

WILLIAMSBURG COUNTY, SOUTH CAROLINA

**AUDITED BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

**FOR THE YEAR ENDED
JUNE 30, 2018**

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
AUDITED BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018**

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INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman and Members of
Williamsburg County Council
Williamsburg County
Kingstree, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Williamsburg County, South Carolina, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of Williamsburg County Alcohol and Drug Abuse special revenue fund which represents 32.86 percent and 31.65 percent, respectively, of the assets and revenues of the other governmental funds.

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 did not audit the financial statements of Williamsburg County Alcohol and Drug Abuse special revenue fund which represents 32.86 percent and 31.65 percent, respectively, of the assets and revenues of the other governmental funds. Those financial statements were audited by other auditors, whose report has been furnished to us, and our opinion on the financial statements insofar as it relates to the amounts included for Williamsburg County Alcohol and Drug Abuse special revenue fund is based solely on the report of other auditors. 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 of 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.

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, based on our report and the report of other auditors, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Williamsburg County, South Carolina, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 21 to the financial statements, the County adopted new accounting guidance, GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14, the budgetary comparison information on pages 77 through 80 and supplementary pension information and supplementary OPEB information on pages 81 through 88 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 the County's basic financial statements. The combining and individual fund financial statements and supplemental schedules 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 (Uniform Guidance)*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2019 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Harper, Poston & Moree, P.A.

Harper, Poston & Moree, P.A.
Certified Public Accountants

Georgetown, South Carolina
July 25, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of Williamsburg County, South Carolina, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Williamsburg County for the fiscal year ended June 30, 2018.

Financial Highlights

- ❖ The assets of Williamsburg County exceeded its liabilities at June 30, 2018 by \$15,223,265 (net position). This is a decrease of \$1,753,959 from the prior year net position. This decrease results from expenses exceeding revenues and an increase in the estimated cost of closure and post closure of the Landfill.
- ❖ As of the close of the current fiscal year, Williamsburg County's governmental funds reported combined ending fund balances of \$12,657,833. This is an increase in fund balance from the prior year in the amount of \$4,053,507. This increase in fund balance is primarily due to the issuance of bond anticipation loans in the amount of \$6,000,000 of which \$4,494,251 at June 30, 2018. The County's General Fund has an unassigned fund balance of \$2,629,673, or 11.77% of General Fund expenditures.
- ❖ Williamsburg County's long-term debt increased by \$1,407,263 during the current fiscal year. There was a principal increase in the general obligation bonds of \$2,289,587 and a decrease in capital leases in the amount of \$586,868. Revenue bonds decreased by \$358,441.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Williamsburg County's basic financial statements which 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 financial information in addition to the basic financial statements themselves.

Government-wide financial statements. Government-wide financial statements are designed to provide readers with a broad overview of the financial position of Williamsburg County and are similar to private sector financial statements. They include a statement of net position and a statement of activities. These statements appear on pages 15 through 17 of this report.

Component units, which are other governmental units over which the County (the County Council, acting as a group) can exercise influence and/or may be obligated to provide financial subsidy, are presented as a separate column in the government-wide statements and as combining statements of net position and of activities in the fund financial statements. The focus of the statements is clearly on the Primary Government and the presentation allows the user to address the relative relationship with the Component Unit. For those readers interested in more information on the component unit, contact information is provided in Note 1. A. on page 30 of this report.

The Statement of Net Position shows the County's assets less its liabilities at June 30, 2018. The difference between these assets and liabilities is reported as net position. Changes in net position over time may be helpful in indicating an improving or deteriorating financial position. Some included items, such as accounts payable or earned but unused vacation leave, will produce changes in cash in a future fiscal period.

The Statement of Activities follows the Statement of Net Position and presents information showing how the net position changed during the fiscal year. The statement presents all underlying events, which give rise to the change, regardless of the timing of related cash flows.

Both statements attempt to distinguish functions of Williamsburg County that are principally supported by taxes and inter-governmental 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).

Governmental activities reported in the statements include general government, public safety, public works, health and welfare, economic development, culture and recreation, and environmental services (landfill). Major business activities include water and sewer and a transit system.

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. Like other state and local governments, Williamsburg County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of Williamsburg County can be divided into three categories: governmental, proprietary and fiduciary.

Governmental funds. Governmental funds, presented on pages 18 through 21, essentially account for the same functions as those reported under government-wide statement of net position and statement of activities. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balance of spendable resources available at the end of the fiscal year and is a narrower focus than the government-wide financial statements. Such information may be useful in evaluating Williamsburg County's near-term financing requirements and available resources.

By comparing functions between the two sets of statements for governmental funds and governmental activities, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

Governmental funds individually presented in Williamsburg County's statements include five major funds, the General Fund, the Rural Fire Fund, the Capital Projects Sales Tax Fund, Federal and State Grants Fund and the Debt Service Fund. The smaller governmental funds in Williamsburg County government are Landfill Fund, Roads and Bridges Fund, Title IV D Fund, Capital Projects Fund, Industrial Park Fund, Sheriff Special Fund and Williamsburg County Alcohol & Drug Abuse Fund. They have been presented in a total column termed as "other governmental funds". Their detail can be reviewed on pages 89 and 90.

Proprietary funds. Williamsburg County maintains and presents proprietary funds for two enterprises, Water and Sewer and Transit Authority, shown on pages 22 through 27 of this report.

Enterprise funds report in greater detail the same information presented as business-type activities in the government-wide financial statements for Water and Sewer and Transit.

Fiduciary funds. 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 statement because the resources of those funds are not available to support Williamsburg County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 28 and 29 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in both government-wide and fund financial statements. Notes are presented on pages 30 through 76.

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 Williamsburg County, assets exceed liabilities by \$15,223,265 at the close of the June 30, 2018 fiscal year.

Of this amount, \$33,347,005 reflects its investment in capital assets (e.g., land, building, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. Williamsburg County uses these capital assets to provide services to its 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 those liabilities.

An additional portion of the County's net position, \$1,565,334 represents restrictions for Landfill Closure and Post Closure; \$2,863,399 represents restrictions for debt service; \$182,614 is restricted for public safety; and \$1,884,858 is restricted for roads and bridges, health and human services and economic development.

At the end of the current fiscal year, Williamsburg County is able to report positive balances in the government as a whole, but not for its Governmental Activities.

Williamsburg County's Net Position June 30, 2018 (Recapped from pages 15 and 16)

	Governmental Activities		Business-Type Activities		Total	
	2018	(As Restated) 2017	2018	(As Restated) 2017	2018	2017
Current and Other Assets	17,558,051	12,775,889	2,948,482	4,417,432	20,506,533	17,193,321
Capital Assets	42,286,081	43,782,658	49,175,151	47,611,876	91,461,232	91,394,534
Total Assets	59,844,132	56,560,564	52,123,633	52,029,308	111,967,765	108,587,855
Deferred Outflows of Resources	4,566,111	4,842,777	286,813	336,247	4,852,924	5,179,024
Long-term Liabilities	63,433,857	66,190,259	23,090,492	20,323,783	86,524,349	86,514,042
Other Liabilities	11,972,275	5,298,282	978,691	4,692,727	12,950,966	9,991,009
Total Liabilities	75,406,132	71,488,541	24,069,183	25,016,510	99,475,315	96,505,051
Deferred Inflows of Resources	1,990,204	275,825	131,905	10,796	2,122,109	286,621
Net Position:						
Net Investment in Capital Assets	5,887,229	4,927,557	27,459,776	25,514,081	33,347,005	30,441,638
Restricted for:						
Public Safety	182,614	227,035	-	-	182,614	227,035
Debt Service	2,295,379	1,835,532	568,020	488,066	2,863,399	2,323,598
Landfill Closure and Post Closure	1,565,334	1,546,738	-	-	1,565,334	1,546,738
Restricted - Other	1,884,858	1,714,030	-	-	1,884,858	1,714,030
Unrestricted	(24,801,507)	(20,611,917)	181,562	1,336,102	(24,619,945)	(19,275,815)
Total Net Position	\$(12,986,093)	\$(10,361,025)	\$28,209,358	\$27,338,249	\$15,223,265	\$16,977,224

Governmental activities. Governmental activities decreased the County's net position by \$2,625,068. A large portion of this increase is due to the Closure and Post Closure cost of County Landfill.

Business-type activities. Business-type activities increased the County's net position by \$871,109. This increase is due to the Water and Sewer increase in net position of \$568,603 and Transit System increase in net position of \$302,506.

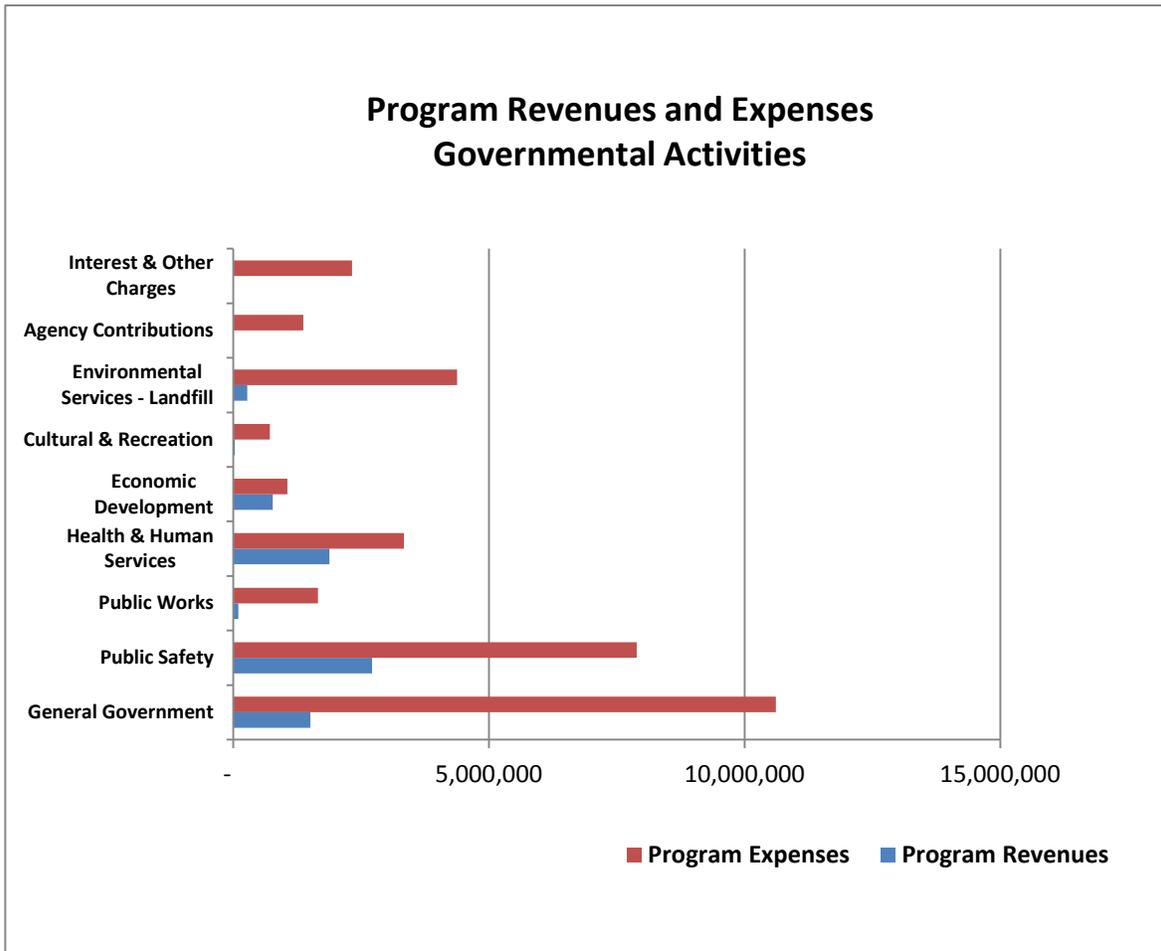
* As restated for GASB No. 75

Williamsburg County, South Carolina
Changes in Net Position (Recapped from page 16)
For the Fiscal Year ended June 30, 2018

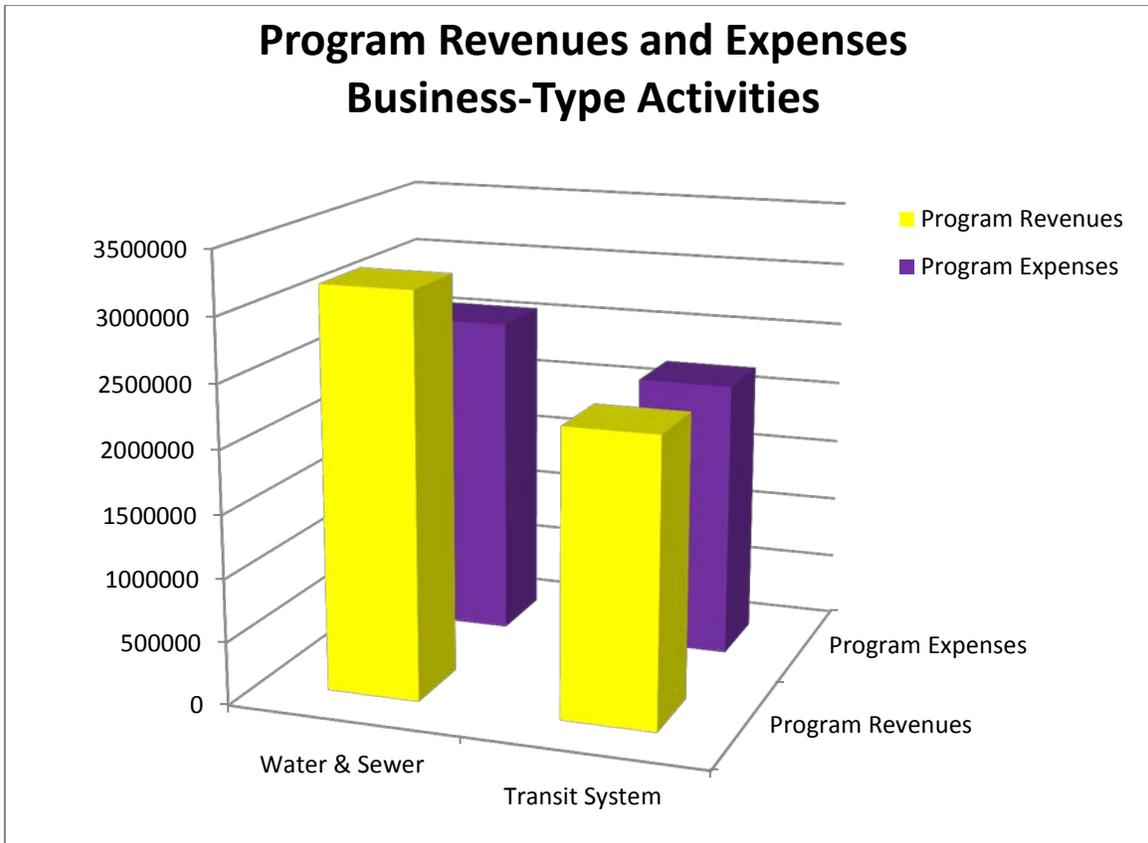
Other tax revenues increased from last year by \$1,784,421 or 73% as a result of the Capital Project Sales Tax of \$1,842,134. Other revenue sources experienced moderate changes during the year.

