assumption Changes	223,979	-
Net Difference between Projected and Actual Investment Earnings	98,403	-
Deferred Amounts from Changes in Proportionate Share and Differences between Employer Contributions and Proportionate Share of Total Plan Employer Contributions	3,831	208,122
Direct Contributions Subsequent to the Measurement Date	<u>845,242</u>	<u>-</u>
Total	<u>\$ 1,179,095</u>	<u>\$ 287,969</u>

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

NOTE 12 – RETIREMENT PLANS (continued)

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

County: (continued)

PORS

Differences between Expected and Actual Experience Assumption Changes	\$ 194,299	\$ 69,838
Net Difference between Projected and Actual Investment Earnings	374,716	-
Deferred Amounts from Changes in Proportionate Share and Differences between Employer Contributions and Proportionate Share of Total Plan Employer Contributions	119,812	-
Direct Contributions Subsequent to the Measurement Date	120,607	229,275
	<u>936,371</u>	<u>-</u>
Total	<u>\$ 1,745,805</u>	<u>\$ 299,113</u>

Harvin Clarendon County Library:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>SCRS</u>		
Differences between Expected and Actual Experience Assumption Changes	\$ 560	\$ 5,852
Net Difference between Projected and Actual Investment Earnings	16,416	-
Deferred Amounts from Changes in Proportionate Share and Differences between Employer Contributions and Proportionate Share of Total Plan Employer Contributions	7,212	-
Direct Contributions Subsequent to the Measurement Date	215,102	83,471
	<u>45,369</u>	<u>-</u>
Total	<u>\$ 284,659</u>	<u>\$ 89,323</u>

The amounts of \$845,242 for SCRS, \$936,371 for PORS, and \$45,369 for Harvin Clarendon County Library for SCRS reported as deferred outflows of resources related to pensions resulting from County and Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

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, 2019.

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

NOTE 12 – RETIREMENT PLANS (continued)

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

County:

Difference between expected and actual experience¹		
	<u>SCRS</u>	<u>PORS</u>
	<u>June 30, 2019</u>	<u>June 30, 2019</u>
Initial Balance	\$(105,641)	\$ 324,808
Amortized ² period ending June 30,		
2015	\$ 5,218	\$ (4,655)
2016	(307)	(12,841)
2017	(6,830)	(16,493)
2018	13,731	(94,509)
2019	21,622	(71,849)
2020	25,651	(65,405)
2021	32,338	(58,327)
2022	13,899	(5,441)
2023	319	4,712
Assumption changes		
	<u>SCRS</u>	<u>PORS</u>
	<u>June 30, 2019</u>	<u>June 30, 2019</u>
Initial Balance	\$ 850,199	\$ 1,098,565
Amortized ² period ending June 30,		
2017	(208,740)	(241,283)
2018	(208,740)	(241,283)
2019	(208,740)	(241,283)
2020	(208,740)	(241,283)
2021	(15,239)	(133,433)
Difference between projected and actual investment earnings³		
	<u>SCRS</u>	<u>PORS</u>
	<u>June 30, 2019</u>	<u>June 30, 2019</u>
Initial Balance	\$1,326,375	\$1,428,862
Amortized ² period ending June 30,		
2015	\$(147,922)	\$ (156,598)
2016	(343,980)	(367,516)
2017	(243,606)	(257,143)
2018	(227,190)	(242,021)
2019	(265,274)	(285,772)
2020	(117,354)	(129,174)
2021	78,705	81,744
2022	(21,669)	(28,629)
2023	(38,085)	(43,751)

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

NOTE 12 – RETIREMENT PLANS (continued)

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

Library:

Difference between expected and actual experience¹	
<u>SCRS</u>	
<u>June 30, 2019</u>	
Initial Balance	\$ (7,742)
Amortized ² period	
Ending June 30,	
2015	382
2016	(22)
2017	(501)
2018	1,006
2019	1,585
2020	1,880
2021	2,370
2022	1,019
2023	23
Thereafter	-

Assumption Changes	
<u>SCRS</u>	
<u>June 30, 2019</u>	
Initial Balance	\$ 62,319
Amortized ² period	
Ending June 30,	
2017	\$ (15,301)
2018	(15,301)
2019	(15,301)
2020	(15,301)
2021	(1,115)
Thereafter	-

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

NOTE 12 – RETIREMENT PLANS (continued)

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

Library:

	Difference between projected and actual investment earnings³
	SCRS
	June 30, 2019
Initial Balance	\$ 97,225
Amortized ² period	
Ending June 30,	
2015	(10,843)
2016	(25,214)
2017	(17,857)
2018	(16,653)
2019	(19,446)
2020	(8,602)
2021	5,769
2022	(1,588)
2023	(2,791)
Thereafter	-

¹ In accordance with GASB 68, Paragraph 71a, the (1) difference between each year's expected and actual experience and (2) assumption changes are required to be amortized over the average remaining service lives of all employees provided with pensions through the plan at June 30.

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

³ In accordance with GASB 68, Paragraph 71b, the difference between each year's projected and actual investment earnings is required to be amortized over a closed, five-year period.

Actuarial Assumptions and Methods

Actuarial valuations of the 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 June 30, 2015.

The June 30, 2019, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2018. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2019, using generally accepted actuarial principles.

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

NOTE 12 – RETIREMENT PLANS (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, 2019.

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

¹ Includes inflation at 2.25%

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 (2016 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, 2019, TPL are as follows.

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

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

NOTE 12 – RETIREMENT PLANS (continued)

Net Pension Liability

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2019, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability(Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$50,073,060	\$27,238,916	\$22,834,144	54.4%
PORS	7,681,750	4,815,809	2,865,941	62.7%

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 20 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 2019 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 following table. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

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

NOTE 12 – RETIREMENT PLAN (continued)

Long-term Expected Rate of Return (continued)

Allocation / Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity	51.0%		
Global Public Equity ^{1,2}	35.0%	7.29%	2.55%
Private Equity ^{2,3}	9.0%	7.67%	0.69%
Equity Options Strategies ¹	7.0%	5.23%	0.37%
Real Assets	12.0%		
Real Estate (Private) ^{2,3}	8.0%	5.59%	0.45%
Real Estate (REITs) ²	1.0%	8.16%	0.08%
Infrastructure (Private) ^{2,3}	2.0%	5.03%	0.10%
Infrastructure (Public) ²	1.0%	6.12%	0.06%
Opportunistic	8.0%		
Global Tactical Asset Allocation ¹	7.0%	3.09%	0.22%
Other Opportunistic Strategies	1.0%	3.82%	0.04%
Credit	15.0%		
High Yield Bonds/Bank Loans ^{1,2}	4.0%	3.14%	0.13%
Emerging Markets Debt	4.0%	3.31%	0.13%
Private Debt ^{2,3}	7.0%	5.49%	0.38%
Rate Sensitive	14.0%		
Core Fixed Income ¹	13.0%	1.62%	0.21%
Cash and Short Duration (Net)	1.0%	0.31%	0.00%
Total Expected Return⁴	100.0%		5.41%
Inflation for Actuarial Purposes			2.25%
			7.66%

¹ Portable Alpha Strategies will be capped at 12% of total assets; Hedge funds (including all hedge funds used in portable alpha implementation) capped at 20% of total assets.

² The target weights to Private Equity, Private Debt, Private Infrastructure and Private Real Estate will be equal to their actual weights as of prior month end. Private Equity and Public Equity combine for 44 percent of entire portfolio. Private Debt and High Yield/Bank Loans combine for 11 percent of the entire portfolio. Private Infrastructure and Public Infrastructure combine for 3 percent of the entire portfolio. Private Real Estate and Real Estate (REITs) combine for 9 percent of entire portfolio.

³ RSIC staff and Consultant will notify the Commission if Private Markets Assets exceed 25% of total assets.

⁴ The expected return for each of the Portable Alpha asset classes includes the expected return attributed to the Overlay Program. For benchmarking purposes there is a 10% weight assigned to Portable Alpha Hedge Funds in the Policy Benchmark.

Discount Rate

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

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

NOTE 12 – RETIREMENT PLAN (continued)

Sensitivity Analysis

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

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

<u>System</u>	<u>1.00% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1.00% Increase (8.25%)</u>
County:			
SCRS	\$ 14,002,257	\$ 11,114,808	\$ 8,704,955
PORS	\$ 12,806,035	\$ 9,449,383	\$ 6,699,277
Harvin Clarendon County Library:			
SCRS	\$ 1,026,380	\$ 814,633	\$ 638,082

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, 2019.

Payables to the Pension Plan

As of June 30, 2020, the County had \$234,568 in payables outstanding to the pension plans for its legally required contributions. The Library had \$6,357 in payables outstanding to the pension plan for its legally required contributions.

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

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS

Background

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

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

Plan Description

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

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

- Employees who retire at age 55 with at least 25 years of retirement service credit (including at least 10 years of earned service credit with an employer that participates in the state insurance program). This is commonly referred to as the "55/25 rule." These retirees must pay the full insurance premium until they reach age 60 or the date they would have had 28 years of service credit, whichever occurs first. At that time, they will be eligible for funded retiree rates. This rule applies only to SCRS participants.
- Employees who are eligible to retire and have at least five years, but fewer than 10 years, of earned SCRS service credit with a participating state insurance program employer.

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

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

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

Whether you are a funded or a non-funded retiree, the following types of service do not count toward your earned service credit requirement for insurance eligibility: non-qualified, federal, military, out-of-state employment, educational service, leave of absence, unused sick leave or service with employers that do not participate in the state insurance program. Retirees under the retiree health plan prior to July 1, 2005, will be grandfathered into the system, with their (retiree) monthly premiums paid by the County. A retiree who has elected to cover their spouse and/or eligible dependent children will continue to be responsible for paying the entire cost of the dependent's monthly insurance premium as set by the State Employee Insurance Program.

Employees Hired Before May 2, 2008

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

- Employees who leave employment when they are eligible to retire and have at least 10 years of earned service credit with Clarendon County.
- Employees who leave employment before they are eligible to retire and who have at least 20 years of earned SCRS service credit with Clarendon County. These employees are not eligible for insurance coverage until age 60 when they are eligible to receive a retirement check. Employees who qualify under the Police Officers Retirement System (PORS) become eligible at age 55.

Employees Hired on or After May 2, 2008

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

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

- a) If the retiree's earned service credit in a state retirement system is 5 or more years, but fewer than 15 years with Clarendon County, then the retiree shall pay the full premium for the Plan. There is no County contribution.

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

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

- b) If the retiree’s earned service credit in a state retirement system is 15 or more years, but fewer than 25 years with Clarendon County, the County pays 50 percent of the employer’s share of the premium. The retiree pays the retiree’s share plus the remaining 50 percent of the employer’s contribution.
- c) If the retiree’s earned service credit in a state retirement system is 25 or more years with Clarendon County, then the retiree is eligible for 100 percent County paid premiums and the retiree shall pay the remainder of the premiums cost.

Duty Death in Service/Non-Duty Death Retirement Benefits

Spouses or children who are covered as dependents under the State Health Plan must pay the full premium to continue coverage. Dental premiums are not waived; however survivors can continue dental coverage by paying the full premium. County does not pay premiums for spouse or dependents that were covered by the employee at time of employees’ death. Spouse or dependents pay premiums at survivor rate.

Duty and Non-Duty Disabled Retirement Benefits

Eligibility for health insurance is determined by the guidelines previously stated in Funded Retirees and Non-funded Retirees sections.