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues:						
Charges for services	2,591,288	2,520,529	2,556,986	2,389,315	5,148,274	4,909,844
Operating grants and contributions	4,183,273	4,736,975	721,099	725,915	4,904,372	5,462,890
Capital grants and contributions	493,052	346,059	1,803,355	2,710,529	2,296,407	3,056,588
General revenues:						
Property taxes	12,798,785	12,793,933	-	-	12,798,785	12,793,933
Other taxes	4,200,168	2,415,747	-	-	4,200,168	2,415,747
Local government fund	1,326,204	1,335,411	-	-	1,326,204	1,335,411
Fees	2,748,355	2,803,943	318,932	293,854	3,067,287	3,097,797
Other revenue	2,572,416	2,405,615	41,381	1,834	2,613,797	2,407,449
Total Revenue	30,913,541	29,358,212	5,441,753	6,121,447	36,355,294	35,479,659
Expenses:						
Program Activities:						
Government Activities:						
General government	10,612,123	12,677,305	-	-	10,612,123	12,677,305
Public safety	7,892,080	7,525,439	-	-	7,892,080	7,525,439
Public works	1,655,361	1,900,298	-	-	1,655,361	1,900,298
Health and welfare	3,334,252	3,487,791	-	-	3,334,252	3,487,791
Economic development	1,058,483	999,303	-	-	1,058,483	999,303
Culture and recreation	710,952	666,428	-	-	710,952	666,428
Environmental services	4,375,241	1,507,193	-	-	4,375,241	1,507,193
Agency contributions	1,370,718	201,565	-	-	1,370,718	201,565
Interest and other charges	2,323,708	2,277,123	-	-	2,323,708	2,277,123
Business-type activities:						
Water and Sewer Fund	-	-	2,572,327	2,653,497	2,572,327	2,653,497
Transit System	-	-	2,204,008	2,072,170	2,204,008	2,072,170
Total Expenses	33,332,918	31,242,445	4,776,335	4,725,667	38,109,253	35,968,112
Transfers	(205,691)	(232,174)	205,691	232,174	-	-
Increase(Decreased) in Net Position	(2,625,068)	(2,116,407)	871,109	1,627,954	(1,753,959)	(488,453)
Net Position, As Restated	(10,361,025)	(8,244,618)	27,338,249	25,710,295	16,977,224	17,465,677
Net Position, Ending	\$(12,986,093)	\$(10,361,025)	\$28,209,358	\$27,338,249	\$15,223,265	\$16,977,224

Program revenues are derived directly from the program. They reduce the net cost of the function to be supported from the county's general revenue sources.



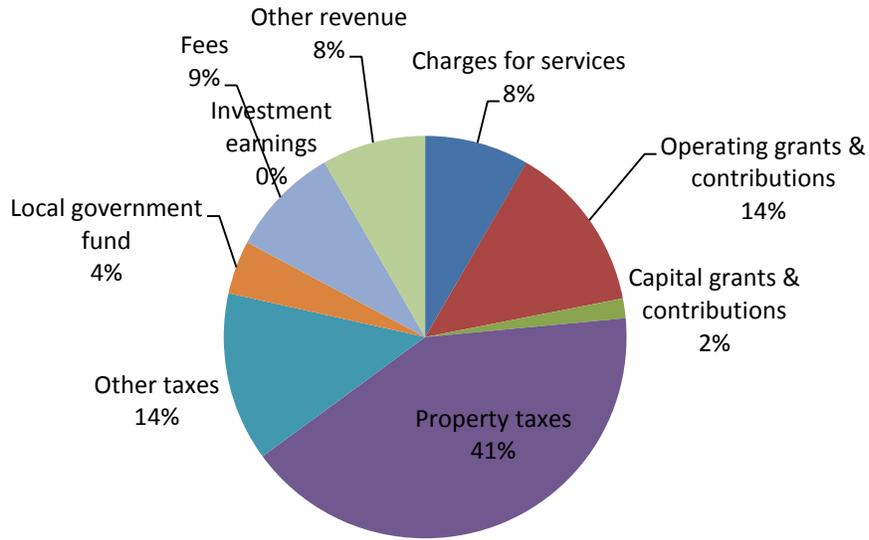
The chart above shows the governmental activities of the county that are supported by Program Revenues. None of the governmental activities are fully funded by the Program Revenues. There are no Program Revenues to support agency contributions and interest and other charges. These two activities had expenditures of \$3,694,422 for 2018. Governmental Activities received \$7,267,613 or (24 %) collectively in program revenues while the program expenditures were \$33,332,918. This requires the remaining \$26,065,305 (76%) of the revenues required to meet program expenditures to come from general revenue which includes taxes. Total revenue for 2018 is \$875,635 more than the revenue received in the prior year partly due to increases in charges for services for governmental activities and revenues from capital grants and contributions for business type activities.



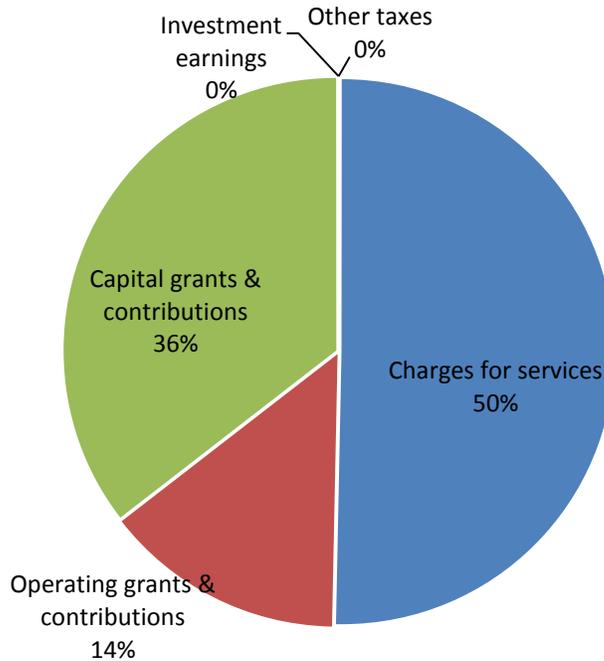
The chart above shows the Business-type activities of the county that are supported by Program Revenues. None of the Business-type funds were fully funded with its Program Revenues during the year.

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Revenues By Source - Governmental Activities



Revenues by Source - Business-Type Activities



Business-type funds decreased revenue by \$679,694 or 11.11%, while expenses increased by \$50,668 or 1.00%. These changes are the results of GOB revenues received for water and sewer projects in the previous year. There were transfers of \$205,691 or 11.41% less than the previous year to the business-type funds to offset overages in expenditures from grants and various sources.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, Williamsburg County's governmental funds reported combined ending fund balances of \$12,657,833, an increase of \$4,053,507 or 32% from the previous year as a result of bond proceeds for the Capital Project Sales Tax Fund.

The general fund is the chief operating fund of the County. At the end of the current fiscal year the general fund had a total fund balance of \$4,437,577, of which \$2,629,673 was unassigned. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 11.75% of total general fund expenditures. Operating transfers (Out) from the general fund were \$1,414,270, an increase of \$956,201 from the prior year due to a transfer out to the Debt Service Fund of \$1,435,464 for capital items.

The rural fire fund has a total fund balance of \$112,248. This fund balance decreased during the year as a result of a decrease in revenue.

The debt service fund has a total fund balance of \$2,101,109, all of which is reserved for the payment of debt service. An increase of \$482,713 over the prior year due to refinancing of debt.

The other governmental funds included in the above totals had a combined fund balance of \$1,204,154.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. See pages 22 through 27.

The net position of the Transit System totaled \$2,032,786, while the net position for the Water and Sewer System totaled \$26,176,572. The net position of Transit increased by \$302,506 and Water and Sewer increased by \$568,603 due to construction in progress and new water and sewer systems.

General Fund Budgetary Highlights

There was no significant change in revenues between the original budget and the final amended budget shown on pages 77 thru 79 of this report. The tax revenue category and "other" revenue category experienced an increase from the original budgeted amount. All other revenue streams experienced moderate changes from the original budget. Debt service expenditures accounted for \$1,841,433 of the \$2,021,878 budget to actual expenditure variance. Departmental expenditure variances accounted for the other portion of the variance.

Capital Asset and Debt Administration

Capital assets. Williamsburg County's investment in capital assets for its governmental and business-type activities as of June 30, 2018 amounted to \$91,485,211 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, and construction in progress. The total increase in the County's investment in capital assets for the current fiscal year was 10%. Both governmental activities and business-type activities experienced an increase in capital assets for the fiscal year.

Major capital assets events during the current year included the following:

- Various machinery and automotive equipment purchased.
- Water System additions

**Capital Assets for Governmental and Business-Type Activities
(Net of Accumulated Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	3,411,812	3,411,812	148,000	148,000	3,559,812	3,559,812
Land improvements	2,540,269	2,772,305	-	-	2,540,269	2,772,305
Buildings	22,872,702	23,454,017	-	325	22,872,702	23,454,342
Building improvements	6,261,825	6,475,437	23,979	30,604	6,285,804	6,506,041
Roads & Bridges	1,914,703	2,277,670	-	-	1,914,703	2,277,670
Water Distribution System	-	-	42,104,113	42,627,224	42,104,113	42,627,224
Leasehold improvements	125,571	114,582	-	-	125,571	114,582
Furniture & fixtures	440,556	449,410	-	-	440,556	449,410
Machinery & Equipment	1,622,657	1,916,454	44,436	58,841	1,667,093	1,975,295
Automotive equipment	1,723,433	1,214,435	1,765,145	1,556,121	3,488,578	2,770,556
Communication equipment	1,372,553	1,696,536	-	-	1,372,553	1,696,536
Construction in progress	-	-	5,113,457	3,190,761	5,113,457	3,190,761
Total	\$42,286,081	\$43,782,658	\$49,199,130	\$47,611,876	\$91,485,211	\$91,394,534

Additional information on the County's capital assets can be found in Note 5 on pages **39 through 41** of this report.

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Long-term debt. At the end of the current fiscal year, Williamsburg County had total bonded debt outstanding of \$61,159,277 backed by the full faith and credit of the government.

Williamsburg County Bonded Debt

	Governmental Activities		Business-Type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
General Obligation						
Bonds	5,081,937	6,782,350	-	-	5,081,937	6,782,350
Unamortized Premium	70,997	80,815	-	-	70,997	80,815
IPRB Facilities Corp	28,510,000	29,020,000	-	-	28,510,000	29,020,000
Less Unamortized Discount	(302,231)	(315,814)	-	-	(302,231)	(315,814)
Bond anticipation notes	6,000,000	1,500,000	-	3,455,000	6,000,000	4,955,000
Bond anticipation premiums	59,220	-	-	-	59,220	-
Revenue bonds	-	-	21,739,354	18,642,795	21,739,354	18,642,795
Total bonds payable	39,419,923	37,067,357	21,739,354	22,097,795	61,159,277	59,165,146
Capital leases	1,544,549	2,131,417	-	-	1,544,549	2,131,417
Total	\$ <u>40,964,472</u>	\$ <u>39,198,768</u>	\$ <u>21,739,354</u>	\$ <u>22,097,795</u>	\$ <u>62,703,826</u>	\$ <u>61,296,563</u>

The County's total bonded debt increased by \$1,935,057 during the current fiscal year.

Williamsburg County received an 'A' long term rating from Standards & Poor's Rating group for its most recent Capital Project Sales Tax (CPST) Bond Anticipation Note, 2017.

South Carolina statutes limit the amount of general obligation debt a government entity may issue (without referendum) to 8% of its total assessed value of \$94,599,180. The current general obligation (G.O.) debt limit for Williamsburg County General Fund is \$7,567,934 or 1.12% more than previous year. The current general obligation bonds subject to the legal debt limitation is \$2,442,525 for the General Fund. The bonds for the Rural Fire Debt, Installment Purchase Revenue Bond (IPRB), and capital leases are not considered as part of the County's legal debt limit but are considered as part of the Rural Fire District and part of the Public Facilities Corporation.

Additional information on the County's long-term debt can be found in note 8 on pages 43 through 53 of this report.

The County implemented GASB No. 75 in the current fiscal year. This statement requires the County to recognize the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB on the financial statements. Information relating to OPEB can be found in Note 21 on pages 66 through 72.

Economic Factors and Next Year's Budgets and Rates

- ❖ As of December 2018 the annual average unemployment rate for Williamsburg County is 5.3%. This is a 1% decrease from the prior year of 6.3%. While this figure remains above the national average, the rate is expected to decline. The County is currently assisting several existing employers with expansions to current operations, which will provide continued improvement. The County is also working closely with two industrial employers who are expected to open facilities here in the near future. The County is also currently retrofitting its Hemingway spec building for a manufacturer, who will begin operations upon the completion of the construction. These employers are projected to create 300 new, full-time jobs with benefits.
- ❖ Williamsburg County currently has three industrial parks located in Kingstree, Hemingway and Salters, South Carolina. In 2018, a 52,000 square foot Speculative Building was constructed at the Williamsburg Cooperative Commerce Centre South location to attract industries and companies to relocate to Williamsburg County.
- ❖ Budget rates for Fiscal Year 2017/2018 are comparable to 2016/2017.

Requests for Information:

This financial report is designed to provide a general overview of Williamsburg County's finances for all those with an interest in the government's financing. Questions concerning any of the information should be addressed to Elizabeth Nelson, Williamsburg County Chief of Finance, P.O. Box 330, Kingstree, SC 29556.

BASIC FINANCIAL STATEMENTS

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

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL	
	ACTIVITIES	ACTIVITIES		
ASSETS				
Cash	\$ 3,420,363	\$ 482,699	\$ 3,903,062	\$ 205,350
Investments	0	1,185,734	1,185,734	0
Accounts Receivable (Net of Allowance for Uncollectibles)	5,190,278	787,293	5,977,571	44,681
Internal Balances	187,162	(187,162)	0	0
Inventories	43,910	87,919	131,829	0
Temporarily Restricted Assets:				
Cash and Investments	8,716,338	568,020	9,284,358	0
Capital Assets (Not Being Depreciated)				
Land	3,411,812	148,000	3,559,812	0
Construction in Progress	0	5,113,457	5,113,457	0
Capital Assets (Net of Accumulated Depreciation)				
Buildings and Improvements	31,800,367	23,979	31,824,346	0
Water & Wastewater System	0	42,104,113	42,104,113	0
Road and Bridges	1,914,703	0	1,914,703	0
Furniture, Vehicles, Machinery and Equipment	5,159,199	1,809,581	6,968,780	62,059
TOTAL ASSETS	\$ 59,844,132	\$ 52,123,633	\$ 111,967,765	\$ 312,090
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Refunding Bonds	71,369	0	71,369	0
Deferred Outflows of Resources Related to Pensions	4,461,200	280,271	4,741,471	71,949
Deferred Outflows of Resources Related to OPEB	33,542	6,542	40,084	0
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 4,566,111	\$ 286,813	\$ 4,852,924	\$ 71,949
LIABILITIES				
Accounts Payable & Retainage Payable	1,952,189	477,491	2,429,680	11,761
Due to Others	221,842	0	221,842	0
Accrued Interest Payable	184,214	22,432	206,646	0
Accrued Salaries and Related Fringes	537,139	24,465	561,604	23,222
Customer Deposits	0	15,258	15,258	0
Unearned Revenue	358,338	0	358,338	0
Noncurrent Liabilities:				
Due Within One Year	8,718,553	439,045	9,157,598	14,446
Due In More Than One Year	32,857,283	21,350,761	54,208,044	0
Closure and Postclosure Liability	8,132,295	0	8,132,295	0
Net OPEB Liability	411,885	85,551	497,436	0
Net Pension Liability	22,032,394	1,654,180	23,686,574	463,514
TOTAL LIABILITIES	\$ 75,406,132	\$ 24,069,183	\$ 99,475,315	\$ 512,943
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources Related to Pensions	1,989,900	131,905	2,121,805	45,908
Deferred Inflows of Resources Related to OPEB	304	0	304	0
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 1,990,204	\$ 131,905	\$ 2,122,109	\$ 45,908

The Accompanying Notes are an Integral Part of this Statement

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

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
NET POSITION				
Net Investment in Capital Assets	5,887,229	27,459,776	33,347,005	62,059
Restricted For:				
Public Safety	182,614	0	182,614	0
Environmental Services	1,565,334	0	1,565,334	0
Roads and Bridges	195,874	0	195,874	0
Economic Development	1,182,335	0	1,182,335	0
Health & Human Services	506,649	0	506,649	0
Debt Service	2,295,379	568,020	2,863,399	0
Unrestricted	(24,801,507)	181,562	(24,619,945)	(236,871)
TOTAL NET POSITION	\$ (12,986,093)	\$ 28,209,358	\$ 15,223,265	\$ (174,812)

The Accompanying Notes are an Integral Part of this Statement

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

FUNCTIONS/PROGRAMS	PROGRAM REVENUES					NET REVENUE (EXPENSE) AND CHANGES IN NET POSITION			COMPONENT UNIT			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS		CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	PRIMARY BUSINESS-TYPE ACTIVITIES			TOTAL		
			OPERATING GRANTS AND CONTRIBUTIONS	CONTRIBUTIONS			GOVERNMENTAL ACTIVITIES	PRIMARY BUSINESS-TYPE ACTIVITIES				
Primary Government:												
Governmental Activities:												
General Government	\$ 10,612,123	\$ 688,414	484,640	332,304	\$	(9,106,765)	\$	0	\$	(9,106,765)	\$	0
Public Safety	7,892,080	488,030	2,227,646	0	0	(5,176,404)	0	0	0	(5,176,404)	0	0
Public Works	1,655,361	0	95,000	0	0	(1,560,361)	0	0	0	(1,560,361)	0	0
Health & Human Services	3,334,252	1,216,432	502,714	160,748	0	(1,454,358)	0	0	0	(1,454,358)	0	0
Economic Development	1,058,483	0	772,942	0	0	(285,541)	0	0	0	(285,541)	0	0
Cultural & Recreation	710,952	29,129	0	0	0	(681,823)	0	0	0	(681,823)	0	0
Environmental Services	4,375,241	169,283	100,331	0	0	(4,105,627)	0	0	0	(4,105,627)	0	0
Agency Contributions	1,370,718	0	0	0	0	(1,370,718)	0	0	0	(1,370,718)	0	0
Interest and Other Charges	2,323,708	0	0	0	0	(2,323,708)	0	0	0	(2,323,708)	0	0
Total Governmental Activities	\$ 33,332,918	\$ 2,591,288	\$ 4,183,273	\$ 493,052	\$	(26,065,305)	\$	0	\$	(26,065,305)	\$	0
Business-Type Activities:												
Water & Sewer Fund	2,572,327	1,695,752	0	1,126,240	0	0	249,665	0	0	249,665	0	0
Williamsburg County Transit System	2,204,008	861,234	721,099	677,115	0	0	55,440	0	0	55,440	0	0
Total Business-Type Activities	\$ 4,776,335	\$ 2,556,986	\$ 721,099	\$ 1,803,355	\$	0	\$ 305,105	\$	0	\$ 305,105	\$	0
Total Primary Government	\$ 38,109,253	\$ 5,148,274	\$ 4,904,372	\$ 2,296,407	\$	(26,065,305)	\$ 305,105	\$	(25,760,200)	\$	0	0
Component Unit												
Williamsburg County Library	\$ 572,417	\$ 23,747	\$ 110,734	\$ 0	0	0	0	0	0	0	0	0
Total Component Unit	\$ 572,417	\$ 23,747	\$ 110,734	\$ 0	0	0	0	0	0	0	0	0
GENERAL REVENUES												
Taxes Levied for General Purposes			\$		\$	10,219,229	\$	0	\$	10,219,229	\$	0
Taxes Levied For Debt Services						2,579,556		0		2,579,556		0
Water Availability Fees						0		318,932		318,932		0
Capital Projects Sales Tax						1,842,134		0		1,842,134		0
Local Hospitality Tax						64,113		0		64,113		0
Contributions from Primary Government						0		0		0		400,531
Road User Fees						821,867		0		821,867		0
Solid Waste Fees						1,470,980		0		1,470,980		0
Landfill Closure Fee						455,508		0		455,508		0
Local Option Sales Tax						2,293,921		0		2,293,921		0
Local Government Fund						1,326,204		0		1,326,204		0
State Shared Taxes						1,953,067		0		1,953,067		0
Interest						58,286		2,581		60,867		104
Miscellaneous Revenue						561,063		38,800		599,863		0
Transfers						(205,691)		205,691		0		0
TOTAL GENERAL REVENUES AND TRANSFERS			\$ 23,440,237	\$ 566,004	\$	24,006,241	\$	400,635		\$ 24,006,241	\$	400,635
CHANGES IN NET POSITION			\$ (2,625,068)	\$ 871,109	\$	(1,753,959)	\$	(37,301)		\$ (1,753,959)	\$	(37,301)
NET POSITION, Beginning of Year (As Restated - Note 25)			(10,361,025)			27,338,249				16,977,224		(137,511)
NET POSITION, End of Year			(12,986,093)			28,209,358				15,223,265		(174,812)

The Accompanying Notes are an Integral Part of this Statement

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

	GENERAL FUND	RURAL FIRE FUND	FEDERAL AND STATE GRANT FUND	CAPITAL PROJECT SALES TAX	DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash	\$ 1,816,160	\$ 135,794	\$ 793,237	\$ 0	\$ 117	\$ 675,055	\$ 3,420,363
Cash & Investments Restricted	1,761,208	0	0	4,494,251	2,394,630	66,249	8,716,338
Count Fines Receivable (Net of Allowance)	79,711	0	0	0	0	0	79,711
Due from Others	287,387	0	0	0	27,290	0	314,677
Taxes Receivable (Net of Allowance)	1,283,005	105,567	0	0	283,755	61,015	1,733,342
Other Receivables	812,319	10,840	202,512	0	2,698	766,897	1,795,266
Due from State Government	786,681	0	0	480,601	0	0	1,267,282
Inventory	43,910	0	0	0	0	0	43,910
Due from Other Funds	1,058,693	0	0	158,273	0	0	1,216,966
TOTAL ASSETS	\$ 7,929,074	\$ 252,201	\$ 995,749	\$ 5,133,125	\$ 2,708,490	\$ 1,569,216	\$ 18,587,855
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE							
LIABILITIES							
Accounts Payable & Retainage Payable	1,334,682	18,044	0	589,482	0	9,981	1,952,189
Due to Other Funds	0	38,446	225,123	0	413,111	353,124	1,029,804
Due to Others	221,842	0	0	0	0	0	221,842
Accrued Wages & Benefits Payable	513,226	11,303	10,653	0	0	1,957	537,139
Unearned Revenue	0	0	358,338	0	0	0	358,338
TOTAL LIABILITIES	\$ 2,069,750	\$ 67,793	\$ 594,114	\$ 589,482	\$ 413,111	\$ 365,062	\$ 4,099,312
DEFERRED INFLOWS OF RESOURCES							
Unavailable Property Taxes	610,068	72,160	0	0	194,270	0	876,498
Unavailable Fees	514,695	0	0	0	0	0	514,695
Unavailable Court Fines	59,818	0	0	0	0	0	59,818
Unavailable Grant Funds	0	0	142,533	0	0	0	142,533
Unavailable Ambulance Fees	237,166	0	0	0	0	0	237,166
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 1,421,747	\$ 72,160	\$ 142,533	\$ 0	\$ 194,270	\$ 0	\$ 1,830,710
FUND BALANCE							
Nonspendable:							
Inventory	43,910	0	0	0	0	0	43,910
Restricted for:							
Public Safety	2,786	112,248	0	0	0	67,580	182,614
Debt Service	0	0	0	0	2,101,109	0	2,101,109
Health & Human Services	0	0	0	0	0	506,649	506,649
Environmental Services	1,565,334	0	0	0	0	0	1,565,334
Economic Development	0	0	259,102	0	0	923,233	1,182,335
Capital Projects	0	0	0	4,543,643	0	0	4,543,643
Public Works	195,874	0	0	0	0	0	195,874
Unassigned	2,629,673	0	0	0	0	(293,308)	2,336,365
TOTAL FUND BALANCE	\$ 4,437,577	\$ 112,248	\$ 259,102	\$ 4,543,643	\$ 2,101,109	\$ 1,204,154	\$ 12,657,833
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 7,929,074	\$ 252,201	\$ 995,749	\$ 5,133,125	\$ 2,708,490	\$ 1,569,216	\$ 18,587,855

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2018**

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

Ending fund balances - governmental funds balance sheet	\$ 12,657,833
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	42,286,081
Other long-term assets, such as property taxes, court fines, ambulance fees, road user fees, landfill fees, and solid waste fess, are not available to pay for current expenditures, and, therefore, are deferred in the funds.	1,830,710
Long-term liabilities, including bonds payable (net of premiums and discounts), capital leases, compensated absences, net pension/OPEB related items, and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(69,760,717)</u>
Net position of governmental activities	<u><u>\$ (12,986,093)</u></u>

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

	GENERAL FUND	RURAL FIRE FUND	FEDERAL AND STATE GRANT FUND	CAPITAL PROJECT SALES TAX	DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES							
Taxes	\$ 12,410,862	\$ 1,037,556	\$ 0	\$ 0	\$ 2,929,459	\$ 0	\$ 16,377,877
Fees, Licenses & Permits	184,048	0	0	0	0	671,058	855,106
Intergovernmental Revenue	1,597,700	0	1,302,548	1,842,134	289,604	1,121,282	6,153,268
Charges for Services	4,632,776	0	0	0	0	182,251	4,815,027
Fines & Forfeitures	416,332	0	0	0	0	0	416,332
Miscellaneous Revenues	2,562,732	98,340	26,230	0	24,564	31,547	2,743,413
TOTAL REVENUES	\$ 21,804,450	\$ 1,135,896	\$ 1,328,778	\$ 1,842,134	\$ 3,243,627	\$ 2,006,138	\$ 31,361,023
EXPENDITURES							
Current:							
General Government	9,546,194	0	6,805	0	0	186,887	9,739,886
Public Safety	4,736,438	1,139,466	129,449	0	0	69,114	6,074,467
Public Works	933,543	0	95,000	0	0	0	1,028,543
Health and Human Services	2,081,674	0	355,993	0	0	702,332	3,139,999
Cultural and Recreational	561,305	0	36,321	0	0	0	597,626
Economic Development	233,361	0	36,437	0	0	521,138	790,936
Environmental Services	2,026,422	0	80,354	0	0	0	2,106,776
Other	207,274	0	950,000	213,444	0	0	1,370,718
Capital Outlay:							
General Government	76,465	0	0	83,365	0	37,661	197,491
Public Safety	76,637	42,984	0	1,446,493	0	0	1,566,114
Debt Service:							
Principal	1,624,831	0	0	1,396,750	1,334,014	0	4,355,595
Interest	216,606	0	0	18,261	1,932,881	0	2,167,748
Bond Issuance Costs and Trustee Fees	12,500	0	0	67,959	3,000	0	83,459
TOTAL EXPENDITURES	\$ 22,333,250	\$ 1,182,450	\$ 1,690,359	\$ 3,226,272	\$ 3,269,895	\$ 1,517,132	\$ 33,219,358
EXCESS REVENUES OVER EXPENDITURES	\$ (528,800)	\$ (46,554)	\$ (361,581)	\$ (1,384,138)	\$ (26,268)	\$ 489,006	\$ (1,858,335)
OTHER FINANCING SOURCES (USES)							
Transfers In	1,840,738	0	331,439	(131,439)	1,435,464	1,327,805	4,804,007
Transfers (Out)	(1,414,270)	0	0	0	(926,483)	(2,668,945)	(5,009,698)
RDA Loan & Bond Proceeds	0	0	0	0	0	58,313	58,313
Bond Proceeds and Bond Premiums	0	0	0	6,059,220	0	0	6,059,220
TOTAL OTHER FINANCING SOURCES (USES)	\$ 426,468	\$ 0	\$ 331,439	\$ 5,927,781	\$ 508,981	\$ (1,282,827)	\$ 5,911,842
EXCESS REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ (102,332)	\$ (46,554)	\$ (30,142)	\$ 4,543,643	\$ 482,713	\$ (793,821)	\$ 4,053,507
FUND BALANCE, Beginning of Year	4,539,909	158,802	289,244	0	1,618,396	1,997,975	8,604,326
FUND BALANCE, End of Year	\$ 4,437,577	\$ 112,248	\$ 259,102	\$ 4,543,643	\$ 2,101,109	\$ 1,204,154	\$ 12,657,833