Benefits for Spouses of Eligible Retired Employees

Spouses of retired employees are eligible to receive retiree health care benefits. Retirees must pay the entire cost of the dependent’s monthly insurance premium as set by the State Employee Insurance Program.

Vision Coverage

Retirees and covered dependents are eligible for the discount vision program the same as active regular full time employees.

Dental Coverage

Retirees and covered dependents are eligible for dental benefits the same as active regular full time employees.

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

Inactive Plan members or beneficiaries currently receiving benefits	77
Active plan members	<u>258</u>
Total Plan members	<u>335</u>

The County’s total OPEB liability of \$17,098,394 was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2018.

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

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

Funding Policy

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

Actuarial Methods and Assumptions

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

Actuarial cost method	Individual entry-age Normal
Discount rate	3.13% as of June 30, 2019
Inflation	2.25%
Salary increase	3.5% to 9.5% for PORS and 3.0% to 7.0% for SCRS, including inflation
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	For health retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and Females are used with fully generational mortality projections based on Scale AA from the year 2016. The following multipliers are applied to the base tables: 100% for male SCRS members, 111% for female SCRS members, 125% for male PORS members and 111% for female PORS members
Health care trend rates	6.4% decreasing to an ultimate rate of 4.15% over 15 years; ultimate trend rate includes a 0.15% adjustment for the excise tax.
Participation rates	It was assumed that 90% of retirees who are eligible for the full County premium subsidy, 60% of retirees who are eligible for a partially funded County subsidy and 20% of retirees who are not eligible for any subsidy would choose to receive retiree health care benefits through the Plan. Retirees that do not receive a subsidy are assumed to discontinue coverage at age 65.

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

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

Changes in the Total OPEB Liability

Balance at June 30, 2019	\$15,075,915
Changes for the year	
Service cost	739,007
Interest on the OPEB liability	550,513
Changes of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	(3,908)
Changes of assumptions	1,212,615
Benefit payments	<u>(475,748)</u>
Net change in total OPEB liability	<u>2,022,479</u>
Balance at June 30, 2020	<u>\$17,098,394</u>

Changes of assumptions reflect a change in the discount rate from 3.62% as of June 30, 2018, to 3.13% as of June 30, 2019.

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

	1% Decrease	Current Discount Rate Assumption	1% Increase
	2.13%	3.13%	4.13%
Total OPEB liability	\$ 20,032,917	\$ 17,098,394	\$ 14,754,698

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

	1% Decrease	Current Healthcare cost Rate Assumption	1% Increase
Total OPEB liability	\$ 14,193,202	\$ 17,098,394	\$ 20,901,311

For the year ended June 30, 2020, the County recognized OPEB benefit of \$590,009.

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

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

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions subsequent to the measurement date	\$ 496,739	\$ -
Differences between expected and actual experience	127,314	1,188,202
Changes in assumptions	<u>1,428,163</u>	<u>1,158,528</u>
Total	<u>\$2,052,216</u>	<u>\$ 2,346,730</u>

The County reported deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. The difference between expected and actual experience and changes in assumptions are reported as deferred outflows (inflows) of resources and will be amortized over the average of the expected remaining service lives of all employees that are provided OPEB through the OPEB Plan (active and inactive members) determined as of the beginning of the measurement period. Average remaining service lives of all employees that are provided OPEB through the OPEB Plan at the June 30, 2018, measurement date was 7.3954 years. The following schedule reflects the amortization of the County's net balance of remaining deferred outflows/(inflows) at June 30, 2019:

<u>Year ending June 30,</u>	<u>Net Deferred Outflows/(Inflows)</u>
2021	\$ (202,774)
2022	(202,774)
2023	(202,774)
2024	(202,774)
2025	(149,203)
Thereafter	<u>169,046</u>
Total	<u>\$ (791,253)</u>

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

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

Harvin Clarendon County Library

Background

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

Plan Description

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

Funding Policy

The Library has elected not to pre-fund OPEB liabilities and to fund healthcare benefits on a “pay-as-you-go basis” (no funding of the Obligation). The Library will review the funding policy and contributions annually. No assets are accumulated in a Trust that meets the criteria in paragraph 4 of Statement 75.

Employees covered by benefit terms in the Plan as of June 30, 2020:

Inactive plan members or beneficiaries currently receiving benefits	2
Active plan members	<u>8</u>
Total plan members	<u>10</u>

The Library’s total OPEB liability of \$463,775 was measured as of June 30, 2020, and was determined by using the Alternative Measurement Method (AMM) valuation of an actuarial valuation as of June 30, 2020.

Changes in the Total OPEB Liability

Balance at June 30, 2019	\$ 445,784
Changes for the year	
Service cost	8,929
Interest on the OPEB liability	14,100
Difference between expected and actual experience of the total OPEB liability (Effect of Economic/Demographic gains and losses)	(29,427)
Changes in assumptions	32,332
Benefit payments	<u>(7,952)</u>
Net change in total OPEB liability	<u>17,991</u>
Balance at June 30, 2020	<u>\$ 463,775</u>
Covered-employee payroll	<u>\$ 281,266</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>164.89%</u>

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

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

Harvin Clarendon County Library (continued)

Changes in the Total OPEB Liability (continued)

Changes of assumptions reflect a change in the discount rate from 3.13% as of June 30, 2019, to 2.45% as of June 30, 2020.

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

	1% Decrease 2.13%	Current Discount Rate Assumption 3.13%	1% Increase 4.13%
Total OPEB liability	\$ 517,763	\$ 463,775	\$ 417,318

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

	1% Decrease	Current Healthcare cost Rate Assumption	1% Increase
Total OPEB liability	\$ 419,496	\$ 463,775	\$ 513,945

In accordance with GASB 75 paragraph 43(a), deferred inflows/outflows of resources related to differences between actual and expected experience with regard to economic or demographic factors or changes in assumptions and other inputs are not used under the Alternative Measurement Method. These items are recognized in OPEB expense immediately. For the year ended June 30, 2020, the Library recognized OPEB expense of \$17,991.

Methods and Assumptions

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

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

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

NOTE 14 – FUND BALANCE REPORTING

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

The County fund balance as of June 30, 2020, was classified as follows:

<u>Description</u>	<u>General Fund</u>	<u>Capital Projects</u>	<u>General County Debt Svc</u>	<u>Fire Depart.</u>	<u>C-Program Roads</u>	<u>Other Govern-mental</u>	<u>Total Governmental Funds</u>
Nonspendable:							
Inventory	\$ 93,175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,175
Restricted:							
LOST Reserve	1,865,760	-	-	-	-	-	1,865,760
Local drug interdiction	-	-	-	-	-	587,536	587,536
Solicitor's office	-	-	-	-	-	221,991	221,991
Debt service	-	-	2,782,240	-	-	140,206	2,922,446
I-95 Megasite	38,087	-	-	-	-	-	38,087
911 Center improvements	-	-	-	-	-	970,365	970,365
Future capital projects	-	1,128,483	-	-	-	-	1,128,483
Committed:							
Acquisition ambulance	-	193,118	-	-	-	-	193,118
Assigned:							
Encumbrances	113,901	-	-	198,695	-	-	312,596
Fire protection	-	-	-	745,196	-	-	748,970
Facility improvements	-	858,398	-	-	-	-	858,398
Road improvements	-	-	-	-	2,343,480	-	2,343,480
Vocational school	-	-	-	-	-	5,960	5,960
Tourism related efforts	-	-	-	-	-	308,692	308,692
Clerk of Court discretionary	8,059	-	-	-	-	-	8,059
Archives collection	1,730	-	-	-	-	-	1,730
Unassigned:	<u>3,739,763</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,739,763</u>
Total fund balances	<u>\$ 5,860,475</u>	<u>\$ 2,179,999</u>	<u>\$ 2,782,240</u>	<u>\$ 947,665</u>	<u>\$ 2,343,480</u>	<u>\$ 2,234,750</u>	<u>\$16,348,609</u>

Discretely Presented Component Units:

The fund balances as of June 30, 2020, was classified as follows:

<u>Description</u>	<u>Harvin Clarendon County Library</u>	<u>Business Development Commission</u>
Non-spendable	\$ 26,700	\$ -
Restricted	-	1,280,127
Committed:		
Capital building fund	95,000	-
Assigned	-	-
Unassigned	<u>43,687</u>	<u>(371,344)</u>
Total fund balances	<u>\$ 165,387</u>	<u>\$ 908,783</u>

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

NOTE 15 – RISK MANAGEMENT

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

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

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

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

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

The County has not reported a supplemental premium assessment expenditure, and the related liability at June 30, 2020, because the requirements of GASB Statement No. 10, which state that a liability for supplemental assessments must be reported if information prior to issuance of the financial statements indicates that it is probable that an asset has been impaired or a liability has been incurred on or before June 30, 2020, and that the amount of the premium is reasonably estimable, have not been satisfied.

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

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

NOTE 16 – CONTINGENCIES AND COMMITMENTS

Grants:

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

Construction Commitments:

In October, 2018, the County entered into a contract with a builder in the amount of \$4,967,380 (reduced \$9,636 in change-orders thus far) for expansion and improvements to water system. As of June 30, 2020, the County had incurred \$4,419,585 in costs. The project is anticipated to be completed January, 2021.

In February, 2019, the County entered into a contract with a builder in the amount of \$823,658 (an additional \$188,182 in change-orders eventually added) for the improvements a various "dirt to pave" projects within the County. As of June 30, 2020, the County had incurred \$961,249 in costs. The project is anticipated to be completed October, 2020.

In March, 2019, the County entered into a contract with a builder in the amount of \$693,387 (an additional \$1,400 in change-orders added thus far) for the expansion and improvements to the water system, with the addition of a new well. As of June 30, 2020, the County had incurred \$642,452 in costs. The project is anticipated to be completed October, 2020.

In October, 2019, the County entered into a contract with a builder in the amount of \$553,064 for the improvements to various paved roadways within the County. As of June 30, 2020, the County had incurred \$524,708 in costs. The project is anticipated to be completed November, 2020.

In November, 2019, the County entered into a contract with a fencing company in the amount of \$299,970 for fencing improvements and replacement at the Santee Cooper Regional Airport. As of June 30, 2020, the County had incurred \$188,207 in costs. The project is anticipated to be completed December, 2020.

In June, 2020, the County entered into a design/build contract with a builder in the amount of \$242,566 (additional \$11,280 in change-orders eventually added) for expansion Fire sub-station in Summerton area of the county. As of June 30, 2020, the County had incurred \$20,015 in costs. The project is anticipated to be completed October, 2020.