The Accompanying Notes are an Integral Part of this Statement

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

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

Net change in fund balances - total governmental funds	\$	4,053,507
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount is the amount by which capital outlay was exceeded by depreciation expense in the current period.		(1,496,577)
Revenues in the statement of activities, such as property taxes, ambulance fees, court fines, road user fees, landfill fees, and solid waste fees that will not be collected for several months after year end and do not provide for current financial resources, are not reported as revenues in the funds.		(448,062)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(1,761,939)
Some expenses reported in the statement of activities, such as compensated absences, accrued interest, pension/OPEB costs, municipal solid waste landfill, and amortization of bond premiums do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>(2,971,997)</u>
Change in net position of governmental activities	\$	<u><u>(2,625,068)</u></u>

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

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND	TOTAL
ASSETS			
CURRENT ASSETS			
Cash	\$ 99,453	\$ 383,246	\$ 482,699
Investments	0	1,185,734	1,185,734
Restricted Cash & Investments	568,020	0	568,020
Inventory	63,656	24,263	87,919
Accounts Receivable, Net of Allowance	429,086	10,667	439,753
Water Availability Fees Receivable, Net	57,827	0	57,827
Receivable - Other	111,884	177,829	289,713
TOTAL CURRENT ASSETS	\$ 1,329,926	\$ 1,781,739	\$ 3,111,665
PROPERTY, PLANT, AND EQUIPMENT			
Land	\$ 120,000	\$ 28,000	\$ 148,000
Construction in Progress	5,113,457	0	5,113,457
Water & Sewer System	52,562,199	0	52,562,199
Machinery and Equipment	0	319,174	319,174
Vehicles	48,499	4,397,546	4,446,045
Buildings	0	172,099	172,099
Building Improvements	0	46,362	46,362
Land Improvements	0	13,444	13,444
Less: Accumulated Depreciation	(10,501,298)	(3,120,352)	(13,621,650)
NET PROPERTY, PLANT, AND EQUIPMENT	\$ 47,342,857	\$ 1,856,273	\$ 49,199,130
TOTAL ASSETS	\$ 48,672,783	\$ 3,638,012	\$ 52,310,795
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to OPEB	\$ 0	\$ 6,542	\$ 6,542
Deferred Outflows of Resources Related to Pensions	34,180	246,091	280,271
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 34,180	\$ 252,633	\$ 286,813

The Accompanying Notes are an Integral Part of this Statement

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

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND	TOTAL
LIABILITIES			
SHORT-TERM LIABILITIES			
Accounts Payable	\$ 246,853	\$ 43,332	\$ 290,185
Construction & Retainage Payable	187,306	0	187,306
Salaries & Accrued Benefits	2,894	21,571	24,465
Due to Other Funds	91,520	95,642	187,162
Compensated Absences Payable	3,479	21,747	25,226
Bonds Payable - RDA	413,819	0	413,819
Accrued Interest Payable	22,432	0	22,432
Customer Deposits	15,258	0	15,258
TOTAL SHORT-TERM LIABILITIES	\$ 983,561	\$ 182,292	\$ 1,165,853
LONG-TERM LIABILITIES			
Compensated Absences Payable	3,479	21,747	25,226
OPEB Liability	0	85,551	85,551
Bonds Payable - RDA	21,325,535	0	21,325,535
Net Pension Liability	201,730	1,452,450	1,654,180
TOTAL LONG-TERM LIABILITIES	\$ 21,530,744	\$ 1,559,748	\$ 23,090,492
TOTAL LIABILITIES	\$ 22,514,305	\$ 1,742,040	\$ 24,256,345
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pensions	\$ 16,086	\$ 115,819	\$ 131,905
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 16,086	\$ 115,819	\$ 131,905
NET POSITION			
Net Investment in			
Capital Assets	25,603,503	1,856,273	27,459,776
Restricted for Debt Service	568,020	0	568,020
Unrestricted	5,049	176,513	181,562
TOTAL NET POSITION	\$ 26,176,572	\$ 2,032,786	\$ 28,209,358

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM	TOTAL
OPERATING REVENUES			
Charges for Services	\$ 1,695,752	\$ 861,234	\$ 2,556,986
TOTAL OPERATING REVENUES	\$ 1,695,752	\$ 861,234	\$ 2,556,986
OPERATING EXPENSES			
Cost of Sales & Services	591,138	682,669	1,273,807
Personnel & Benefits	79,323	1,113,589	1,192,912
Administration	50,809	96,669	147,478
Depreciation	1,318,533	311,081	1,629,614
TOTAL OPERATING EXPENSES	\$ 2,039,803	\$ 2,204,008	\$ 4,243,811
OPERATING INCOME (LOSS)	\$ (344,051)	\$ (1,342,774)	\$ (1,686,825)
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	6	2,575	2,581
Interest Expense	(532,524)	0	(532,524)
RDA Grant	1,111,147	0	1,111,147
Water Availability Fees	318,932	0	318,932
CDBG Grant Funds	15,093	0	15,093
Other Nonoperating Income	0	38,800	38,800
Government Subsidies	0	1,398,214	1,398,214
TOTAL NON-OPERATING REVENUES (EXPENSES)	\$ 912,654	\$ 1,439,589	\$ 2,352,243
INCOME (LOSS) BEFORE TRANSFERS	\$ 568,603	\$ 96,815	\$ 665,418
TRANSFERS			
Transfers In	0	205,691	205,691
TOTAL TRANSFERS	\$ 0	\$ 205,691	\$ 205,691

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM	TOTAL
CHANGE IN NET POSITION	\$ 568,603	\$ 302,506	\$ 871,109
NET POSITION, Beginning of Year (As Restated)	25,607,969	1,730,280	27,338,249
NET POSITION, End of Year	\$ 26,176,572	\$ 2,032,786	\$ 28,209,358

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 1,570,418	\$ 885,650	\$ 2,456,068
Cash Payments to Suppliers for Goods and Services	(705,217)	(1,004,508)	(1,709,725)
Cash Payments to and for Employee's Benefit	(144,835)	(1,162,543)	(1,307,378)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 720,366	\$ (1,281,401)	\$ (561,035)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Other Nonoperating Income	0	38,800	38,800
Operating Grants	0	722,360	722,360
Water Availability Fees	318,932	0	318,932
Payments Received from Other Funds	0	205,691	205,691
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$ 318,932	\$ 966,851	\$ 1,285,783
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Grants Received	1,224,979	862,278	2,087,257
Bond Anticipation Notes	3,455,000	0	3,455,000
Property, Plant and Equipment Additions	(2,685,102)	(500,730)	(3,185,832)
Principal Payment Revenue Bonds	(3,813,441)	0	(3,813,441)
Interest Paid	(540,119)	0	(540,119)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$ (2,358,683)	\$ 361,548	\$ (1,997,135)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Purchases	0	(1,182)	(1,182)
Interest Received	6	2,575	2,581
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 6	\$ 1,393	\$ 1,399
NET CHANGE IN CASH AND CASH EQUIVALENTS	\$ (1,319,379)	\$ 48,391	\$ (1,270,988)

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND	TOTAL
CASH AND CASH EQUIVALENTS, Beginning of Year	\$ 1,986,852	\$ 334,855	\$ 2,321,707
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 667,473</u>	<u>\$ 383,246</u>	<u>\$ 1,050,719</u>
Cash	99,453	383,246	482,699
Cash Restricted	568,020	0	568,020
TOTAL CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 667,473</u>	<u>\$ 383,246</u>	<u>\$ 1,050,719</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ (344,051)	\$ (1,342,774)	\$ (1,686,825)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	1,318,533	311,081	1,629,614
(Increase) Decrease in Accounts and Other Operating Receivables	(125,334)	24,416	(100,918)
(Increase) Decrease in Inventory	(3,295)	20,745	17,450
Increase (Decrease) in Due to General Fund	61,635	(40,207)	21,428
Increase (Decrease) in Accounts Payable	(81,373)	(225,170)	(306,543)
Increase (Decrease) in Net OBEP Liability and Related Deferred Resources	0	(7,342)	(7,342)
Increase (Decrease) in Net Pension Liability and Related Deferred Resources	(65,306)	(29,222)	(94,528)
Increase (Decrease) in Salaries and Payroll Related Liabilities	(206)	7,072	6,866
Increase (Decrease) in Customer Deposits	(40,237)	0	(40,237)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 720,366</u>	<u>\$ (1,281,401)</u>	<u>\$ (561,035)</u>

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	AGENCY FUNDS	REVOLVING LOAN TRUST FUND	TOTAL
ASSETS			
Cash	\$ 5,274,192	\$ 298,885	\$ 5,573,077
Trust Fund Receivable	100,000	0	100,000
Note Receivable, Net of Allowance	0	558,126	558,126
TOTAL ASSETS	\$ 5,374,192	\$ 857,011	\$ 6,231,203
LIABILITIES			
Due to Other Taxing Units	4,404,936	0	4,404,936
Due to Estate & Trust Beneficiaries	227,654	0	227,654
Due to Others	186,737	0	186,737
Due to Bidders & Redeemers of Land Sales	425,657	0	425,657
Due to Fine Recipients and Bond Payors	60,079	0	60,079
Due to Support Recipients	6,492	0	6,492
Due to Seized Asset Recipient	62,637	0	62,637
TOTAL LIABILITIES	\$ 5,374,192	\$ 0	\$ 5,374,192
NET POSITION			
Held in Trust for Other Purposes	\$ 0	\$ 857,011	\$ 857,011

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>REVOLVING LOAN TRUST FUND</u>
ADDITIONS	
Interest Income	\$ <u>1,926</u>
TOTAL ADDITIONS	\$ <u>1,926</u>
 DEDUCTIONS	
Program Expenses	<u>0</u>
TOTAL DEDUCTIONS	\$ <u>0</u>
 CHANGE IN NET POSITION	 \$ 1,926
NET POSITION, Beginning of Year	<u>855,085</u>
NET POSITION, End of Year	<u><u>\$ 857,011</u></u>

The Accompanying Notes are an Integral Part of this Statement

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Williamsburg County, South Carolina have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Financial Reporting Entity

The State of South Carolina established the County under the provisions of the South Carolina Home Rule Act. Williamsburg County operates under the Council - Supervisor form of government and provides the following services: general administrative services, public safety, courts, highways and streets, sanitation, health and human services, culture and recreation programs, public improvements and other miscellaneous services. As required by generally accepted accounting principles, these financial statements present the County and its component units, entities for which the County is considered financially accountable or for which exclusion of a component unit would render the financial statements incomplete or misleading.

Based upon the aforementioned criteria, the County has included Williamsburg County Library as a discretely presented component unit. The discretely presented component unit is included since it is fiscally dependent upon the County for the annual appropriations, approval of annual operating budgets, and the authorization of general obligation debt issues. A discretely presented component unit is reported in a separate column in the combined financial statements to emphasize that they are legally separate from the County. The discretely presented component unit has a June 30 year-end. Separate financial statements for this component unit may be obtained from the entity's management.

Discretely Presented Component Unit

Williamsburg County Library
215 North Jackson
Kingtree, SC 29556
Telephone (843) 355-9486

The South Carolina Legislature created the Williamsburg County Library System in 1967 as part of Williamsburg County Government. Its purpose is to provide library services to the citizens of Williamsburg County and bookmobile services to the rural areas of the County. The library operates under a nine member Board of Trustees that is appointed by the County Council. In addition to providing significant annual appropriations to finance the operations of the Library, County Council approves its budget and all general obligation debt.

Based upon the aforementioned criteria, the County has included Williamsburg County Public Facilities Corporation as a blended component unit. Williamsburg County Public Facilities Corporation was incorporated as a nonprofit 501 (C)(3) organization for the purpose of assisting Williamsburg County with the acquisition or sale of real and/or personal property in connection with the design, construction, operation, financing and refinancing of public facilities to be used by Williamsburg County, South Carolina and such other projects located in or for benefit of the County. Because Williamsburg County Public Facilities Corporation exclusively benefits the County, the Facilities Corporation's financial information is blended with that of the County in these basic financial statements. Separate financial statements of the Facilities Corporation are not issued.

B. Government-Wide and Fund Financial Statements

The financial statement presentation for the County meets the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

The financial statement presentation provides a comprehensive, entity-wide perspective of the County's net position, revenues, expenses and changes in net position and cash flows that replaces the fund-group perspective previously required.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

As more fully described in Note 21, the County implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement improves accounting and financial reporting by state and local governments for post-employment benefits other than pensions. As required by GASB, this statement was implemented retroactively by restating beginning net position.

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its 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 certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect expense allocations that have been made in the funds have been eliminated from the statement of activities. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 collectible 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. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County reports the following major governmental funds:

General Fund: The general fund is the primary operating fund of the County. The general fund accounts for all financial resources except those that are required to be reported in another fund.

Rural Fire Fund: The rural fire fund is a special revenue fund which accounts for the rural fire district revenues and expenditures.

Federal and State Grant: The federal and state grant fund is a special revenue fund which accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Project Sales Tax Fund: The capital project sales tax fund is used to account for the sales tax referendum tax of one percent for County capital improvements.

Debt Service Fund: The debt service fund accounts for proceeds that are restricted for the purpose of debt payments.

The County reports the following major proprietary funds:

Water & Sewer (Enterprise Fund): The water & sewer fund is used to account for the cost of providing water & sewer services to unincorporated areas of the County.

Williamsburg County Transit System: The Williamsburg County Transit System fund is used to account for the cost of providing transportation services to the citizens of Williamsburg County.

Additionally, the County reports the following fund types:

Agency Fund: This fund is used to report resources held by the County in a custodial capacity as an agent on behalf of others and does not involve the measurement of results of operation.

Private-Purpose Trust Fund: This fund is used to account for resources legally held in trust for revolving loans. There is no requirement that any portion of these resources be preserved as capital.

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

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County to invest in obligations of the United States and its agencies, general obligations (not revenue obligations) of the State of South Carolina and its subdivisions, savings and loan associations to the extent of federal insurance, certificates of deposit collaterally secured, and repurchase agreements secured by the foregoing obligations.

The County's cash investment objectives are preservation of capital, liquidity and yield. In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, all investments are reported at fair value.

The County has certain funds invested with the South Carolina State Treasurer's Office, which established the South Carolina Local Government Investment Pool Fund (the "Pool") pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. The Pool is a 2a 7-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 2a 7 of the Investment Company Act of 1940. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value: The fair value measurement and disclosure framework provides for a three-tier fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County can access at the measurement date.

Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1, that are observable for an asset or liability either directly or indirectly and include:

- Quoted prices for similar assets and liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted market prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:

- Fair value is often based on developed models in which there are few, if any, observable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The County believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

E. Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

F. Receivables

All accounts and property tax receivables are shown at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. This amount is determined by analyzing the percentage of receivables that was not collected in prior years.

Property taxes for real property and personal property except motor vehicles are due without penalties by January 15th of each fiscal year. Uncollected taxes and penalties are considered delinquent on March 15th. Property taxes for motor vehicles are due in the month in which the state motor vehicle license will be renewable. Property tax revenues are recognized in accordance with imposed nonexchange transactions in accordance with GASB No. 33.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Inventories

The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. The amount of inventories on hand at year end for the governmental fund types consist of gasoline and diesel fuel. Inventories are valued at cost using the average cost method. The business-type activities inventories on hand at June 30, 2018 consist of gasoline, diesel fuel, operating supplies and parts needed for repairs.

H. Restricted Assets

Certain assets of landfill revenue, debt service, and enterprise funds are classified as restricted on the balance sheet because their use is limited to specific purposes for which the funds were received.

I. Capital Assets

Capital assets, which include property, plant, and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset in an orderly market transaction at the acquisition date.

Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure was subject to an extended implementation period.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Construction in progress represents funds expended for construction of capital assets which have not been placed into service yet.

Property, plant, and equipment of the County are depreciated using the straight line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Land Improvements	15-20
Buildings	30-40
Building Improvements	15-40
Leasehold Improvements	15-20
Furniture & Fixtures	3-15
Machinery & Equipment	5-15
Vehicles	3-10
Communication Equipment	15
Infrastructure	20

Depreciation for capital assets that can be specifically identified with a function is included in the direct expenses for that function.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

K. Unearned Revenues

Unearned revenues arise when a potential revenue does not meet the criteria for recognition in the current period. In subsequent periods, when revenue recognition criteria are met, the government has a legal claim to the resources, or the revenue has been earned, the liability is removed and revenue is recognized.

L. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium and discount. Deferred loss on refunding is reported as deferred outflow of resources and amortized over the life of bonds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Nonexchange Transactions

The standards established by GASB Statement No. 33, "*Accounting and Financial Reporting for Nonexchange Transactions*", provide accounting and reporting for the following four categories of nonexchange transactions: 1) Derived tax revenues, 2) Imposed nonexchange revenues, 3) Government-mandated nonexchange transactions, and 4) Voluntary nonexchange transactions. Nonexchange transactions involve financial or capital resources in which the government either gives value to another party without directly receiving equal value in exchange or receives value from another party without directly giving equal value in exchange.

Assets from Derived Tax Revenues are recognized when the underlying exchange has occurred or when the resources are received, whichever first. Revenues are recognized when the underlying exchange has occurred and resources are available to the government.

Assets from Imposed Nonexchange Revenues are recognized when an enforceable legal claim has arisen or when resources are received, whichever occurs first. Revenues are recognized when resources are required to be used or the first period that use is permitted. Resources must also be available to the government.

Assets, liabilities, revenues, and expenditures from Government-Mandated and Voluntary Nonexchange Transactions are generally recognized when all eligibility requirements have been met.

Resources received before the eligibility requirements are fulfilled are reported as unearned revenues. Eligibility requirements can include one or more of the following:

1. The recipient has the characteristics specified by the provider.
2. Time requirements specified by the provider have been met.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Nonexchange Transactions (continued)

3. The provider offers resources on a reimbursement basis and allowable costs have been incurred under the applicable program.
4. The provider's offer of resources is contingent upon a specified action of the recipient and that action has occurred.

N. Net Position/Fund Balances

The County's net position in the government-wide financial statements and proprietary fund financial statements are classified as follows:

Net Investment in Capital Assets: This represents the County's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Restricted Net Position: Restricted expendable net position include resources in which the County is legally or contractually obligated to spend in accordance with restrictions imposed by third parties.

Unrestricted Net Position: Unrestricted net position represent resources derived from ad valorem taxes, earnings on investments, state/local grants, fees, and shared revenues.

In the governmental fund financial statements, equity is classified as fund balance. The County has implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions". The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Consists of amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.

Restricted Fund Balance - Consists of amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed Fund Balance - Consists of amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned Fund Balance - Consists of amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned Fund Balance - Consists of amounts that are available for any purpose; positive amounts are reported only in the general fund.

The County Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. Assigned fund balance is established by the County Council through adoption or amendment of the budget as intended for a specific purpose. When fund balance resources are available for a specific purpose in more than one classification, it is the County's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 2 - DEPOSITS AND INVESTMENTS

DEPOSITS

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the County's deposits might not be recovered. The County does not have a deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2018, the County's bank balance was \$18,408,047 with a carrying value of \$16,683,258. The bank balance of \$18,408,047 was insured and collateralized with investments held in the County's name.

INVESTMENTS

As of June 30, 2018, the County had the following investments and maturities:

Investment Type	Credit Rating	Fair Value	Weighted Average Maturity (In Years)
SC Local Government Investment Pool	Unrated	\$ 1,301,054	<1
Wells Fargo Money Market	Unrated	1,956,891	<1
		<u>\$ 3,257,945</u>	

^ Investments in a 2a-7 like fund are not required to disclose interest rate risk. The County invests monies in separate accounts with the State Local Government Investment Pool. Thus, we have characterized this investment as a 2a-7 like fund.

Interest Rate Risk: The County does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates. However, the County primarily uses the South Carolina Local Government Investment Pool for its investments. The balances invested in these pools are subject to withdrawals on a daily basis.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The County does not have an investment policy regarding credit risk.

Custodial Credit Risk: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina.

Concentration of Credit Risk: The County places no limit on the amount the County may invest in one issuer. Investments issued by or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are exempt from concentration of credit risk disclosures.

Reconciliation of Cash and Investments to Fund Financial Statements:

Cash and Investments	
Cash and Investments	\$ 10,661,873
Restricted Cash and Investments	9,284,358
Total Cash and Investments	<u>\$ 19,946,231</u>
Petty Cash	\$ 5,028
Deposits Carrying Value	16,683,258
Investments	3,257,945
Total Cash and Investments	<u>\$ 19,946,231</u>

Component Unit Cash and Investments

The carrying value of deposits for Williamsburg County Library totaled \$205,350, which were insured by the Federal Depositors Insurance Corporation.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 3 - RECEIVABLES

Receivables at June 30, 2018 consist of the following:

	Governmental-Type Activities	Business-Type Activities	Total
Taxes Receivable, Net	\$ 1,733,342	\$ 0	\$ 1,733,342
Accounts Receivable, Net	0	439,753	439,753
Due From Others	314,677	0	314,677
Water Availability Fee	0	57,827	57,827
Due From State Government	1,267,282	0	1,267,282
Court Fines Receivable, Net	79,711	0	79,711
Other Receivables	1,795,266	289,713	2,084,979
Total Receivables	<u>\$ 5,190,278</u>	<u>\$ 787,293</u>	<u>\$ 5,977,571</u>

Taxes receivable in the governmental activities are reported net of allowance for uncollectible tax of \$736,253. Court fines receivable are reported net of an allowance for uncollectible fines of \$19,927 in the governmental activities. Ambulance fees are reported net of an allowance for uncollectible fees of \$2,054,326. Accounts receivable in the business-type activities have been reported net of allowance for uncollectible accounts of \$57,552. Accounts receivable in the governmental funds have been reported net of allowance for uncollectible accounts of \$126,517. The business-type activities water availability fees have been reported net allowance for uncollectible amounts of \$19,276.

Receivables that do not meet the availability requirement have been recorded as unavailable revenue in the fund financial statements.

NOTE 4 - RESTRICTED ASSETS

The County has recorded restricted cash and investments in the governmental funds and the business-type activities as follows:

Governmental Activities

Special Fees:

Roads and Bridges Special Fees	\$ 195,874
Landfill Closure Post Closure	1,498,266
Landfill Fees	67,068

Debt Service Funds:

Restricted for Debt Service	2,057,504
Lease Purchase Proceeds Restricted for Capital Purchases	337,126

Capital Projects Fund - IPRBF:

Restricted for Capital Improvements	26,142
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Capital Projects Sales Tax Fund:

Restricted for Capital Sales Tax Projects	4,494,251
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Title IV D Incentive Funds	40,107
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Total Restricted Governmental Activities	<u>\$ 8,716,338</u>
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Business-Type Activities

Water and Sewer Fund:

Restricted for Debt Service Reserve Requirements	\$ 568,020
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Total Restricted Business-Type Activities	<u>\$ 568,020</u>
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**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 5 - CAPITAL ASSETS

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

Governmental Activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, not being Depreciated				
Land	\$ 3,411,812	\$ 0	\$ 0	\$ 3,411,812
Total, not being Depreciated	<u>\$ 3,411,812</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,411,812</u>
Capital Assets, being Depreciated:				
Land Improvements	\$ 7,276,359	\$ 6,077	\$ 0	\$ 7,282,436
Road and Bridges	7,037,601	0	0	7,037,601
Buildings	29,697,569	158,047	0	29,855,616
Building Improvements	10,340,567	10,776	0	10,351,343
Leasehold Improvements	541,877	30,245	0	572,122
Furniture & Fixtures	2,157,389	57,655	5,000	2,210,044
Machinery & Equipment	4,935,019	0	0	4,935,019
Automotive Equipment	12,179,737	886,964	0	13,066,701
Communication Equipment	2,642,245	37,612	0	2,679,857
Total, being Depreciated	<u>\$ 76,808,363</u>	<u>\$ 1,187,376</u>	<u>\$ 5,000</u>	<u>\$ 77,990,739</u>
Less Accumulated Depreciation for:				
Land Improvements	\$ (4,504,054)	\$ (238,113)	\$ 0	\$ (4,742,167)
Road and Bridges	(4,759,931)	(362,967)	0	(5,122,898)
Buildings	(6,243,552)	(739,362)	0	(6,982,914)
Building Improvements	(3,865,130)	(224,388)	0	(4,089,518)
Leasehold Improvements	(427,295)	(19,256)	0	(446,551)
Furniture & Fixtures	(1,707,979)	(66,509)	5,000	(1,769,488)
Machinery & Equipment	(3,018,565)	(293,797)	0	(3,312,362)
Automotive Equipment	(10,965,302)	(377,966)	0	(11,343,268)
Communication Equipment	(945,709)	(361,595)	0	(1,307,304)
Total Accumulated Depreciation	<u>\$ (36,437,517)</u>	<u>\$ (2,683,953)</u>	<u>\$ 5,000</u>	<u>\$ (39,116,470)</u>
Total, being Depreciated, Net	<u>\$ 40,370,846</u>	<u>\$ (1,496,577)</u>	<u>\$ 0</u>	<u>\$ 38,874,269</u>
Total Governmental Activities, Net	<u>\$ 43,782,658</u>	<u>\$ (1,496,577)</u>	<u>\$ 0</u>	<u>\$ 42,286,081</u>

Capital Asset additions in the governmental funds totaled \$1,187,376, and the current year depreciation expense totaled \$2,683,953.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Business-Type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being Depreciated:				
Land	\$ 148,000	\$ 0	\$ 0	\$ 148,000
Construction in Progress	3,190,761	2,713,971	791,275	5,113,457
Total, not being Depreciated	<u>\$ 3,338,761</u>	<u>\$ 2,713,971</u>	<u>\$ 791,275</u>	<u>\$ 5,261,457</u>
Capital Assets, being Depreciated:				
Land Improvements	\$ 13,444	\$ 0	\$ 0	\$ 13,444
Buildings	172,099	0	0	172,099
Building Improvements	46,362	0	0	46,362
Water and Sewer System	51,768,757	793,442	0	52,562,199
Machinery & Equipment	319,174	0	0	319,174
Automotive Equipment	4,217,619	500,730	272,304	4,446,045
Total, being Depreciated	<u>\$ 56,537,455</u>	<u>\$ 1,294,172</u>	<u>\$ 272,304</u>	<u>\$ 57,559,323</u>
Less Accumulated Depreciation for:				
Land Improvements	\$ (13,444)	\$ 0	\$ 0	\$ (13,444)
Buildings	(171,774)	(325)	0	(172,099)
Building Improvements	(15,758)	(6,625)	0	(22,383)
Water and Sewer System	(9,141,533)	(1,316,553)	0	(10,458,086)
Machinery & Equipment	(260,333)	(14,405)	0	(274,738)
Automotive Equipment	(2,661,498)	(291,706)	272,304	(2,680,900)
Total Accumulated Depreciation	<u>\$ (12,264,340)</u>	<u>\$ (1,629,614)</u>	<u>\$ 272,304</u>	<u>\$ (13,621,650)</u>
Total, being Depreciated, Net	<u>\$ 44,273,115</u>	<u>\$ (335,442)</u>	<u>\$ 0</u>	<u>\$ 43,937,673</u>
Total Business-Type Activities, Net	<u><u>\$ 47,611,876</u></u>	<u><u>\$ 2,378,529</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 49,199,130</u></u>

The capital asset additions of business-type activities totaled \$3,216,868 and depreciation expense in business-type activities totaled \$1,626,614. Assets totaling \$272,304 were disposed of with a net book value of \$0 during the year.