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

NOTE 16 – CONTINGENCIES AND COMMITMENTS (continued)

Other Matters

On January 8, 2017, the South Carolina Department of Revenue (*Agency*) entered into an agreement with Farmers Telephone Cooperative Corp. (FTC), FTC Communications, LLC and FTC Diversified Services, LLC (*Taxpayers*) exempting taxpayers from any local property tax on real and personal property located outside of a municipality. The exemption was granted pursuant to SC Code 12-37-220(B)(10), as interpreted by Agency. Additionally, the exemption shall be retro-active to tax year 2010 and all taxes paid (net) are to be refunded/returned to Taxpayers. The County has brought an action before the SC Administrative Court requesting that said agreement be found null and void. While a hearing was held in May 2019, both parties have appealed the resulting ruling. Lastly, no determination has been made by the Agency as to the specific amount(s) involved, either in terms of future ad valorem revenue or refunds owed. County Auditor and Treasurer have estimated the potential impact to be as follows within its Governmental funds:

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

NOTE 17 – TAX ABATEMENT DISCLOSURES

As of June 30, 2020, the County provides tax incentives under two programs: Fee in Lieu of Tax Agreements (FILO) and Special Source Revenue Credits (SSRCs). The purpose of both programs is the retention of jobs, job growth and/or capital investment. The County has entered into fee in lieu of tax agreements pursuant to the authority granted by Title 12, Chapter 44, Title 4, Chapter 29, and/or Title 4, Chapter 12 of the Code of Laws of South Carolina, 1976, as amended. Property subject to a fee in lieu of tax agreement is exempt from ad valorem property tax and is instead subject to a fee in lieu of tax equal to the product of the value of the property, an assessment ratio that is generally no lower than 6% (but may be as low as 4% for extraordinary projects that satisfy the statutory definition of an “enhanced investment”), and a millage rate that is either fixed for the life of the agreement or is adjusted every five years based on the trailing five-year average. Generally, the taxpayer must invest at least \$2.5 million within a 5-6 year period, beginning with the date the property is placed in service and ending five years after the last day of the property tax year in which the property is initially placed in service. For the fiscal year ended June 30, 2020, the County abated property taxes totaling \$5,214,929 under its various fee in lieu of tax agreements.

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

NOTE 17 – TAX ABATEMENT DISCLOSURES (continued)

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, 2020, the County abated property taxes totaling \$32,916 under its special source revenue credits.

NOTE 18 – PRIOR PERIOD ADJUSTMENTS

The net position/fund balance as of June 30, 2019, was restated as follows:

Primary Government	Net Position <u>Governmental</u> <u>Activities</u>	Fund Balances <u>GAAP Basis</u>
Net position as originally presented, June 30, 2019	\$ (651,194)	\$ 13,352,175
Reversal of void checks		
General county debt service	<u>8,750</u>	<u>8,750</u>
Net position as restated, June 30, 2019	<u>\$ (642,444)</u>	<u>\$ 13,360,925</u>

NOTE 19 – UNCERTAINTIES

The global COVID-19 pandemic, beginning in March 2020, has effected operations of Clarendon County. The full extent and impact of COVID-19 on the operations and cash flows is currently unknown, and depends on future developments that are uncertain and unpredictable, including duration and spread of the pandemic and any developments in the ability to contain and treat its impact.

NOTE 20 – SUBSEQUENT EVENTS

In August 2020, the County issued \$250,000 Capital Lease (lease/purchase agreement) to purchase and equip multiple motor vehicles. Due in monthly installments beginning January 1, 2021, of \$4,451 (includes interest) and ending December 20, 2025. Interest accrues at a rate of 2.39%.

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

NOTE 20 – SUBSEQUENT EVENTS (continued)

In August 2020, the Clarendon Facilities Corporation (a component unit) issued Installment Purchase Refunding Revenue Bonds (Series 2020) in the amount of \$7,460,000 to mature September 1, 2042. Proceeds were used to defease Clarendon Facilities Corp. IPRB (Series 2012), originally issued in the amount of \$6,970,000 in October, 2012, for improvements to the County Courthouse.

In November 2020, the County issued \$250,000 Capital Lease (lease/purchase agreement) to purchase and equip multiple motor vehicles and equipment for use in Public Works. Due in monthly instalments beginning January 1, 2021, of \$4,430 (includes interest) and ending December 20, 2025. Interest accrues at a rate of 2.39%.

NOTE 21 – REVISION OF FINANCIAL STATEMENTS

Subsequent to the initial report date, the County realized an amount was accrued in error for state aid revenue, and a manufacturing reimbursement was posted to state aid in error. These revised financial statements include an adjustment in the amount of \$363,123 for the County funds and an adjustment of \$17,992 to the fiduciary funds. Net position and fund balances, therefore, decreased by \$363,123 and assets and liabilities of the fiduciary funds increased by \$17,992. Audit procedures applied subsequent to the original report date were limited solely to the revised financial information.

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST 10 FISCAL YEARS ENDING JUNE 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Service Cost	\$ 739,007	\$ 740,010	\$ 903,965	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Interest	550,513	629,848	541,509	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Changes in Benefit Terms	-	(2,260,857)	-							
Differences Between Expected and Actual Experience	(3,908)	(1,624,020)	207,669	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Changes of Assumptions or Other Inputs	1,212,615	520,199	(1,889,754)	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Benefit Payments	(475,748)	(503,213)	(564,603)	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Net Change in Total OPEB Liability	2,022,479	(2,498,033)	(801,214)	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Total OPEB Liability - Beginning - Restated	<u>15,075,915</u>	<u>17,573,948</u>	<u>18,375,162</u>	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Total OPEB Liability - Ending	<u>\$ 17,098,394</u>	<u>\$ 15,075,915</u>	<u>\$ 17,573,948</u>	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Covered - Employee Payroll	\$ 9,958,111	\$ 9,655,694	\$ 9,559,233	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Total OPEB Liability as a Percentage of Covered - Employee Payroll	171.70%	156.13%	183.84%	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 3.62% to 3.13 % as of June 30, 2019.

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

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

The retirement rates were updated to reflect the rates used for "General Employees" in the South Carolina Retirement System Actuarial Valuation as of July 1, 2018.

See Independent Auditor's Report on Required Supplementary Information

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

LAST 10 FISCAL YEARS ENDING JUNE 30

Fiscal Year	Employer Contribution Information									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually Determined Employer Contribution	\$ 496,739	\$ 475,748	\$ 513,099	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Actual Employer Contribution	\$ (496,739)	\$ (475,748)	\$ (513,099)	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 *
Covered - Employee payroll	\$ 9,958,111	\$ 9,922,651	\$ 9,594,422	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *
Contributions as Percent of Covered Payroll	4.99%	4.79%	5.35%	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.

See Independent Auditor's Report on Required Supplementary Information

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

SCRS	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
County's proportion of the net pension liability (asset)	0.048676%	0.049312%	4.960500%	0.051076%	0.050338%	0.051777%	0.051777%	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset)	\$ 11,114,808	\$ 11,049,215	\$ 11,166,883	\$ 10,909,758	\$ 9,546,844	\$ 8,914,283	\$ 9,286,947	NA*	NA*	NA*
County's covered-employee payroll	\$ 5,140,294	\$ 5,108,607	\$ 4,991,257	\$ 4,946,164	\$ 4,719,753	\$ 4,700,195	\$ 4,010,728	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	216.23%	216.29%	223.73%	220.57%	202.27%	189.66%	231.55%	NA*	NA*	NA*
Plan fiduciary net position as a percentage of the total pension liability	54.40%	54.10%	53.30%	52.90%	57.00%	59.90%	56.40%	NA*	NA*	NA*
PORS										
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
County's proportion of the net pension liability (asset)	0.329710%	0.324085%	0.332450%	0.348660%	0.344100%	0.343190%	0.343190%	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset)	\$ 9,449,383	\$ 9,183,074	\$ 9,107,560	\$ 8,843,800	\$ 7,499,560	\$ 6,570,219	\$ 7,114,338	NA*	NA*	NA*
County's covered-employee payroll	\$ 4,782,357	\$ 4,485,815	\$ 4,476,972	\$ 4,445,013	\$ 4,262,881	\$ 4,127,257	\$ 3,341,860	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	197.59%	204.71%	203.43%	198.96%	175.93%	159.19%	212.89%	NA*	NA*	NA*
Plan fiduciary net position as a percentage of the total pension liability	62.70%	61.70%	60.90%	60.40%	64.60%	67.50%	63.00%	NA*	NA*	NA*

NA* - Not Available

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

Source: Audit report on the schedules of employer allocations, schedules of pension amounts by employer, and related notes of the South Carolina Retirement Systems, as administered by the SC Public Employee Benefits Authority for the year ended June 20, 2017.

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

Last 10 Fiscal Years

SCRS	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contribution	\$ 845,242	\$ 748,427	\$ 692,727	\$ 576,989	\$ 547,030	\$ 514,453	\$ 498,271	NA*	NA*	NA*
Contributions in relation to the contractually required contribution	\$ (845,242)	\$ (748,427)	\$ (692,727)	\$ (576,989)	\$ (547,030)	(514,453)	\$ (498,271)	NA*	NA*	NA*
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 5,432,149	\$ 5,140,294	\$ 5,108,606	\$ 4,991,257	\$ 4,946,164	\$ 4,719,753	\$ 4,700,195	NA*	NA*	NA*
Contributions as a percentage of covered-employee payroll	15.56%	14.56%	13.56%	11.56%	11.06%	10.90%	10.60%	NA*	NA*	NA*
PORS										
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contribution	\$ 936,370	\$ 824,478	\$ 728,497	\$ 637,524	\$ 610,745	\$ 571,651	\$ 530,004	NA*	NA*	NA*
Contributions in relation to the contractually required contribution	\$ (936,370)	\$ (824,478)	\$ (728,497)	(637,524)	\$ (610,745)	(571,651)	\$ (530,004)	NA*	NA*	NA*
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 5,133,611	\$ 4,782,357	\$ 4,485,815	\$ 4,476,972	\$ 4,445,013	\$ 4,262,881	\$ 4,127,257	NA*	NA*	NA*
Contributions as a percentage of covered-employee payroll	18.24%	17.24%	16.24%	14.24%	13.74%	13.41%	12.84%	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.
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Source: County quarterly retirement contribution reports.

COMBINING AND INDIVIDUAL FUND SCHEDULES

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2020**

	GOVERNMENTAL FUNDS		
	HARVIN CLARENDON COUNTY LIBRARY	BUSINESS DEVELOPMENT CORPORATION	TOTAL
ASSETS			
Cash	\$ 140,662	\$ 1,499,621	\$ 1,640,283
Prepaid items	26,700	-	26,700
Notes and interest receivable	-	107,500	107,500
Capital and operating lease receivable	-	312,762	312,762
Grants and miscellaneous receivable	8,308	15,000	23,308
TOTAL ASSETS	\$ 175,670	\$ 1,934,883	\$ 2,110,553
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts and payroll withholdings payable	\$ 10,283	\$ 10,000	\$ 20,283
Unearned revenue	-	973,038	973,038
Total Liabilities	10,283	983,038	993,321
Fund Balances			
Nonspendable	26,700	-	26,700
Restricted	-	1,341,791	1,341,791
Committed	95,000	-	95,000
Unassigned	43,687	(389,946)	(346,259)
Total Fund Balances	165,387	951,845	1,117,232
TOTAL LIABILITIES AND FUND BALANCES	\$ 175,670	\$ 1,934,883	\$ 2,110,553

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2020**

	GOVERNMENTAL FUNDS		TOTAL
	HARVIN CLARENDON COUNTY LIBRARY	BUSINESS DEVELOPMENT CORPORATION	
REVENUES			
Federal	\$ 8,308	\$ -	\$ 8,308
State	115,000	50,249	165,249
Local	578,080	506,381	1,084,461
TOTAL REVENUES	<u>701,388</u>	<u>556,630</u>	<u>1,258,018</u>
EXPENDITURES			
General operations	715,037	238,061	953,098
Capital outlay	-	227,372	227,372
Debt service	-	48,135	48,135
TOTAL EXPENDITURES	<u>715,037</u>	<u>513,568</u>	<u>1,228,605</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(13,649)</u>	<u>43,062</u>	<u>29,413</u>
NET CHANGE IN FUND BALANCES	(13,649)	43,062	29,413
FUND BALANCES, BEGINNING OF YEAR	<u>179,036</u>	<u>908,783</u>	<u>1,087,819</u>
FUND BALANCES, END OF YEAR	<u>\$ 165,387</u>	<u>\$ 951,845</u>	<u>\$ 1,117,232</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Bureau of Tourism Accommodations	To account for the County's portion of accommodations taxes.
Hospitality Tax	To account for the County's collection of hospitality taxes.
Drug Enforcement and Other Sheriff's Funds	To account for restricted revenues received by the Sheriff.
Special Purpose District	To account for ad valorem taxes collected to be used for F. E. DuBose Career Center (vocational training).
E-911	To account for fees collected by telephone companies to be used to provide emergency assistance through the nationwide 911 system.
Victims Advocate	To account for state assessments and surcharges on fines to be used for victim services.
Third Circuit Drug Court	To account for restricted revenue for operation of drug court.