Construction in Progress in the Business-Type Activities totaling \$5,113,457 at June 30, 2018 represents funds expended on the following water and sewer improvements:

	CIP	Cost to Complete	Expected Completion
St. Lawrence/Blakely/Trio	\$ 4,125,367	\$ 4,806,000	To Be Determined
Mouzon	8,913	To Be Determined	To Be Determined
Bethesda Water Extension	58,284	272,568	To Be Determined
Trio/Earl Water Connection	920,893	To Be Determined	To Be Determined

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 5 - CAPITAL ASSETS (CONTINUED)

The County has been awarded grant funds from Rural Development Administration in the amount of \$1,351,000 for the St. Lawrence/Blakely/Trio project. The County has been approved for loan funds of \$3,455,000 for the St. Lawrence/Blakely/Trio project. The County has been awarded CDBG Grant funds in the amount of \$300,000 for the Bethesda Water Extension project.

Depreciation expense was charged to the following functions:

Governmental Activities:

General Government	\$	342,292
Public Safety		1,187,836
Public Works		603,998
Health and Human Services		158,532
Economic Development		256,947
Environmental Services - Landfill		59,319
Cultural and Recreation		<u>75,029</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>2,683,953</u></u>

Business-Type Activities:

Water & Sewer Fund	\$	1,318,533
Williamsburg County Transit System		<u>311,081</u>
Total Depreciation Expense - Business-Type Activities	\$	<u><u>1,629,614</u></u>

Component Units:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated				
Vehicles	\$ 88,000	\$ 0	\$ 0	\$ 88,000
Computer Equipment	68,839	27,250	0	96,089
Furniture & Fixtures	<u>42,617</u>	<u>0</u>	<u>0</u>	<u>42,617</u>
Total capital assets being depreciated	\$ 199,456	\$ 27,250	\$ 0	\$ 226,706
Less: Accumulated Depreciation	<u>(151,459)</u>	<u>(13,188)</u>	<u>0</u>	<u>(164,647)</u>
Net capital assets being depreciated	\$ <u><u>47,997</u></u>	\$ <u><u>14,062</u></u>	\$ <u><u>0</u></u>	\$ <u><u>62,059</u></u>
Depreciation Expense was charged to the component unit as follows:				
Cultural & Recreation	\$	<u><u>13,188</u></u>		

Total assets purchased under capital leases are as follows:

	Governmental Activities
Asset Cost	\$ 3,384,171
Less: Accumulated Depreciation	<u>(1,265,600)</u>
Totals	\$ <u><u>2,118,571</u></u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. At June 30, 2018, interfund receivables and payables resulting from various interfund transactions were as follows. All balances are expected to be repaid within the following year.

	Due From Other Funds	Due To Other Funds
General Fund	\$ 1,058,693	\$ 0
Rural Fire Fund	0	38,446
Federal and State Grant Fund	0	225,123
Capital Project Sales Tax Fund	158,273	0
Other Governmental Funds	0	353,124
Debt Service Fund	0	413,111
Williamsburg County Transit System Fund	0	91,520
Water & Sewer	0	95,642
Totals	\$ 1,216,966	\$ 1,216,966

NOTE 7 - CAPITAL LEASES

The County's governmental activities have five (5) lease purchase agreements. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018, are as follows:

	Governmental Activities
2019	\$ 1,462,510
2020	96,547
2021	29,364
Total Minimum Lease Payments	\$ 1,588,421
Less: Amount Representing Interest	(43,872)
Net Present Value	\$ 1,544,549

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**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 8 - LONG-TERM DEBT

Following is a summary of changes in long-term liabilities during the year ended June 30, 2018:

Governmental Activities:	(As Restated)			Ending Balance	Due Within One Year
	Beginning Balance	Additions	Reductions		
Bonds Payable:					
General Obligation Bonds	\$ 6,782,350	\$ 58,314	\$ (1,758,727)	\$ 5,081,937	\$ 436,559
Plus Unamortized Premium	80,815	0	(9,818)	70,997	0
IPRB Facilities Corp	29,020,000	0	(510,000)	28,510,000	555,000
Less Unamortized Discount	(315,814)	0	13,583	(302,231)	0
Bond Anticipation Notes	1,500,000	6,000,000	(1,500,000)	6,000,000	6,000,000
Bond Anticipation Notes Premium	0	59,220	0	59,220	0
Total Bonds Payable	\$ 37,067,351	\$ 6,117,534	\$ (3,764,962)	\$ 39,419,923	\$ 6,991,559
Landfill Closure Cost	5,964,148	2,422,348	(254,201)	8,132,295	0
Capital Leases	2,131,417	0	(586,868)	1,544,549	1,421,612
Other Post Employee Benefits	418,458	25,491	(32,064)	411,885	0
Net Pension Liability	23,243,266	0	(1,210,872)	22,032,394	0
Compensated Absences	644,363	611,364	(644,363)	611,364	305,382
Totals	\$ 69,469,003	\$ 9,176,737	\$ (6,493,330)	\$ 72,152,410	\$ 8,718,553

Business-Type Activities:	(As Restated)			Ending Balance	Due Within One Year
	Beginning Balance	Additions	Reductions		
Bonds Payable:					
Revenue Bonds	\$ 18,642,795	\$ 3,455,000	\$ (358,441)	\$ 21,739,354	\$ 413,819
Bond Anticipation Notes	3,455,000	0	(3,455,000)	0	0
Total Bonds Payable	\$ 22,097,795	\$ 3,455,000	\$ (3,813,441)	\$ 21,739,354	\$ 413,819
Other Post Employee Benefits	86,351	4,936	(5,736)	85,551	0
Net Pension Liability	1,925,973	0	(271,793)	1,654,180	
Compensated Absences	50,595	50,452	(50,595)	50,452	25,226
Totals	\$ 24,160,714	\$ 3,510,388	\$ (4,141,565)	\$ 23,529,537	\$ 439,045

The beginning balance has been restated due to the implementation of GASB 75 which reduced the other post employee benefits payable by \$146,464 in the governmental activities and \$30,527 in the business-type activities.

Component Unit:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Williamsburg County Library					
Compensated Absences	\$ 21,701	\$ 14,446	\$ (21,701)	\$ 14,446	\$ 14,446
Totals	\$ 21,701	\$ 14,446	\$ (21,701)	\$ 14,446	\$ 14,446

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Payments on bonds and capital leases that pertain to the governmental activities will be made by the debt service fund. Payments made for landfill closure cost will be made from the landfill fund. The compensated absences liability attributed to the governmental activities will be liquidated by the general fund and will be charged to the other funds based on management's assessment of the appropriate cost objective.

Claims and judgment liabilities will generally be liquidated through the County's general fund. That fund will finance the payment of those claims and judgments by charging the other funds based on management's assessment of the appropriate cost objective.

On November 15, 2012, Williamsburg County issued General Obligation Refunding Bonds, Series 2012, which refunded the General Obligation Bonds of 2004. The County has recorded a deferred loss on refunding of \$126,881, which will be amortized as interest expense over the life of the bond. This is considered a current refunding.

On February 10, 2014, Williamsburg County issued the 2103A and 2013B General Obligation Bonds in the amounts of \$24,990 and \$25,010 respectively. The bonds were issued to purchase equipment for the fire department.

On May 4, 2015, Williamsburg County issued the General Obligation Bond, Series 2015A. The bond was issued to purchase four (4) fire engines for the new substations. The bond issued totaled \$299,700 with annual repayments of \$26,023 for 15 years at an interest rate of 3.50%.

Annual debt service requirements to maturity for obligations outstanding at June 30, 2018 are as follows:

General Obligation Bonds, Series 2015A (Issued 05/04/2015)

Maturity Date May 4, 2030

Fiscal Year Ending	Interest Rate	Principal		Interest	Total Annual Payments
		Balance	Dec. 1		
2019	3.50%	\$ 251,388	\$ 17,211	\$ 8,812	\$ 26,023
2020	3.50%	234,177	17,814	8,209	26,023
2021	3.50%	216,363	18,438	7,585	26,023
2022	3.50%	197,925	19,085	6,938	26,023
2023	3.50%	178,840	19,754	6,269	26,023
2024-2028	3.50%	159,086	109,654	20,461	130,115
2029-2030	3.50%	49,432	49,432	2,614	52,046
Totals			\$ 251,388	\$ 60,888	\$ 312,276

General Obligation Refunding Bonds of 2012 (Issued 11/15/12)

Maturity Date March 1, 2020

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest		Total Annual Payments
				Sept. 1	March 1	
2019	2.00%	\$ 550,000	\$ 270,000	\$ 5,500	\$ 5,500	\$ 281,000
2020	2.00%	280,000	280,000	2,800	2,800	285,600
Totals			\$ 550,000	\$ 8,300	\$ 8,300	\$ 566,600

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

General Obligation Bond, Series 2013A (Issued 02/10/14)
Maturity February 10, 2019

Fiscal Year Ending	Interest Rate	Balance	Principal February 10	Interest February 10	Total Annual Payments
2019	3.50%	\$ 5,385	\$ 5,385	\$ 151	\$ 5,536
Totals			<u>\$ 5,385</u>	<u>\$ 151</u>	<u>\$ 5,536</u>

General Obligation Bond, Series 2013B (Issued 02/10/14)
Maturity February 10, 2019

Fiscal Year Ending	Interest Rate	Balance	Principal February 10	Interest February 10	Total Annual Payments
2019	3.50%	\$ 5,392	\$ 5,392	\$ 145	\$ 5,537
Totals			<u>\$ 5,392</u>	<u>\$ 145</u>	<u>\$ 5,537</u>

On July 29, 2010, Williamsburg County issued general obligation bonds of \$3,185,000 which included a current refunding of the General Obligation of 2009 Rural Fire Bonds. The bonds were refunded at book value. The bonds are not considered to be part of the County's legal debt limit as the Rural Fire Bonds are part of the Rural Fire District.

General Obligation Refunding and Improvement Bonds of 2010 (Issued 07/29/10)
Maturity April 1, 2026

Fiscal Year Ending	Interest Rate	Balance	Principal December 1	Interest December 1	Interest June 1	Total Annual Payments
2019	2.00%	\$ 2,410,000	\$ 70,000	\$ 45,513	\$ 45,512	\$ 161,025
2020	2.00%	2,340,000	70,000	44,637	44,638	159,275
2021	3.50%	2,270,000	345,000	43,675	43,675	432,350
2022	3.50%	1,925,000	355,000	38,500	38,500	432,000
2023	3.50%	1,570,000	370,000	31,400	31,400	432,800
2024-2026	3.50%	1,200,000	1,200,000	48,600	48,600	1,297,200
Totals			<u>\$ 2,410,000</u>	<u>\$ 252,325</u>	<u>\$ 252,325</u>	<u>\$ 2,914,650</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

On July 29, 2010, Williamsburg County Public Facilities Corporation (blended component unit) issued Installment Purchase Revenue Bonds Series 2010 in the amount of \$30,000,000. The Williamsburg County Public Facilities Revenue Bonds are not a debt of the County, however, as the corporation is blended with the operations of the County, the debt of the corporation is included with the County's other obligations as required by generally accepted accounting principles. The bonds were issued to fund various capital projects including a Public Service Administration Building and Court House renovation. Annual debt service requirements to maturity for the installment purchase revenue bonds outstanding at June 30, 2018 are as follows:

Installment Purchase Revenue Bonds of 2010 (Issued 07/29/10)
Maturity December 1, 2040

Fiscal Year Ending	Interest Rate	Balance	Principal December 1	Interest December 1	Interest June 1	Total Annual Payments
2019	5.14%	\$ 28,510,000	\$ 555,000	\$ 933,982	\$ 919,713	2,408,695
2020	5.29%	27,955,000	605,000	919,713	903,705	2,428,418
2021	5.39%	27,350,000	660,000	903,705	885,911	2,449,616
2022	5.64%	26,690,000	720,000	885,911	865,600	2,471,511
2023	5.79%	25,970,000	770,000	865,600	843,301	2,478,901
2024-2028	5.79%-6.52%	25,200,000	4,720,000	3,929,198	3,775,184	12,424,382
2029-2033	6.53%-6.77%	20,480,000	6,470,000	3,046,469	2,831,841	12,348,310
2034-2038	6.77%	14,010,000	8,185,000	1,842,396	1,565,086	11,592,482
2039-2041	6.77%	5,825,000	5,825,000	400,292	202,941	6,428,233
Totals			<u>\$ 28,510,000</u>	<u>\$ 13,727,266</u>	<u>\$ 12,793,282</u>	<u>\$ 55,030,548</u>

On November 15, 2017, the County issued bond anticipation notes in the amount of \$6,000,000 at an interest rate of 1.54%. The bonds are considered part of the County's legal debt limit and the maturity date is November 15, 2017.

Fiscal Year Ending	Interest Rate	Balance	Principal November 15	Interest November 15	Total Annual Payments
2019	2.25%	\$ 6,000,000	\$ 6,000,000	\$ 135,000	\$ 6,135,000
Totals			<u>\$ 6,000,000</u>	<u>\$ 135,000</u>	<u>\$ 6,135,000</u>

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**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

On July 8, 2016, the County was approved for USDA Community Facilities bonds totaling \$482,300 at an interest rate of 2.75%. The bonds were approved for Williamsburg County Voter Registration Building. Annual interest and principal payments will be due on July 8th. The principal payments have been deferred until July 8, 2018. The interest for 2018 was paid prior to June 30, 2017.

USDA Community Facilities Bonds – Voters Registration Building
Maturity July 8, 2046

Fiscal Year Ending	Interest Rate	Balance	Principal July 8	Interest July 8	Total Annual Payments
2019	2.75%	\$ 482,300	11,089	13,263	24,352
2020	2.75%	471,211	11,394	12,958	24,352
2021	2.75%	459,817	11,707	12,645	24,352
2022	2.75%	448,110	12,029	12,323	24,352
2023	2.75%	436,081	12,360	11,922	24,282
2024-2028	2.75%	423,721	67,088	54,672	121,760
2029-2033	2.75%	356,633	76,836	44,924	121,760
2034-2038	2.75%	279,797	87,997	33,763	121,760
2039-2043	2.75%	191,800	100,779	20,981	121,760
2044-2047	2.75%	91,021	91,021	6,387	97,408
Totals			<u>\$ 482,300</u>	<u>223,838</u>	<u>706,138</u>

On July 8, 2016, the County was approved for USDA Community Facilities bonds totaling \$96,800 at an interest rate of 2.75%. The bonds were approved for the Williamsburg Voter Registration Building Improvements. Annual interest and principal payments will be due on July 8th. The principal payments have been deferred until July 8, 2018. The interest rate for 2018 was paid prior to June 30, 2017.