DEBT SERVICE FUNDS

Fire Protection	To account for the accumulation of ad valorem taxes to pay the principal, interest, and fiscal charges.
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**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	<u>Special Revenue</u>				
	Bureau of Tourism Accommodation Fund	Hospitality Tax Fund	Drug Enforcement and Other Sheriff's Fund	Special Purpose District	E-911
ASSETS					
Cash and cash equivalents	\$ 33,714	\$ 245,775	\$ 587,536	\$ -	\$ 968,304
Accounts receivable	-	31,139	-	-	2,312
Due from other funds	-	-	-	1,746	-
Due from other governments	-	-	-	-	-
Delinquent taxes receivable	-	-	-	85,646	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,646</u>	<u>-</u>
Total Assets	<u>\$ 33,714</u>	<u>\$ 276,914</u>	<u>\$ 587,536</u>	<u>\$ 87,392</u>	<u>\$ 970,616</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,936	\$ -	\$ -	\$ -	\$ 251
Total Liabilities	<u>1,936</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>251</u>
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes	-	-	-	81,432	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,432</u>	<u>-</u>
Fund Balances:					
Restricted	-	-	587,536	-	970,365
Assigned	31,778	276,914	-	5,960	-
	<u>31,778</u>	<u>276,914</u>	<u>587,536</u>	<u>5,960</u>	<u>970,365</u>
Total Fund	<u>31,778</u>	<u>276,914</u>	<u>587,536</u>	<u>5,960</u>	<u>970,365</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 33,714</u>	<u>\$ 276,914</u>	<u>\$ 587,536</u>	<u>\$ 87,392</u>	<u>\$ 970,616</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	<u>Special Revenue</u>		<u>Debt Service</u>	Total Nonmajor Governmental Funds
	Victims Advocate Fund	Third Circuit Drug Court	Fire Protection	
ASSETS				
Cash and cash equivalents	\$ (945)	\$ 222,516	\$ 131,043	\$ 2,187,943
Accounts receivable	-	-	-	33,451
Due from other funds	-	-	7,681	9,427
Due from other governments	1,000	-	-	1,000
Delinquent taxes receivable	-	-	9,988	95,634
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 55</u>	<u>\$ 222,516</u>	<u>\$ 148,712</u>	<u>\$ 2,327,455</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	<u>\$ 55</u>	<u>\$ 525</u>	<u>\$ -</u>	<u>\$ 2,767</u>
Total Liabilities	<u>55</u>	<u>525</u>	<u>-</u>	<u>2,767</u>
Deferred Inflows of Resources:				
Unavailable Revenue - Property Taxes	<u>-</u>	<u>-</u>	<u>8,506</u>	<u>89,938</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>8,506</u>	<u>89,938</u>
Fund Balances:				
Restricted	<u>-</u>	<u>221,991</u>	<u>140,206</u>	<u>1,920,098</u>
Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>314,652</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>-</u>	<u>221,991</u>	<u>140,206</u>	<u>2,234,750</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 55</u>	<u>\$ 222,516</u>	<u>\$ 148,712</u>	<u>\$ 2,327,455</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue				
	Bureau of Tourism Accommodation Fund	Hospitality Tax Fund	Drug Enforcement and Other Sheriff's Fund	Special Purpose District	E-911
REVENUES					
Taxes	\$ -	\$ 318,072	\$ -	\$ 258,952	\$ -
Intergovernmental	129,506	-	-	-	316,233
Charges for services	-	-	-	-	117,962
Fines and forfeitures	-	-	69,162	-	-
Interest	98	2,044	9,404	-	19,469
Total Revenues	<u>129,604</u>	<u>320,116</u>	<u>78,566</u>	<u>258,952</u>	<u>453,664</u>
EXPENDITURES					
Current:					
General government	-	-	-	258,489	-
Public safety	-	-	127,021	-	412,184
Culture/Recreation	148,563	6,550	-	-	-
Court related	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fees	-	-	-	-	-
Capital outlay	-	-	71,300	-	-
Total Expenditures	<u>148,563</u>	<u>6,550</u>	<u>198,321</u>	<u>258,489</u>	<u>412,184</u>
Excess of revenues over (under) expenditures	<u>(18,959)</u>	<u>313,566</u>	<u>(119,755)</u>	<u>463</u>	<u>41,480</u>
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	-	(233,759)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(233,759)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(18,959)</u>	<u>79,807</u>	<u>(119,755)</u>	<u>463</u>	<u>41,480</u>
Fund balances at beginning of year	<u>50,737</u>	<u>197,107</u>	<u>707,291</u>	<u>5,497</u>	<u>928,885</u>
Fund balances at end of year	<u>\$ 31,778</u>	<u>\$ 276,914</u>	<u>\$ 587,536</u>	<u>\$ 5,960</u>	<u>\$ 970,365</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Special Revenue</u>		<u>Debt Service</u>	Total Nonmajor Governmental Funds
	Victims Advocate Fund	Third Circuit Drug Court	Fire Protection	
REVENUES				
Taxes	\$ -	\$ -	\$ 108,713	\$ 685,737
Intergovernmental	18,000	150,000	-	613,739
Charges for services	-	-	-	117,962
Fines and forfeitures	26,785	-	-	95,947
Interest	-	1,643	1,577	34,235
Total Revenues	<u>44,785</u>	<u>151,643</u>	<u>110,290</u>	<u>1,547,620</u>
EXPENDITURES				
Current:				
General government	-	-	-	258,489
Public safety	103,616	-	-	642,821
Culture/Recreation	-	-	-	155,113
Court related	-	232,868	-	232,868
Debt service:				
Principal	-	-	73,375	73,375
Interest and fees	-	-	31,794	31,794
Capital outlay	-	-	-	71,300
Total Expenditures	<u>103,616</u>	<u>232,868</u>	<u>105,169</u>	<u>1,465,760</u>
Excess of revenues over (under) expenditures	<u>(58,831)</u>	<u>(81,225)</u>	<u>5,121</u>	<u>81,860</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>58,831</u>	<u>(5,000)</u>	<u>-</u>	<u>(179,928)</u>
Total Other Financing Sources (Uses)	<u>58,831</u>	<u>(5,000)</u>	<u>-</u>	<u>(179,928)</u>
Net change in fund balances	<u>-</u>	<u>(86,225)</u>	<u>5,121</u>	<u>(98,068)</u>
Fund balances at beginning of year	<u>-</u>	<u>308,216</u>	<u>135,085</u>	<u>2,332,818</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 221,991</u>	<u>\$ 140,206</u>	<u>\$ 2,234,750</u>

**CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>				
REVENUES						
Taxes						
Real estate taxes	\$ 10,731,900	\$ 10,731,900	\$ 11,673,080	\$ -	\$ 11,673,080	\$ 941,180
Local option sales tax	2,600,000	2,600,000	3,076,289	-	3,076,289	476,289
Vehicle taxes	1,797,750	1,797,750	1,669,154	-	1,669,154	(128,596)
Delinquent taxes	1,460,000	1,460,000	1,540,752	-	1,540,752	80,752
Local accommodations	222,500	222,500	192,522	-	192,522	(29,978)
Payment in lieu of taxes	110,000	110,000	50,062	-	50,062	(59,938)
Treasurer's cost to cities	28,500	28,500	31,419	-	31,419	2,919
Payment in lieu - motor carrier	230,000	230,000	146,453	-	146,453	(83,547)
Total taxes	<u>17,180,650</u>	<u>17,180,650</u>	<u>18,379,731</u>	<u>-</u>	<u>18,379,731</u>	<u>1,199,081</u>
Licenses and permits						
Moving permits	3,500	3,500	1,875	-	1,875	(1,625)
Building permits	115,000	115,000	137,234	-	137,234	22,234
Total licenses and permits	<u>118,500</u>	<u>118,500</u>	<u>139,109</u>	<u>-</u>	<u>139,109</u>	<u>20,609</u>
Charges for services						
Assessors fees	1,500	1,500	730	-	730	(770)
Master in Equity fees	12,000	12,000	5,526	-	5,526	(6,474)
Probate fees	55,000	55,000	47,157	-	47,157	(7,843)
Planning and public service fees	9,000	9,000	6,812	-	6,812	(2,188)
ROD fees and charges	175,000	175,000	183,812	-	183,812	8,812
Coroner fees	1,000	1,000	600	-	600	(400)
Animal control fees	1,500	1,500	1,105	-	1,105	(395)
Landfill fees	320,000	320,000	263,472	-	263,472	(56,528)
County road user fee	1,040,000	1,040,000	1,037,525	-	1,037,525	(2,475)
Municipal Law Enforcement	-	-	87,500	-	87,500	87,500
Municipal inmate housing	11,000	11,000	8,457	-	8,457	(2,543)
Total charges for services	<u>1,626,000</u>	<u>1,626,000</u>	<u>1,642,696</u>	<u>-</u>	<u>1,642,696</u>	<u>16,696</u>
Fines and forfeitures						
Clerk of court fines and fees	120,000	120,000	115,003	-	115,003	(4,997)
Magistrate fines and fees	175,000	175,000	156,184	-	156,184	(18,816)
Sex offender registry fees	6,500	6,500	6,800	-	6,800	300
Sheriff's fines and fees	3,500	3,500	2,797	-	2,797	(703)
	<u>305,000</u>	<u>305,000</u>	<u>280,784</u>	<u>-</u>	<u>280,784</u>	<u>(24,216)</u>
Investment income						
	<u>8,500</u>	<u>8,500</u>	<u>15,212</u>	<u>-</u>	<u>15,212</u>	<u>6,712</u>
Miscellaneous						
Hangar rent	46,000	46,000	56,472	-	56,472	10,472
Multi-County Industrial Park	85,000	85,000	87,068	-	87,068	2,068
Miscellaneous revenue	218,100	218,100	169,825	-	169,825	(48,275)
Recreation Programs	74,000	74,000	55,278	-	55,278	(18,722)
Franchise fees	125,000	125,000	104,733	-	104,733	(20,267)
Contributions	2,500	2,500	1,890	-	1,890	(610)
United Way Census grant	-	-	457	-	457	457
	<u>550,600</u>	<u>550,600</u>	<u>475,723</u>	<u>-</u>	<u>475,723</u>	<u>(74,877)</u>

**CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>				
Intergovernmental						
State						
Accommodations tax	32,000	32,000	31,816	-	31,816	(184)
Merchant's inventory tax	48,910	48,910	48,909	-	48,909	(1)
Solid waste tire fees	16,500	16,500	22,379	-	22,379	5,879
State aid and allocations	1,423,505	1,423,505	1,405,976	-	1,405,976	(17,529)
Election commission	91,250	91,250	28,095	-	28,095	(63,155)
Clerk/Sheriff/Probate Judge supplements	7,875	7,875	7,875	-	7,875	-
Palmetto Pride	-	-	3,488	-	3,488	3,488
Body worn cameras	-	-	11,950	-	11,950	11,950
SC Aviation Commission	-	-	2,342	-	2,342	2,342
EMS Grant in aid	-	-	782	-	782	782
Waste oil grant(s)	-	-	3,620	-	3,620	3,620
Waste tire grant(s)	-	-	6,963	-	6,963	6,963
Solid waste grant(s)	-	-	3,551	-	3,551	3,551
State Proviso - Hurricane Florence	-	-	12,064	-	12,064	12,064
SC Dept Public Safety Covid	-	-	8,211	-	8,211	8,211
Federal						
Veterans affairs	4,700	4,700	4,798	-	4,798	98
Title IV-D Clerk of Court	140,000	140,000	170,296	-	170,296	30,296
Title IV-D Sheriff	10,000	10,000	6,254	-	6,254	(3,746)
DSS - Revenue	60,000	60,000	50,463	-	50,463	(9,537)
Emergency management grants	-	-	62,397	-	62,397	62,397
FEMA Covid-19	-	-	7,264	-	7,264	7,264
Airport improvement program	-	-	267,017	-	267,017	267,017
Justice Assistance grants	-	-	49,929	-	49,929	49,929
	<u>1,834,740</u>	<u>1,834,740</u>	<u>2,216,439</u>	<u>-</u>	<u>2,216,439</u>	<u>381,699</u>
TOTAL REVENUES	<u>\$ 21,623,990</u>	<u>\$ 21,623,990</u>	<u>\$ 23,149,694</u>	<u>\$ -</u>	<u>\$ 23,149,694</u>	<u>\$ 1,525,704</u>

**CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>				
General Government and Administration:						
Administration:						
Salaries and related	\$ 291,620	\$ 319,120	351,932	\$ -	\$ 351,932	\$ (32,812)
Operations	16,500	16,500	18,417	-	18,417	(1,917)
	<u>308,120</u>	<u>335,620</u>	<u>370,349</u>	<u>-</u>	<u>370,349</u>	<u>(34,729)</u>
County Council:						
Salaries and related	111,080	111,080	110,725	-	110,725	355
Operations	12,100	12,100	11,184	-	11,184	916
	<u>123,180</u>	<u>123,180</u>	<u>121,909</u>	<u>-</u>	<u>121,909</u>	<u>1,271</u>
Assessor:						
Salaries and related	513,530	513,530	516,169	-	516,169	(2,639)
Operations	31,000	31,000	22,549	-	22,549	8,451
	<u>544,530</u>	<u>544,530</u>	<u>538,718</u>	<u>-</u>	<u>538,718</u>	<u>5,812</u>
Auditor:						
Salaries and related	212,170	212,170	213,315	-	213,315	(1,145)
Operations	12,000	12,000	10,005	-	10,005	1,995
	<u>224,170</u>	<u>224,170</u>	<u>223,320</u>	<u>-</u>	<u>223,320</u>	<u>850</u>
Treasurer:						
Salaries and related	328,380	328,380	327,725	-	327,725	655
Operations	93,310	93,310	45,343	-	45,343	47,967
	<u>421,690</u>	<u>421,690</u>	<u>373,068</u>	<u>-</u>	<u>373,068</u>	<u>48,622</u>
Finance:						
Salaries and related	299,920	299,920	291,230	-	291,230	8,690
Operations	8,950	8,950	10,203	-	10,203	(1,253)
	<u>308,870</u>	<u>308,870</u>	<u>301,433</u>	<u>-</u>	<u>301,433</u>	<u>7,437</u>
Human Resources:						
Salaries and related	167,980	167,980	172,749	-	172,749	(4,769)
Operations	15,690	15,690	9,407	-	9,407	6,283
	<u>183,670</u>	<u>183,670</u>	<u>182,156</u>	<u>-</u>	<u>182,156</u>	<u>1,514</u>
Grants Administration						
Salaries and related	119,110	119,110	119,070	-	119,070	40
Operations	5,730	5,730	4,291	-	4,291	1,439
	<u>124,840</u>	<u>124,840</u>	<u>123,361</u>	<u>-</u>	<u>123,361</u>	<u>1,479</u>
Procurement						
Salaries and related	126,960	126,960	125,134	-	125,134	1,826
Operations	9,750	9,750	7,922	-	7,922	1,828
	<u>136,710</u>	<u>136,710</u>	<u>133,056</u>	<u>-</u>	<u>133,056</u>	<u>3,654</u>
Voter Registration:						
Salaries and related	221,410	221,410	183,548	-	183,548	37,862
Operations	64,620	64,620	121,272	-	121,272	(56,652)
	<u>286,030</u>	<u>286,030</u>	<u>304,820</u>	<u>-</u>	<u>304,820</u>	<u>(18,790)</u>
Information Technology:						
Salaries and related	114,070	114,070	114,097	-	114,097	(27)
Operations	335,400	335,400	295,846	14,977	310,823	24,577
	<u>449,470</u>	<u>449,470</u>	<u>409,943</u>	<u>14,977</u>	<u>424,920</u>	<u>24,550</u>
Veterans Affairs:						
Salaries and related	65,040	65,040	64,827	-	64,827	213
Operations	7,950	7,950	7,576	-	7,576	374
	<u>72,990</u>	<u>72,990</u>	<u>72,403</u>	<u>-</u>	<u>72,403</u>	<u>587</u>

**CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>				
Nondepartmental Expenditures:						
Special Projects	100,000	72,500	38,922	-	38,922	33,578
Contract Security	84,000	84,000	77,052	-	77,052	6,948
Legal Assistance	15,000	15,000	33,951	-	33,951	(18,951)
Rent - Judicial Annex	103,500	103,500	89,826	-	89,826	13,674
Workmen's compensation	200,000	200,000	145,060	-	145,060	54,940
Audit fee	37,000	37,000	40,865	-	40,865	(3,865)
Unemployment	3,000	3,000	11,913	-	11,913	(8,913)
Electricity	445,000	445,000	406,855	-	406,855	38,145
Contractual services	-	-	85,287	-	85,287	(85,287)
Printing and postage	105,000	105,000	138,797	-	138,797	(33,797)
Christmas bonus	38,000	38,000	33,667	-	33,667	4,333
Property and liability insurance	380,600	380,600	388,525	-	388,525	(7,925)
Drug screening	10,000	10,000	8,840	-	8,840	1,160
Water	50,000	50,000	42,229	-	42,229	7,771
Retirees' insurance	515,000	515,000	489,881	-	489,881	25,119
Telephone	169,000	169,000	197,876	-	197,876	(28,876)
Holiday compensation	71,320	71,320	65,504	-	65,504	5,816
Retirement expense	2,450	2,450	2,428	-	2,428	22
FICA expense	9,800	9,800	8,402	-	8,402	1,398
Police retirement	7,440	7,440	8,613	-	8,613	(1,173)
Bank fees and charges	15,000	15,000	34,850	-	34,850	(19,850)
	<u>2,361,110</u>	<u>2,333,610</u>	<u>2,349,343</u>	<u>-</u>	<u>2,349,343</u>	<u>(15,733)</u>
Grant Expense:						
Santee Cooper airport improvement	-	-	269,359	-	269,359	(269,359)
Palmetto Pride	-	-	3,488	-	3,488	(3,488)
United Way Census grant	-	-	457	-	457	(457)
SC Dept of Public Safety Covid	-	-	8,211	-	8,211	(8,211)
Emergency management plan(s)	-	-	42,007	-	42,007	(42,007)
EMS Grant in aid	-	-	827	-	827	(827)
Waste oil grant(s)	-	-	3,620	-	3,620	(3,620)
Waste tire grant(s)	-	-	54,605	-	54,605	(54,605)
Solid waste grant(s)	-	-	33,383	-	33,383	(33,383)
SC Law Enforcement body cameras	-	-	13,246	-	13,246	(13,246)
FEMA Covid-19	-	-	12,537	-	12,537	(12,537)
Justice Assistance grant(s)	-	-	7,599	-	7,599	(7,599)
	<u>-</u>	<u>-</u>	<u>449,339</u>	<u>-</u>	<u>449,339</u>	<u>(449,339)</u>
Total General Government and Administration	<u>5,545,380</u>	<u>5,545,380</u>	<u>5,953,218</u>	<u>14,977</u>	<u>5,968,195</u>	<u>(422,815)</u>

**CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>				
Court Related:						
Clerk of Court:						
Salaries and related	186,100	186,100	181,186	-	181,186	4,914
Operations	36,620	36,620	25,473	-	25,473	11,147
	<u>222,720</u>	<u>222,720</u>	<u>206,659</u>	<u>-</u>	<u>206,659</u>	<u>16,061</u>
Magistrates:						
Salaries and related	510,250	510,250	497,672	-	497,672	12,578
Operations	31,400	31,400	22,167	-	22,167	9,233
	<u>541,650</u>	<u>541,650</u>	<u>519,839</u>	<u>-</u>	<u>519,839</u>	<u>21,811</u>
Probate Judge:						
Salaries and related	158,270	158,270	155,573	-	155,573	2,697
Operations	12,650	12,650	8,490	-	8,490	4,160
	<u>170,920</u>	<u>170,920</u>	<u>164,063</u>	<u>-</u>	<u>164,063</u>	<u>6,857</u>
Family Court:						
Salaries and related	148,480	148,480	147,487	-	147,487	993
Operations	6,800	6,800	4,758	-	4,758	2,042
	<u>155,280</u>	<u>155,280</u>	<u>152,245</u>	<u>-</u>	<u>152,245</u>	<u>3,035</u>
Register of Deeds:						
Salaries and related	88,200	88,200	88,125	-	88,125	75
Operations	27,630	27,630	17,009	-	17,009	10,621
	<u>115,830</u>	<u>115,830</u>	<u>105,134</u>	<u>-</u>	<u>105,134</u>	<u>10,696</u>
Master in Equity:						
Salaries and related	32,450	32,450	36,843	-	36,843	(4,393)
Operations	10,020	10,020	8,948	-	8,948	1,072
	<u>42,470</u>	<u>42,470</u>	<u>45,791</u>	<u>-</u>	<u>45,791</u>	<u>(3,321)</u>
Title IV-D Funds - Clerk of Court:						
Salaries and related	107,920	107,920	87,010	-	87,010	20,910
Operations	12,000	12,000	4,668	-	4,668	7,332
	<u>119,920</u>	<u>119,920</u>	<u>91,678</u>	<u>-</u>	<u>91,678</u>	<u>28,242</u>
Circuit Court Judges:						
Allowance	750	750	621	-	621	129
Solicitor:						
Allowance	169,310	169,310	169,310	-	169,310	-
Public Defender:						
Allowance	125,500	125,500	125,500	-	125,500	-
	<u>295,560</u>	<u>295,560</u>	<u>295,431</u>	<u>-</u>	<u>295,431</u>	<u>129</u>
Total Court Related	<u>1,664,350</u>	<u>1,664,350</u>	<u>1,580,840</u>	<u>-</u>	<u>1,580,840</u>	<u>83,510</u>
Public Safety:						
Sheriff:						
Salaries and related	3,295,870	3,295,870	3,251,618	-	3,251,618	44,252
Operations	825,400	825,400	810,811	39,681	850,492	(25,092)
	<u>4,121,270</u>	<u>4,121,270</u>	<u>4,062,429</u>	<u>39,681</u>	<u>4,102,110</u>	<u>19,160</u>
Emergency Preparedness:						
Salaries and related	77,550	77,550	77,463	-	77,463	87
Operations	12,250	12,250	14,701	-	14,701	(2,451)
	<u>89,800</u>	<u>89,800</u>	<u>92,164</u>	<u>-</u>	<u>92,164</u>	<u>(2,364)</u>
Correctional Center:						
Salaries and related	1,671,830	1,638,303	1,545,312	-	1,545,312	92,991
Operations	443,100	476,627	497,741	6,703	504,444	(27,817)
	<u>2,114,930</u>	<u>2,114,930</u>	<u>2,043,053</u>	<u>6,703</u>	<u>2,049,756</u>	<u>65,174</u>

**CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>				
Coroner:						
Salaries and related	102,660	102,660	102,310	-	102,310	350
Operations	91,900	91,900	69,823	735	70,558	21,342
	<u>194,560</u>	<u>194,560</u>	<u>172,133</u>	<u>735</u>	<u>172,868</u>	<u>21,692</u>
Communications:						
Salaries and related	864,460	864,460	857,215	-	857,215	7,245
Operations	4,500	4,500	2,620	-	2,620	1,880
	<u>868,960</u>	<u>868,960</u>	<u>859,835</u>	<u>-</u>	<u>859,835</u>	<u>9,125</u>
EMS:						
Contract	1,041,000	1,041,000	1,041,000	-	1,041,000	-
Total Public Safety	<u>8,430,520</u>	<u>8,430,520</u>	<u>8,270,614</u>	<u>47,119</u>	<u>8,317,733</u>	<u>112,787</u>
Physical Environment:						
Facilities Management:						
Salaries and related	421,890	421,890	425,992	-	425,992	(4,102)
Operations	128,880	128,880	164,430	-	164,430	(35,550)
	<u>550,770</u>	<u>550,770</u>	<u>590,422</u>	<u>-</u>	<u>590,422</u>	<u>(39,652)</u>
Landfill:						
Salaries and related	246,460	246,460	253,648	-	253,648	(7,188)
Operations	1,781,650	1,781,650	1,808,422	-	1,808,422	(26,772)
	<u>2,028,110</u>	<u>2,028,110</u>	<u>2,062,070</u>	<u>-</u>	<u>2,062,070</u>	<u>(33,960)</u>
County Engineer:						
Salaries and related	113,100	113,100	110,028	-	110,028	3,072
Operations	53,400	53,400	50,994	-	50,994	2,406
	<u>166,500</u>	<u>166,500</u>	<u>161,022</u>	<u>-</u>	<u>161,022</u>	<u>5,478</u>
Public Works:						
Salaries and related	577,640	592,640	493,854	-	493,854	98,786
Operations	451,500	436,500	408,466	-	408,466	28,034
	<u>1,029,140</u>	<u>1,029,140</u>	<u>902,320</u>	<u>-</u>	<u>902,320</u>	<u>126,820</u>
Total Physical Environment	<u>3,774,520</u>	<u>3,774,520</u>	<u>3,715,834</u>	<u>-</u>	<u>3,715,834</u>	<u>58,686</u>
Economic Environment:						
Planning and Public Service Commission:						
Salaries and related	257,890	257,890	236,163	-	236,163	21,727
Operations	63,580	63,580	62,470	-	62,470	1,110
	<u>321,470</u>	<u>321,470</u>	<u>298,633</u>	<u>-</u>	<u>298,633</u>	<u>22,837</u>
Development Board:						
Salaries and related	188,220	188,220	189,616	-	189,616	(1,396)
Operations	165,450	165,450	157,849	-	157,849	7,601
	<u>353,670</u>	<u>353,670</u>	<u>347,465</u>	<u>-</u>	<u>347,465</u>	<u>6,205</u>
Total Economic Environment	<u>675,140</u>	<u>675,140</u>	<u>646,098</u>	<u>-</u>	<u>646,098</u>	<u>29,042</u>

**CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>				
Transportation:						
Fleet Maintenance:						
Salaries and related	180,150	180,150	178,550	-	178,550	1,600
Operations	9,600	9,600	5,095	-	5,095	4,505
	<u>189,750</u>	<u>189,750</u>	<u>183,645</u>	<u>-</u>	<u>183,645</u>	<u>6,105</u>
Airport Commission:						
Operations	28,930	28,930	12,267	1,800	14,067	14,863
	<u>28,930</u>	<u>28,930</u>	<u>12,267</u>	<u>1,800</u>	<u>14,067</u>	<u>14,863</u>
Total Transportation	<u>218,680</u>	<u>218,680</u>	<u>195,912</u>	<u>1,800</u>	<u>197,712</u>	<u>20,968</u>
Recreation and Culture:						
Recreation:						
Salaries and related	361,930	361,930	360,085	-	360,085	1,845
Operations	136,300	136,300	107,505	-	107,505	28,795
	<u>498,230</u>	<u>498,230</u>	<u>467,590</u>	<u>-</u>	<u>467,590</u>	<u>30,640</u>
County Archives:						
Salaries and related	86,960	86,960	72,544	-	72,544	14,416
Operations	5,160	5,160	3,991	-	3,991	1,169
	<u>92,120</u>	<u>92,120</u>	<u>76,535</u>	<u>-</u>	<u>76,535</u>	<u>15,585</u>
Total Recreation and Culture	<u>590,350</u>	<u>590,350</u>	<u>544,125</u>	<u>-</u>	<u>544,125</u>	<u>46,225</u>
Miscellaneous:						
Agencies:						
Santee-Lynches Council of Government	40,630	40,630	40,630	-	40,630	-
Santee Wateree RTA	7,000	7,000	7,000	-	7,000	-
Clarendon Soil and Water Conservation	32,000	32,000	32,000	-	32,000	-
Clemson Extension	28,800	28,800	28,800	-	28,800	-
SC Association of Counties	8,670	8,670	8,672	-	8,672	(2)
Delegation allowance	14,000	14,000	14,000	-	14,000	-
Behavioral Services	5,000	5,000	5,000	-	5,000	-
Clarendon County Library	565,000	565,000	565,000	-	565,000	-
SC DHEC	30,000	30,000	30,000	-	30,000	-
Indigent care	38,950	38,950	38,953	-	38,953	(3)
County Adult Education	28,000	28,000	28,000	-	28,000	-
Central Carolina Scholarship Program	20,000	20,000	20,000	-	20,000	-
Central Carolina Technical College	100,000	100,000	100,000	-	100,000	-
	<u>918,050</u>	<u>918,050</u>	<u>918,055</u>	<u>-</u>	<u>918,055</u>	<u>(5)</u>
Total Miscellaneous	<u>918,050</u>	<u>918,050</u>	<u>918,055</u>	<u>-</u>	<u>918,055</u>	<u>(5)</u>
Total Expenditures	<u>\$21,816,990</u>	<u>\$21,816,990</u>	<u>\$21,824,696</u>	<u>\$ 63,896</u>	<u>\$21,888,592</u>	<u>\$ (71,602)</u>
Other Financing Sources (Uses)						
Sale of Assets	\$ 140,000	\$ 140,000	\$ 73,076	\$ -	\$ 73,076	\$ (66,924)
Transfers In (Out)	53,000	53,000	(83,031)	-	(83,031)	(136,031)
	<u>\$ 193,000</u>	<u>\$ 193,000</u>	<u>\$ (9,955)</u>	<u>\$ -</u>	<u>\$ (9,955)</u>	<u>\$ (202,955)</u>

FIDUCIARY FUNDS

AGENCY FUNDS

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

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2020

	School Districts Debt Service	School Districts Operations	Forfeited Land	Probate Judge	Master-In Equity	Municipalities
ASSETS						
Cash and investments	\$ 3,961,009	\$ -	\$ 520	\$ 5,417	\$ 25	\$ -
Delinquent taxes receivable	131,349	1,492,211	-	-	-	-
Due from General Fund	116,079	32,214	-	-	-	-
Due from other magistrates	-	-	-	-	-	-
Total assets	<u>\$ 4,208,437</u>	<u>\$ 1,524,425</u>	<u>\$ 520</u>	<u>\$ 5,417</u>	<u>\$ 25</u>	<u>\$ -</u>
LIABILITIES						
Due to trust fund holders	\$ 4,208,437	\$ 1,524,425	\$ 520	\$ 240	\$ 25	\$ -
Due to Treasurer	-	-	-	5,177	-	-
Due to Treasurer - cash overage (shortage)	-	-	-	-	-	-
Due to others	-	-	-	-	-	-
Due to other magistrates	-	-	-	-	-	-
Total liabilities	<u>\$ 4,208,437</u>	<u>\$ 1,524,425</u>	<u>\$ 520</u>	<u>\$ 5,417</u>	<u>\$ 25</u>	<u>\$ -</u>