USDA Community Facilities Bonds – Voter Registration Building Improvements
Maturity July 8, 2046

Fiscal Year Ending	Interest Rate	Balance	Principal July 8	Interest July 8	Total Annual Payments
2019	2.75%	\$ 96,800	\$ 2,226	\$ 2,662	4,888
2020	2.75%	94,574	2,287	2,601	4,888
2021	2.75%	92,287	2,350	2,538	4,888
2022	2.75%	89,937	2,415	2,473	4,888
2023	2.75%	87,522	2,481	2,406	4,887
2024-2028	2.75%	85,041	13,465	10,972	24,437
2029-2033	2.75%	71,576	15,424	9,016	24,440
2034-2038	2.75%	56,152	17,664	6,776	24,440
2039-2043	2.75%	38,488	20,231	4,209	24,440
2044-2047	2.75%	18,257	18,257	1,270	19,527
Totals			<u>\$ 96,800</u>	<u>44,923</u>	<u>141,723</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

On July 8, 2016, the County was approved for USDA Community Facilities bonds totaling \$1,704,500 at an interest rate of 2.75%. The bonds were approved for the Chavis Community Center. As of June 30, 2018, the County had drawn down \$1,064,272 of the total approved bonds. Annual interest and principal payments will be due on July 8th. The principal payments have been deferred until July 8, 2018. The interest rate for 2018 was paid prior to June 30, 2017.

USDA Community Facilities Bonds – Chavis Community Center
Maturity July 8, 2046

Fiscal Year Ending	Interest Rate	Balance	Principal July 8	Interest July 8	Total Annual Payments
2019	2.75%	\$ 1,064,272	\$ 50,280	\$ 3,644	\$ 53,924
2020	2.75%	1,013,992	25,686	28,239	53,925
2021	2.75%	988,306	26,401	27,527	53,928
2022	2.75%	961,905	27,136	26,788	53,924
2023	2.75%	934,769	27,892	26,033	53,925
2024-2028	2.75%	906,877	151,553	118,069	269,622
2029-2033	2.75%	755,324	173,867	95,758	269,625
2034-2038	2.75%	581,457	199,464	70,160	269,624
2039-2043	2.75%	381,993	228,829	40,796	269,625
2044-2047	2.75%	153,164	153,164	8,609	161,773
Totals			<u>\$ 1,064,272</u>	<u>\$ 445,623</u>	<u>\$ 1,509,895</u>

On July 8, 2016, the County was approved for USDA Community Facilities bonds totaling \$216,400 at an interest rate of 2.75%. The bonds were approved for EMS Additions and Alex Chapman Building Improvements. Annual interest and principal payments will be due on July 8th. The principal payments have been deferred until July 8, 2018. The interest rate for 2018 was paid prior to June 30, 2017.

USDA Community Facilities Bonds – EMS and Alex Chapman Building
Maturity July 8, 2046

Fiscal Year Ending	Interest Rate	Balance	Principal July 8	Interest July 8	Total Annual Payments
2019	2.75%	\$ 216,400	\$ 4,976	\$ 5,951	\$ 10,927
2020	2.75%	211,424	5,113	5,814	10,927
2021	2.75%	206,311	5,253	5,674	10,927
2022	2.75%	201,058	5,398	5,529	10,927
2023	2.75%	195,660	5,546	5,381	10,927
2024-2028	2.75%	190,114	30,106	24,529	54,635
2029-2033	2.75%	160,008	34,479	20,156	54,635
2034-2038	2.75%	125,529	31,156	15,147	46,303
2039-2043	2.75%	94,373	44,014	9,411	53,425
2044-2048	2.75%	50,359	50,359	2,842	53,201
Totals			<u>\$ 216,400</u>	<u>\$ 100,434</u>	<u>\$ 316,834</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

The legal debt limit for the County is eight per centum of the assessed valuation of the taxable property in the County. Based on the 2018 assessed valuation of \$94,599,180 the legal debt limit is approximately \$7,483,483. At June 30, 2018, the County has general obligation bonds outstanding of \$2,442,525 subject to the legal debt limit.

Revenue Bonds of 2002 (Issued 05/17/02)
Maturity February 17, 2042

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2019	4.50%	\$ 386,460	\$ 9,110	\$ 17,350	26,460
2020	4.50%	377,350	9,533	16,927	26,460
2021	4.50%	367,817	9,974	16,486	26,460
2022	4.50%	357,843	10,436	16,024	26,460
2023	4.50%	347,407	10,920	15,540	26,460
2024-2028	4.50%	336,487	62,674	69,626	132,300
2029-2033	4.50%	273,813	78,605	53,694	132,299
2034-2038	4.50%	195,208	98,583	33,717	132,300
2039-2042	4.50%	96,625	96,625	9,215	105,840
Totals			<u>\$ 386,460</u>	<u>\$ 248,579</u>	<u>\$ 635,039</u>

Revenue Bonds of 2002 (Issued 05/17/02)
Maturity February 17, 2042

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2019	4.50%	\$ 29,387	\$ 721	\$ 1,307	2,028
2020	4.50%	28,666	754	1,274	2,028
2021	4.50%	27,912	788	1,240	2,028
2022	4.50%	27,124	825	1,203	2,028
2023	4.50%	26,299	863	1,165	2,028
2024-2028	4.50%	25,436	4,945	5,195	10,140
2029-2033	4.50%	20,491	6,188	3,952	10,140
2034-2038	4.50%	14,303	7,746	2,394	10,140
2039-2042	4.50%	6,557	6,557	541	7,098
Totals			<u>\$ 29,387</u>	<u>\$ 18,271</u>	<u>\$ 47,658</u>

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**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Revenue Bonds of 2009 (Issued 12/10/08)
Maturity October 17, 2049

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2019	4.375%	\$ 1,893,668	\$ 28,916	\$ 82,576	\$ 111,492
2020	4.375%	1,864,752	30,212	81,280	111,492
2021	4.375%	1,834,540	31,566	79,926	111,492
2022	4.375%	1,802,974	32,980	78,512	111,492
2023	4.375%	1,769,994	34,457	77,035	111,492
2024-2028	4.375%	1,735,537	196,876	360,584	557,460
2029-2033	4.375%	1,538,661	245,117	312,343	557,460
2034-2038	4.375%	1,293,544	305,176	252,284	557,460
2039-2043	4.375%	988,368	379,951	177,509	557,460
2044-2048	4.375%	608,417	473,049	84,411	557,460
2049-2050	4.375%	135,368	135,368	3,997	139,365
Totals			<u>\$ 1,893,668</u>	<u>\$ 1,590,457</u>	<u>\$ 3,484,125</u>

The 2010A Waterworks System and 2010B Waterworks System Revenue Bond Anticipation Notes were refinanced by Rural Development Bonds during the year. The payments are as follows:

Waterworks System Revenue Bonds Lane Sewer System (Issued 10/14/10)
Maturity October 14, 2050

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2019	2.25%	\$ 602,096	\$ 13,609	\$ 12,827	\$ 26,436
2020	2.25%	588,487	13,904	12,532	26,436
2021	2.25%	574,583	14,207	12,229	26,436
2022	2.25%	560,376	14,515	11,921	26,436
2023	2.25%	545,861	14,831	11,605	26,436
2024-2028	2.25%	531,030	79,134	53,045	132,179
2029-2033	2.25%	451,896	88,120	44,060	132,180
2034-2038	2.25%	363,776	98,124	34,056	132,180
2039-2043	2.25%	265,652	109,265	22,915	132,180
2044-2048	2.25%	156,387	121,670	10,510	132,180
2049-2050	2.25%	34,717	34,717	532	35,249
Totals			<u>\$ 602,096</u>	<u>\$ 226,232</u>	<u>\$ 828,328</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Waterworks System Revenue Bonds Kingtree East Improvements (Issued 10/14/10)
Maturity October 14, 2050

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2019	3.00%	\$ 3,212,792	\$ 63,841	\$ 92,411	\$ 156,252
2020	3.00%	3,148,951	65,719	90,533	156,252
2021	3.00%	3,083,232	67,652	88,600	156,252
2022	3.00%	3,015,580	69,642	86,610	156,252
2023	3.00%	2,945,938	71,691	84,561	156,252
2024-2028	3.00%	2,874,247	391,356	389,904	781,260
2029-2033	3.00%	2,482,891	452,401	328,858	781,259
2034-2038	3.00%	2,030,490	522,972	258,288	781,260
2039-2043	3.00%	1,507,518	604,549	176,711	781,260
2044-2048	3.00%	902,969	698,853	82,407	781,260
2049-2050	3.00%	204,116	204,116	4,220	208,336
Totals			<u>\$ 3,212,792</u>	<u>\$ 1,683,103</u>	<u>\$ 4,895,895</u>

Waterworks System Revenue Bonds Kingtree East Phase II Improvements (Issued 12/02/11)
Maturity December 2, 2051

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2019	2.75%	\$ 3,292,650	\$ 66,450	\$ 73,878	\$ 140,328
2020	2.75%	3,226,200	67,971	72,357	140,328
2021	2.75%	3,158,229	69,526	70,802	140,328
2022	2.75%	3,088,703	71,117	69,211	140,328
2023	2.75%	3,017,586	72,745	67,583	140,328
2024-2028	2.75%	2,944,841	389,466	312,174	701,640
2029-2033	2.75%	2,555,375	436,112	265,528	701,640
2034-2038	2.75%	2,119,263	488,344	213,296	701,640
2039-2043	2.75%	1,630,919	546,833	154,807	701,640
2044-2048	2.75%	1,084,086	612,325	89,315	701,640
2049-2052	2.75%	471,761	471,761	19,387	491,148
Totals			<u>\$ 3,292,650</u>	<u>\$ 1,408,338</u>	<u>\$ 4,700,988</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Waterworks System Revenue Bonds Millwood Bloomingvale Projects, Series 2012
(Issued 08/15/12) Maturity August 15, 2052

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2019	2.50%	\$ 8,875,916	\$ 178,588	\$ 187,292	\$ 365,880
2020	2.50%	8,697,328	182,429	183,451	365,880
2021	2.50%	8,514,899	186,352	179,528	365,880
2022	2.50%	8,328,547	190,359	175,521	365,880
2023	2.50%	8,138,188	194,453	171,427	365,880
2024-2028	2.50%	7,943,735	1,036,823	792,577	1,829,400
2029-2033	2.50%	6,906,912	1,153,211	676,189	1,829,400
2034-2038	2.50%	5,753,701	1,282,667	546,733	1,829,400
2039-2043	2.50%	4,471,034	1,426,652	402,748	1,829,400
2044-2048	2.50%	3,044,382	1,586,801	242,599	1,829,400
2049-2053	2.50%	1,457,581	1,457,581	66,919	1,524,500
Totals			<u>\$ 8,875,916</u>	<u>\$ 3,624,984</u>	<u>\$ 12,500,900</u>

On April 23, 2018, the County issued \$3,455,000 Rural Development Bonds as financing for the St. Lawrence /Blakely/Trio water improvement project. The bond will mature April 23, 2058. The interest rate is 2.375% with monthly payments of \$11,160.

St. Lawrence/Blakely/Trio Water Improvement Project (Issued 04/23/18)
Maturity April 23, 2058

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2019	2.375%	\$ 3,446,385	\$ 52,584	\$ 81,336	\$ 133,920
2020	2.375%	3,393,801	53,847	80,073	133,920
2021	2.375%	3,339,954	55,141	78,779	133,920
2022	2.375%	3,284,813	56,466	77,454	133,920
2023	2.375%	3,228,347	57,822	76,098	133,920
2024-2028	2.375%	3,170,525	310,631	358,969	669,600
2029-2033	2.375%	2,859,894	349,785	319,815	669,600
2034-2038	2.375%	2,510,109	393,874	275,726	669,600
2039-2043	2.375%	2,116,235	443,520	226,080	669,600
2044-2048	2.375%	1,672,715	499,424	170,176	669,600
2049-2053	2.375%	1,173,291	562,374	107,226	669,600
2054-2058	2.375%	610,917	610,917	36,363	647,280
Totals			<u>\$ 3,446,385</u>	<u>\$ 1,888,095</u>	<u>\$ 5,334,480</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize bond anticipation notes, general obligation and revenue bonds, vehicle acquisition plan payments, and capital leases, as of June 30, 2018 are as follows:

	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 8,413,171	\$ 2,166,249	\$ 10,579,420	\$ 413,819	\$ 548,977	\$ 962,796
2020	1,111,408	1,978,547	3,089,955	424,369	538,427	962,796
2021	1,097,972	1,933,473	3,031,445	435,206	527,590	962,796
2022	1,141,063	1,882,562	3,023,625	446,340	516,456	962,796
2023	1,208,033	1,823,712	3,031,745	457,782	505,014	962,796
2024-2028	6,291,866	8,030,285	14,322,151	2,471,905	2,342,074	4,813,979
2029-2033	6,820,038	6,050,778	12,870,816	2,809,539	2,004,439	4,813,978
2034-2038	8,521,281	3,533,328	12,054,609	3,197,486	1,616,494	4,813,980
2039-2043	6,218,853	678,630	6,897,483	3,613,952	1,170,526	4,784,478
2044-2048	312,801	19,108	331,909	3,992,122	679,418	4,671,540
2049-2053	0	0	0	2,865,917	202,281	3,068,198
2054-2058	0	0	0	610,917	36,363	647,280
Totals	<u>\$ 41,136,486</u>	<u>\$ 28,096,672</u>	<u>\$ 69,233,158</u>	<u>\$ 21,739,354</u>	<u>\$ 10,688,059</u>	<u>\$ 32,427,413</u>

NOTE 9 - CONTINGENCIES

Grants: Amounts received or receivable from grantor agencies in previous years are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, could become a liability to the general fund or other applicable funds.