**CLARENDON COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 JUNE 30, 2020**

	<u>Magistrates</u>			Clerk of Court	Tax Collector	Total
	General Account	Civil Account	Part- Time			
ASSETS						
Cash and investments	\$ 71,286	\$ 6,360	\$ 122	\$ 501,297	\$ 1,189,230	\$ 5,735,266
Delinquent taxes receivable	-	-	-	-	-	1,623,560
Due from General Fund	-	-	-	-	-	148,293
Due from other magistrates	122	-	-	-	-	122
Total assets	<u>\$ 71,408</u>	<u>\$ 6,360</u>	<u>\$ 122</u>	<u>\$ 501,297</u>	<u>\$ 1,189,230</u>	<u>\$ 7,507,241</u>
LIABILITIES						
Due to trust fund holders	\$ 58,245	\$ -	\$ -	\$ 426,114	\$ 1,189,230	\$ 7,407,236
Due to Treasurer	10,742	6,360	-	25,480	-	47,759
Due to Treasurer - cash overage (shortage)	2,421	-	-	46,458	-	48,879
Due to others	-	-	-	3,245	-	3,245
Due to other magistrates	-	-	122	-	-	122
Total liabilities	<u>\$ 71,408</u>	<u>\$ 6,360</u>	<u>\$ 122</u>	<u>\$ 501,297</u>	<u>\$ 1,189,230</u>	<u>\$ 7,507,241</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Municipalities				
Assets				
Due from General Fund	\$ -	\$ 2,022,590	\$ 2,022,590	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 2,022,590</u>	<u>\$ 2,022,590</u>	<u>\$ -</u>
Liabilities				
Due to trust fund holders	\$ -	\$ 1,984,482	\$ 1,984,482	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 1,984,482</u>	<u>\$ 1,984,482</u>	<u>\$ -</u>
School Districts Debt Service				
Assets				
Cash and investments	\$ 3,485,459	\$ 7,333,103	\$ 6,857,553	\$ 3,961,009
Due from General Fund	-	2,264,639	2,148,560	116,079
Delinquent taxes receivable	137,974	918	7,543	131,349
Total Assets	<u>\$ 3,623,433</u>	<u>\$ 9,598,660</u>	<u>\$ 9,013,656</u>	<u>\$ 4,208,437</u>
Liabilities				
Due to trust fund holders	\$ 3,623,433	\$ 7,317,588	\$ 6,732,584	\$ 4,208,437
Total Liabilities	<u>\$ 3,623,433</u>	<u>\$ 7,317,588</u>	<u>\$ 6,732,584</u>	<u>\$ 4,208,437</u>
School District Operations				
Assets				
Delinquent taxes receivable	\$ 1,368,217	\$ 123,994	\$ -	\$ 1,492,211
Due from General Fund	15,854	11,468,967	11,452,607	32,214
Total Assets	<u>\$ 1,384,071</u>	<u>\$ 11,592,961</u>	<u>\$ 11,452,607</u>	<u>\$ 1,524,425</u>
Liabilities				
Due to trust fund holders	\$ 1,384,071	\$47,088,741	\$46,948,387	\$ 1,524,425
Total Liabilities	<u>\$ 1,384,071</u>	<u>\$47,088,741</u>	<u>\$46,948,387</u>	<u>\$ 1,524,425</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Forfeited Land Commission				
Assets				
Cash and investments	\$ 500	\$ 20	\$ -	\$ 520
Due from General Fund	17	-	17	-
Due from others	-	-	-	-
Total Assets	<u>\$ 517</u>	<u>\$ 20</u>	<u>\$ 17</u>	<u>\$ 520</u>
Liabilities				
Due to trust fund holders	\$ 517	\$ 3	\$ -	\$ 520
Total Liabilities	<u>\$ 517</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 520</u>
Probate Judge				
Assets				
Cash	\$ 4,086	\$ 49,079	\$ 47,748	\$ 5,417
Total Assets	<u>\$ 4,086</u>	<u>\$ 49,079</u>	<u>\$ 47,748</u>	<u>\$ 5,417</u>
Liabilities				
Due to Treasurer	\$ 3,838	\$ 1,339	\$ -	\$ 5,177
Due to trust fund holders	240	-	-	240
Due to others	8	-	8	-
Total Liabilities	<u>\$ 4,086</u>	<u>\$ 1,339</u>	<u>\$ -</u>	<u>\$ 5,417</u>
Master In Equity				
Assets				
Cash	\$ 435	\$ 137,459	\$ 137,869	\$ 25
Total Assets	<u>\$ 435</u>	<u>\$ 137,459</u>	<u>\$ 137,869</u>	<u>\$ 25</u>
Liabilities				
Due to Treasurer	\$ 410	\$ -	\$ 410	\$ -
Due to trust fund holders	25	-	-	25
Total Liabilities	<u>\$ 435</u>	<u>\$ -</u>	<u>\$ 410</u>	<u>\$ 25</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Magistrate: General Account				
Assets				
Cash	\$ 47,774	\$ 351,400	\$ 327,888	\$ 71,286
Due from other	10	-	10	-
Due from other magistrates	122	-	-	122
Total Assets	<u>\$ 47,906</u>	<u>\$ 351,400</u>	<u>\$ 327,898</u>	<u>\$ 71,408</u>
Liabilities				
Due to Treasurer	\$ 40,519	\$ -	\$ 29,777	\$ 10,742
Due to trust fund holders	5,558	52,687	-	58,245
Due to Treasurer - cash overage/(shortage)	1,829	592	-	2,421
Total Liabilities	<u>\$ 47,906</u>	<u>\$ 53,279</u>	<u>\$ 29,777</u>	<u>\$ 71,408</u>
Magistrate: Civil Account				
Assets				
Cash	\$ 6,730	\$ 62,617	\$ 62,987	\$ 6,360
Total Assets	<u>\$ 6,730</u>	<u>\$ 62,617</u>	<u>\$ 62,987</u>	<u>\$ 6,360</u>
Liabilities				
Due to Treasurer	\$ 6,730	\$ -	\$ 370	\$ 6,360
Total Liabilities	<u>\$ 6,730</u>	<u>\$ -</u>	<u>\$ 370</u>	<u>\$ 6,360</u>
Magistrate: Part-time				
Assets				
Cash	\$ 122	\$ 10,180	\$ 10,180	\$ 122
Total Assets	<u>\$ 122</u>	<u>\$ 10,180</u>	<u>\$ 10,180</u>	<u>\$ 122</u>
Liabilities				
Due to other magistrates	\$ 122	\$ -	\$ -	\$ 122
Total Liabilities	<u>\$ 122</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122</u>

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Clerk of Court				
Assets				
Cash	\$ 497,552	\$ 8,002	\$ 4,257	\$ 501,297
Due from other	28	-	28	-
Total Assets	<u>\$ 497,580</u>	<u>\$ 8,002</u>	<u>\$ 4,285</u>	<u>\$ 501,297</u>
Liabilities				
Due to Treasurer	\$ 23,832	\$ 1,648		\$ 25,480
Due to trust fund holders	435,644	3,535	13,065	426,114
Due to others	3,538	617	910	3,245
Due to Treasurer - cash overage/(shortage)	34,566	11,915	23	46,458
Total Liabilities	<u>\$ 497,580</u>	<u>\$ 17,715</u>	<u>\$ 13,998</u>	<u>\$ 501,297</u>
Tax Collector				
Assets				
Cash	\$ 1,468,735	\$ 1,811,956	\$ 2,091,461	\$ 1,189,230
Total Assets	<u>\$ 1,468,735</u>	<u>\$ 1,811,956</u>	<u>\$ 2,091,461</u>	<u>\$ 1,189,230</u>
Liabilities				
Due to trust fund holders	\$ 1,468,735	\$ 1,725,539	\$ 2,005,044	\$ 1,189,230
Total Liabilities	<u>\$ 1,468,735</u>	<u>\$ 1,725,539</u>	<u>\$ 2,005,044</u>	<u>\$ 1,189,230</u>
Total All Agency Funds				
Assets				
Cash and Investments	\$ 5,511,393	\$ 9,763,816	\$ 9,539,943	\$ 5,735,266
Delinquent taxes receivable	1,506,191	124,912	7,543	1,623,560
Due from others	38	-	38	-
Due from General Fund	15,871	15,756,196	15,623,774	148,293
Due from other magistrates	122	-	-	122
Total Assets	<u>\$ 7,033,615</u>	<u>\$ 25,644,924</u>	<u>\$ 25,171,298</u>	<u>\$ 7,507,241</u>
Liabilities				
Due to Treasurer	\$ 75,329	\$ 2,987	\$ 30,557	\$ 47,759
Due to Treasurer - cash overage/(shortage)	36,395	12,507	23	48,879
Due to trust fund holders	6,918,223	58,172,575	57,683,562	7,407,236
Due to others	3,546	617	918	3,245
Due to other magistrates	122	-	-	122
Total Liabilities	<u>\$ 7,033,615</u>	<u>\$ 58,188,686</u>	<u>\$ 57,715,060</u>	<u>\$ 7,507,241</u>

CLARENDON COUNTY, SOUTH CAROLINA
SCHEDULE OF COURT FINES, ASSESSMENTS, AND SURCHARGES (per ACT 96)
SPECIAL REVENUE FUND - VICTIMS' RIGHTS FUND
FOR THE YEAR ENDED JUNE 30, 2020

COUNTY/MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	<u>General Sessions</u>	<u>Magistrates</u>	<u>Total</u>
Court Fines and Assessments			
Court fines and assessments collected	\$ 11,706	\$ 280,435	\$ 292,141
Court fines and assessments remitted to State	<u>7,212</u>	<u>124,257</u>	<u>131,469</u>
Total Court Fines and Assessments Retained	<u>\$ 4,494</u>	<u>\$ 156,178</u>	<u>\$ 160,672</u>
Surcharges and Assessments retained for victim services			
Surcharges collected and retained	\$ 7,329	\$ 5,361	\$ 12,690
Assessments retained	<u>1,564</u>	<u>12,531</u>	<u>14,095</u>
Total Surcharges and Assessments retained for victim services	<u>\$ 8,893</u>	<u>\$ 17,892</u>	<u>\$ 26,785</u>

**FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)
VICTIM SERVICE FUNDS COLLECTED**

	County
Carryforward from Previous Year - Beginning Balance	\$ -
Victim Service Revenue:	
Victim Service Assessments Retained by County Treasurer	14,095
Victim Service Surcharges Retained by County Treasurer	12,690
Interest Earned	-
General Funds Transferred to Victim Service Fund	58,831
Contributions received from Victim Assistance contracts:	
Town of Summerton	12,000
Town of Turbeville	<u>6,000</u>
Total Funds Allocated to Victim Service Fund + Beginning Balance	<u>103,616</u>
Expenditures for Victim Service Program	
Salaries and benefits	(103,616)
Total Expenditures from Victim Service Fund/Program	<u>(103,616)</u>
Carryforward Funds - End of Year	<u>\$ -</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2020**

Real and Other Personal Property Assessed Value	\$	76,427,198
Vehicles Assessed Value		12,676,686
Public Utilities and Railroads		7,684,489
Fee-in-Lieu-of Taxes		6,594,101
Other Business Personal Property		266,380
Manufacturer's Assessed Value		1,902,320
Merchants Inventory Value		<u>688,290</u>
 Total Taxable Assessed Value		 <u>106,239,464</u>
 Debt Limit - Eight Percent (8%) of Total Taxable Assessed Value		 8,499,157
 Amount of Debt Applicable to Debt Limit:		 <u>7,252,636</u>
 LEGAL DEBT MARGIN	 \$	 <u><u>1,246,521</u></u>

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

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

Five Year Summary of the General Fund

The following is a summary of the General Fund revenues and expenditures for the fiscal year ended June 30, 2016 through 2020 (audited) and the budget for fiscal year 2021.

(000's omitted)	2016	2017	2018	2019	2020	2021 Budget
REVENUES						
Taxes	\$ 16,047	\$ 15,898	\$ 16,206	\$ 16,912	\$ 18,380	\$ 16,778
Licenses and permits	90	114	108	135	139	133
Intergovernmental	3,315	2,711	2,559	3,657	2,216	1,930
Charges for service	1,226	1,559	1,647	1,613	1,643	1,772
Fine and forfeitures	474	387	324	317	281	315
Investment income	2	2	2	11	15	12
Miscellaneous	516	538	597	531	476	545
Total revenue	<u>21,670</u>	<u>21,209</u>	<u>21,443</u>	<u>23,176</u>	<u>23,150</u>	<u>21,485</u>
EXPENDITURES						
General government	8,114	5,885	5,796	6,188	5,953	5,879
Public safety	7,534	7,607	7,579	7,718	8,271	7,820
Physical environment	3,582	3,707	3,772	3,712	3,716	3,894
Transportation	209	204	256	180	196	223
Economic environment	627	640	623	598	646	740
Agencies	843	931	911	916	918	918
Culture and recreation	529	529	567	625	544	600
Court related	1,535	1,515	1,634	1,580	1,581	1,704
Total expenditures	<u>22,973</u>	<u>21,018</u>	<u>21,138</u>	<u>21,517</u>	<u>21,825</u>	<u>21,778</u>
Excess of revenues over/(under) expenditures	(1,303)	191	305	1,659	1,325	(293)
OTHER SOURCES (USES)						
Sale of assets	76	5	35	13	73	190
Transfers	60	5	(151)	78	(83)	103
Net other financing sources	<u>136</u>	<u>10</u>	<u>(116)</u>	<u>91</u>	<u>(10)</u>	<u>293</u>
Net change in fund balance	<u>(1,167)</u>	<u>201</u>	<u>189</u>	<u>1,750</u>	<u>1,315</u>	<u>-</u>
Fund balance at beginning of year	<u>3,572</u>	<u>2,405</u>	<u>2,606</u>	<u>2,795</u>	<u>4,545</u>	<u>5,860</u>
Fund balance at end of year	<u>\$ 2,405</u>	<u>\$ 2,606</u>	<u>\$ 2,795*</u>	<u>\$ 4,545*</u>	<u>\$ 5,860</u>	<u>\$ 5,860</u>
Ending fund balance as % of total expenditures	10.5%	12.4%	13.2%	21.1%	26.8%	26.9%

* As restated

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

Assessed Values of the County

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

(000's
omitted)

<u>Tax Year</u>	<u>Real Property</u>	<u>Personal</u>	<u>SCTC</u>	<u>Manu- facturing</u>	<u>Vehicles</u>	<u>Fee-in-Lieu Taxes</u>	<u>Total Taxable Property*</u>
2010	69,747	1,308	9,197	1,812	8,047	768	90,879
2011	73,678	1,399	9,249	870	9,557	458	95,211
2012	73,084	1,312	9,395	1,132	10,260	3,866	99,049
2013	74,211	1,259	9,274	1,119	11,276	4,129	101,268
2014	75,097	1,325	9,920	712	11,542	4,305	102,901
2015	75,725	1,297	9,863	353	12,699	4,806	104,743
2016	71,342	1,504	9,508	179	12,585	4,752	99,870
2017	71,705	1,549	9,357	368	12,290	4,820	100,089
2018	73,336	1,647	9,367	1,088	12,157	4,979	102,574
2019	74,695	1,732	9,587	266	12,677	6,594	105,551

Source: Clarendon County Auditor

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

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

Largest Taxpayers

The ten (10) largest taxpayers in the County, the total amount of County taxes paid with ranking and percentage of total assessed value of the taxable property of each for the fiscal year 2020 (tax year 2019) and the prior year are reflected below:

(000's omitted)

<u>Taxpayer</u>	<u>Fiscal Year 2020 (Tax Year 2019)</u>			<u>Fiscal Year 2019 (Tax Year 2018)</u>		
	<u>Total Taxes Paid</u>	<u>Rank *</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Total Taxes Paid</u>	<u>Rank *</u>	<u>Percentage of Total Taxable Assessed Value</u>
Georgia Pacific Clarendon LP	\$ 1,183	1	4.33%	\$ 998	1	3.76%
Santee Electric Co-op, Inc.	1,000	2	2.45%	855	2	2.20%
Black River Electric Co-op, Inc.	313	3	0.80%	287	4	0.78%
CSX Transportation, Inc.	234	4	0.62%	222	5	0.63%
Central Electric Power Co-op, Inc.	190	5	0.44%	186	6	0.46%
Wal-Mart Real Estate	159	6	0.51%	154	7	0.52%
Kent International, Inc.	132	7	0.39%	120	8	0.37%
Time Warner Cable Southeast	107	8	0.30%	96	10	0.29%
ACM Investment Co., LLC	103	9	0.28%	104	9	0.31%
Edwards Wood Products, Inc.	62	10	0.30%	-	-	-
Duke Energy Progress, Inc.	-	-	-	693	3	1.79%
Totals	<u>\$ 3,483</u>		<u>10.42%</u>	<u>\$ 3,715</u>		<u>11.11%</u>

Source: Clarendon County Treasurer

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

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

Tax Collection Record

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

(000's omitted)

Fiscal Year Ended June 30th	Budgeted Tax Collections	Budgeted Delinquent Tax Collections	Budgeted Total Collections	Current Tax Collections	Delinquent Tax Collections	Total Tax Collections	Collection Rates	
							Current Tax Collections vs. Budgeted Tax Collections	Total Tax Collections vs. Budgeted Total Collections
2011	12,929	1,330	14,259	12,086	1,717	13,803	93.48%	96.80%
2012	12,735	1,399	14,134	11,761	1,743	13,504	92.35%	95.54%
2013	13,049	1,540	14,589	12,494	1,601	14,095	95.75%	96.62%
2014	13,238	1,300	14,538	13,209	1,667	14,876	99.78%	102.32%
2015	13,814	1,640	15,454	14,476	1,686	16,162	104.79%	104.58%
2016	14,951	1,860	16,811	14,989	1,713	16,702	100.26%	99.35%
2017	15,595	1,780	17,375	15,406	1,442	16,848	98.79%	96.97%
2018	15,949	1,800	17,749	15,759	1,463	17,222	98.81%	97.03%
2019	16,566	1,590	18,156	16,027	1,711	17,738	96.75%	97.70%
2020	17,227	1,640	18,867	17,659	1,880	19,539	102.51%	103.56%

Hospitality Fee Collections

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
July	\$ 27,412	\$ 26,740	\$ 28,781	\$ 30,327	\$ 26,220
August	28,660	21,680	20,445	25,719	27,317
September	25,430	23,917	26,108	28,084	24,391
October	23,338	18,227	22,965	23,750	23,888
November	19,508	27,413	25,028	22,311	14,685
December	7,612	41,939	27,824	26,694	42,313
January	29,685	24,976	22,268	24,278	27,350
February	34,647	22,292	19,374	22,134	39,548
March	25,261	27,062	13,242	26,891	19,993
April	23,014	24,645	22,168	29,818	16,574
May	26,957	23,763	27,755	26,933	24,654
June	<u>26,186</u>	<u>26,988</u>	<u>24,273</u>	<u>56,084</u>	<u>31,139</u>
Total	<u>\$ 297,710</u>	<u>\$ 309,642</u>	<u>\$ 280,231</u>	<u>\$ 343,023</u>	<u>\$ 318,072</u>

COMPLIANCE SECTION

PARTNERS

C.C. McGregor, CPA
1906–1968

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

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

D.L. Richardson, CPA
E.C. Inabinet, CPA

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L.B. Salley, CPA
D.K. Strickland, CPA

J.P. McGuire, CPA
J.R. Matthews II, CPA
C.D. Hincee, CPA
G.P. Davis, CPA
H.O. Crider, Jr., CPA

ASSOCIATES

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P.A. Betette, Jr, CPA

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F.C. Gillam, Jr, CPA
H.S. Mims, CPA
T. Solorzano, CPA

C.W. Bolen, CPA
W.C. Sanders, CPA
C.L.T. Valentine, CPA

*Active Retired

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clarendon County, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Clarendon County’s basic financial statements and have issued our report thereon dated January 25, 2021.

Internal Control Over Financial Reporting

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clarendon County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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*.

Clarendon County's Response to Findings

Clarendon County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Clarendon 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.

McGregor & Co. LLP

Orangeburg, South Carolina
January 25, 2021

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

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

Report on Compliance for Each Major Federal Program

We have audited Clarendon County’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Clarendon County’s major federal programs for the year ended June 30, 2020. Clarendon County’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

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

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

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

Opinion on Each Major Federal Program

In our opinion, Clarendon County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

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

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

McKreger & Co. LLP

Orangeburg, South Carolina
January 25, 2021

**CLARENDON COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

Grantor	Grantor Number	Federal CFDA Number	Award Amount	Total Awards Expended
U. S. DEPARTMENT OF JUSTICE:				
Through SC Department of Public Safety:				
Ballistic Vests	N/A	16.803	\$ 2,430	\$ 2,025
Through SC Attorney General Office:				
Criminal Domestic Violence Investigator	1K18010	16.588	55,198	11,742
Criminal Domestic Violence Investigator	1K17044	16.588	47,365	36,162
Equitable Sharing Program	N/A	16.922	8,290	8,290
U. S. DEPARTMENT OF TREASURY:				
Asset Forfeiture Program	N/A	21.016	104,139	104,139
Through SC Department of Administration:				
Cares Act	N/A	21.019	57,477	57,477
U.S. DEPARTMENT OF HOMELAND SECURITY:				
Through SC Emergency Management Division:				
FEMA - Covid	FEMA 4492-PA-SC	98.036	7,264	7,264
LEMPG 2018 Supplemental	18EMPG01	97.042	2,000	2,000
Local Emergency Mgmt. Planning 2020	19EMPG01	97.042	60,397	60,397
U. S. DEPARTMENT OF TRANSPORTATION:				
Federal Aviation Administration				
Airport Improvement Program	3-45-0038-010-2018	20.106	166,170	43,055
Airport Improvement Program	3-45-0038-010-2019	20.106	336,087	223,962
U. S. DEPARTMENT OF AGRICULTURE:				
Rural Utilities Service Direct Loan:				
Phase 2 Water Project	11160-0014	10.760	4,749,000	1,290,496
Rural Utilities Service Grant:				
Phase 2 Water Project	11160-0014	10.760	1,481,000	696,531
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Through Department of Social Services:				
Office of Child Support Enforcement:				
Filing Fees	G-04SC404	93.563		8,550
Federal Financial Assistance	G-04SC404	93.563		50,463
Clerk of Court Incentive (IV-D)	G-04SC404	93.563		-
Family Court	G-04SC404	93.563		170,295
Sheriff's Department	G-04SC404	93.563		6,253
TOTAL FEDERAL ASSISTANCE				\$ 2,779,101

See Independent Auditor's Report on Supplementary Information.
See Notes to Schedule of Expenditures of Federal Awards.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE A – BASIS OF PRESENTATION

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

NOTE B – Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principals contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* or *OMB Circular A-87 – Cost Principles for State, Local and Indian Tribe Governments*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – DE MINIMUS INDIRECT COST RATE

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

NOTE D – USDA DIRECT LOAN

Ending Balance	<u>\$ 4,724,587</u>
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**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

SECTION A.

<u>Financial Statements</u>	<u>Summary of Auditor's Results</u>
1.) Type of auditor's report issued:	Unmodified
2.) Internal controls over financial reporting:	
a.) Material weakness identified?	Yes
b.) Significant deficiencies identified not considered to be material weaknesses?	No
3.) Noncompliance material to financial statements noted?	No
 <u>Federal Awards</u>	
1.) Internal control over major programs:	
a.) Material weakness identified?	No
b.) Significant deficiencies identified not considered to be material weaknesses?	No
2.) Type of auditor's report issued on compliance for major programs:	Unmodified
3.) Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No
4.) Identification of major programs:	
<u>CFDA Number</u>	<u>Name of Federal Program</u>
10.760	Rural Utilities Service Direct Loan and Grant
5.) Dollar Threshold used to distinguish between Type A and Type B programs?	\$750,000
6.) Auditee qualified as a low-risk auditee under The Uniform Guidance?	Yes

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

B. Summary of Audit Results

2020-001 Material Audit Adjustment

Criteria: The County should present a trial balance to the auditor that does not require any audit adjustments that would have a material effect on the financial statements.

Condition: An audit adjustment was proposed and posted to the County's trial balance to correct a material misstatement.

Cause: An accrual was not made for the June 2020 fuel tax revenue in the C Funds Special Revenue Fund. This appears to be an isolated case and not reoccurring issue.

Effect: Without the proposed audit adjustment, the County financial statements would have been materially misstated for the year ended June 30, 2020.

Auditor's Recommendation: While some errors are inherent in a County of this size, trial balances of all funds should be reviewed for all year end type journal entries that are necessary prior to presenting the auditors with a final working trial balance.

County's Response: County agrees. See Corrective Action Plan at page 126.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

I. Financial Statement Findings

None.

II. Major Federal Award Programs Findings

None.

Clarendon County Finance

Administrative Complex
411 Sunset Drive
Manning, South Carolina 29102
(803) 435-8424 – Fax (803) 435-8258

February 9, 2021

McGregor & Company, LLP
1190 Boulevard NE
Orangeburg, South Carolina 29115

Finding 2020-001 Material Audit Adjustment

Name of Contact Person: Lynden Anthony, Chief Financial Officer

Corrective Action: The County agrees with the finding. An accrual was not made for the June, 2020 fuel tax revenue in the C-Funds Special Revenue Fund. As recommended, trial balances of all funds will be reviewed for all year-end type journal entries that are necessary prior to presenting the auditors with a final working trial balance.

Proposed Completion Date: August 31, 2021