Litigation: As of June 30, 2018, actions have been alleged against the County in which it has denied liability. Any liability would be covered by the Insurance Reserve Fund up to the policy limit. The outcome or the amount of recovery, if any, cannot be predicted with certainty. Accordingly, no liability has been recorded.

Unemployment Compensation: The County makes payments to the South Carolina Employment Security Commission on a reimbursement basis for costs incurred in the administration of the state unemployment compensation statutes. Claims incurred but not reported at June 30, 2018 are not determinable.

Other Commitments: County Council approved a loan of \$182,000 from the SBA revolving loan fund to South Carolina Shrimp Biotech, Inc. which was issued at November 19, 2008 at the Wall Street prime rate interest only for nine months and monthly payments of \$3,188.73 to begin on September 7, 2009. County Council has not received payments on this since 2009 and has increased its allowance for bad debt to \$182,000 as it is doubtful that this receivable will be paid. County Council has approved a loan of \$520,650 from the revolving loan fund to Williamsburg County Development Corporation, which is a no interest, no recourse lease purchase transaction with a maturity date of October 15, 2017. County Council has approved a loan to Wastezero in the amount of \$117,546 on August 1, 2011 of which payments of \$2,004.46 began in August of 2011. The outstanding balance at June 30, 2018 on all note receivables was \$740,126 and an allowance for uncollectible receivables of \$182,000 leaving a net note receivable balance of \$558,126.

NOTE 10 - OPERATING LEASES

The County is engaged in a 40 year operating lease with Williamsburg County Development Corporation for an office building occupied by the Williamsburg County Department of Social Services. The lease agreement was executed on September 12, 2012 in the amount of \$17,000 per month. The rent payment will be reviewed for increase after 20 years.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 11 - INTERFUND TRANSFER RECONCILIATION

Transfers are used to move certain revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations. Transfers between the County's various funds are generally made to fund Council approved projects. A schedule of transfers is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 1,840,738	\$ 1,414,270
Federal and State Grant Fund	331,439	0
Debt Service Fund	1,435,464	926,483
Other Governmental Funds	1,327,805	2,668,945
Capital Projects Sales Tax Fund	0	131,439
Williamsburg County Transit Enterprise Fund	<u>205,691</u>	<u>0</u>
Totals	<u>\$ 5,141,137</u>	<u>\$ 5,141,137</u>

NOTE 12 - DEFERRED COMPENSATION PLAN

Williamsburg County offers its employees two deferred compensation plans complying with IRC 457 and IRC 401(k). These plans are available to all County employees through the South Carolina State Treasurer's Office. The plans offer a variety of investment choices to the participant. The deferred compensation cannot be withdrawn by the participant until separation of employment, retirement, death, disability or an approved hardship.

In 1996, Congress passed new legislation to govern IRC Section 457 plans. Specifically, the new legislation concludes that a plan shall not be treated as an eligible deferred compensation plan unless all assets and income of the plan are held in trust for the exclusive benefit of participants and their beneficiaries. During the year ended June 30, 1999, the South Carolina Deferred Compensation Commission modified their plan to comply with the new legislative requirements.

Governmental Accounting Standards Board's Statement No. 32 was issued to address the financial reporting ramifications of the new federal legislation and states that a fiduciary relationship must exist for a governmental entity to report the balances and transactions related to the plan in its financial statements. According to the provisions of the statement, it was determined that a fiduciary relationship did not exist for the County's IRC Section 457 plan, and likewise, its balance has not been recorded in the County's financial statements.

NOTE 13 - PENSION AND RETIREMENT PLAN

Plan Descriptions

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

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

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 13 - PENSION AND RETIREMENT PLAN (CONTINUED)

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the Budget and Control Board, which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (Systems) and serves as a co-trustee of the Systems in conducting that review.

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. 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.

Membership

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

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

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

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. 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 services 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 or retired members of employers who participate in the death benefit program.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 13 - PENSION AND RETIREMENT PLAN (CONTINUED)

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

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

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

Contributions

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

- Required employee contribution rates¹ are as follows:

	2018
SCRS	
Employee Class Two	9.00%
Employee Class Three	9.00%
PORS	
Employee Class Two	9.75%
Employee Class Three	9.75%

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**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 13 - PENSION AND RETIREMENT PLAN (CONTINUED)

- Required employer contribution rates¹ are as follows:

	2018
SCRS	
Employer Class Two	13.41%
Employer Class Three	13.41%
Employer Incidental Death Benefit	0.15%
PORS	
Employer Class Two	15.84%
Employer Class Three	15.84%
Employer Incidental Death Benefit	0.20%
Employer Accidental Death Program	0.20%

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

Employer contribution rates increased by more than one percentage point for the 2017-2018 fiscal year; therefore, in accordance with the South Carolina 2017-2018 Appropriation Act, Section 117.151 State funds were appropriated to PEBA for the Retirement Trust Funds. PEBA issued credit invoices to each employer for one percent of employer contributions based on its share of the appropriated funds. The County's share of appropriated funds were \$82,460 for the SCRS and \$24,735 for the PORS and will be reported as revenues from a contribution made by a non-employer contributing entity and a reduction of net pension liability as of the June 30, 2018 measurement date.

Contributions to the pension plan from the County were as follows for the year ended June 30, 2018:

	2018
SCRS	\$ 942,378
PORS	\$ 524,735

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

At June 30, 2018, the County reported \$16,810,769 and \$6,875,805 for its proportionate shares of the net pension liabilities of SCRS and PORS, respectively. The net pension liability of each defined benefit pension plan was determined based on the July 1, 2016 actuarial valuations, using membership data as of July 1, 2016, projected forward to June 30, 2017, and financial information of the pension trust funds as of June 30, 2017, using generally accepted actuarial procedures. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2018, the County SCRS proportion was .074676 percent measured as of June 30, 2017. The State's PORS proportion of the net pension liability at June 30, 2018 was .25098 percent. The prior year proportionate share for the SCRS was .083481 percent and the prior year proportionate share for PORS was .28992 percent.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 13 - PENSION AND RETIREMENT PLAN (CONTINUED)

Pension Expense

Components of collective pension expense reported in the Schedules of Pension Amounts by Employer for the fiscal year ended June 30, 2018, are presented below:

<u>Description</u>	<u>SCRS</u>	<u>PORS</u>
Service cost (annual cost of current service)	\$ 600,437	\$ 418,339
Interest on the total pension liability	2,477,788	1,187,283
Changes in plan benefits	0	0
Plan administrative costs	10,059	5,394
Plan member contributions	(617,229)	(320,854)
Expected return on plan assets	(1,314,428)	(724,163)
Recognition of current year amortization – Difference between expected and actual experience	443,399	229,475
Recognition of current year amortization – Difference between projected and actual investment earnings	102,747	56,752
Other	1,157	(3,200)
Change in proportionate share	(277,877)	(99,235)
Total Pension Expense	<u>\$ 1,426,053</u>	<u>\$ 749,791</u>

The total pension expense for the fiscal year ending June 30, 2018, totaled \$1,426,053 for the SCRS and \$749,791 for the PORS.

Additional items included in Total Employer Pension Expense in the Schedules of Pension Amounts by Employer are the current period amortized portions of deferred outflows and/or inflows of resources related to changes in employers' proportionate share of the collective net pension liability and differences between actual employer contributions and proportionate share of total plan employer contributions. These two deferrals are specific to cost-sharing multiple-employer defined benefit pension plans as discussed in paragraphs 54 and 55 of GASB 68.

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

	<u>SCRS</u>	<u>PORS</u>
Deferred Outflows of Resources:		
Difference between expected and actual experience	\$ 74,942	\$ 61,313
Assumption changes	984,090	652,577
Net difference between projected and actual earnings	469,278	245,013
Deferred amounts from changes in proportionate share and difference between employer contributions and proportionate share of total plan employer contributions	377,592	409,553
County contributions subsequent to measurement date	942,378	524,735
	<u>\$ 2,848,280</u>	<u>\$ 1,893,191</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 13 - PENSION AND RETIREMENT PLAN (CONTINUED)

	SCRS	PORS
Deferred Inflows of Resources:		
Net difference between expected and actual experience	\$ 9,318	\$ 0
Deferred amounts from changes in proportionate share and difference between employer contributions and proportionate share of total plan employer contributions	1,331,179	781,308
	\$ 1,340,497	\$ 781,308

County contributions subsequent of the measurement date of \$942,378 and \$524,735 reported as deferred outflow of resources for the SCRS and PORS, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30:</u>	<u>SCRS</u>	<u>PORS</u>
2019	\$ 181,841	\$ 182,206
2020	464,395	305,627
2021	79,643	183,172
2022	(160,474)	(83,857)
	\$ 565,405	\$ 587,148

Payable to Pension Plan

At June 30, 2018, the County had \$208,617 in outstanding payables to the plans for legally required contributions. This amount is reported in the statement of net position with withholdings and benefits payable.

Actuarial Assumptions and Methods

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

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

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 13 - PENSION AND RETIREMENT PLAN (CONTINUED)

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2017, valuations for SCRS and PORS.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return ¹	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service) ¹	3.5% to 9.5% (varies by service) ¹
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually
¹ includes inflation at 2.25%		

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 improvements in mortality using published Scale AA projected from the year 2016.

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

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

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

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

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the System's 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, as used in the July 1, 2015, actuarial valuations, was based upon the 30 year capital market outlook at the end of the third quarter 2015. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 13 - PENSION AND RETIREMENT PLAN (CONTINUED)

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

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity	45.0%		
Global Public Equity	31.0%	6.72%	2.08%
Private Equity	9.0%	9.60%	0.86%
Equity Options Strategies	5.0%	5.91%	0.30%
Real Assets	8.0%		
Real Estate (Private)	5.0%	4.32%	0.22%
Real Estate (REITs)	2.0%	6.33%	0.13%
Infrastructure	1.0%	6.26%	0.06%
Opportunistic	17.0%		
GTAA/Risk Parity	10.0%	4.16%	0.42%
Hedge Funds (non-PA)	4.0%	3.82%	0.15%
Other Opportunistic Strategies	3.0%	4.16%	0.12%
Diversified Credit	18.0%		
Mixed Credit	6.0%	3.92%	0.24%
Emerging Markets Debt	5.0%	5.01%	0.25%
Private Debt	7.0%	4.37%	0.31%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	1.60%	0.16%
Cash and Short Duration (Net)	2.0%	0.92%	0.02%
Total Expected Real Return	100.0%		5.31%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.56%

Discount Rate

The discount rate used to measure the total pension liability 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 13 - PENSION AND RETIREMENT PLAN (CONTINUED)

Sensitivity Analysis

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
SCRS	\$ 21,666,771	\$ 16,810,769	\$ 13,864,316
PORS	\$ 9,283,570	\$ 6,875,805	\$ 4,979,142

**Component Unit:
Williamsburg County Library**

	SCRS	PORS
Net Pension Liability	\$ 463,514	\$ 0
Retirement Expense	33,334	(2,582)
Deferred Outflows of Resources		
Difference Between Expected and Actual Experience	2,066	0
Assumption Changes	27,134	
Difference Between Expected and Actual		
Investment Earnings	12,939	0
Difference from Changes in Proportionate Shares	2,744	0
Contributions Made After Measurement Date	27,066	0
	\$ 71,949	\$ 0
Deferred Inflows of Resources		
Difference Between Projected and Actual		
Investment Earnings	\$ 257	\$ 0
Difference from Changes in Proportionate Shares	37,582	8,069
	\$ 37,839	\$ 8,069

Amortization of net balance of remaining deferred outflows/inflows of resources:

SCRS	
Measurement Period Ending June 30,	Williamsburg County Library Amortization
2019	\$ (672)
2020	9,510
2021	2,573
2022	(4,367)
Thereafter	0
	\$ (7,044)

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 13 - PENSION AND RETIREMENT PLAN (CONTINUED)

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

SCRS	Total SCRS Per Audit Report	Williamsburg County Library Allocation %	Williamsburg County Library Share
1.00% Decrease (6.25%)	\$ 29,014,370,642	0.002059%	\$ 597,406
Current Discount Rate (7.25%)	22,511,608,226	0.002059%	463,514
1.00% Increase (8.25%)	18,565,959,440	0.002059%	382,273

PORS

Measurement Period Ending June 30,	Williamsburg County Library Amortization
2019	\$ (2,581)
2020	(2,541)
2021	(2,098)
2022	(849)
Thereafter	0
	<u>\$ (8,069)</u>

NOTE 14 - SOLID WASTE MUNICIPAL LANDFILL

The Resource Conservation And Recovery Act ("RCRA"), the federal regulations which address solid waste landfill closure, was amended with more stringent closure requirements for landfills that operate beyond October 1993. The South Carolina Solid Waste Policy and Management Act of 1991 set forth certain requirements for landfills. Pursuant to the Act, South Carolina Department of Health and Environmental Control promulgated regulations establishing performance standards for the closure and post closure care of landfills. Chapter 61-107.258.60 Subpart F establishes the criteria for closure and post-closure care of landfills in South Carolina.

State and federal laws and regulations require that Williamsburg County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of the landfill closure and post closure care costs is based on the amount of landfill used during the year. The estimated liability for landfill closure and post closure care costs has a balance of \$6,132,164 as of June 30, 2018 which is based on 100% usage of the old landfill. The landfill closed in April of 2011. The balance outstanding was increased by \$1,737,967 based on latest estimate of post closure cost.

In conjunction with new regulations regarding closure requirements for C&D landfills, the County elected to account for C&D closure costs over the active life of the landfill similar to the costs recognition principles for municipal solid waste landfills. The total estimated closure and post closure cost of the C&D landfill is \$2,040,950 of which \$2,000,131 has been recorded as a liability which represents 98% usage of the landfill expansion. The balance outstanding was increased by \$684,381 based on latest estimated cost for closure and post closure.

	Beginning			Ending
	Balance	Additions	Retirements	Balance
Estimated Liability for Closure & Post Closure				
Landfill	\$ 4,648,398	\$ 1,737,967	\$ (254,201)	\$ 6,132,164
C&D Landfill	1,315,750	684,381	0	2,000,131
Totals	<u>\$ 5,964,148</u>	<u>\$ 2,422,348</u>	<u>\$ (254,201)</u>	<u>\$ 8,132,295</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 14 - SOLID WASTE MUNICIPAL LANDFILL (CONTINUED)

The estimated post closure cost of the landfill of \$6,610,400 and the estimated closure and post closure cost of the C&D landfill of \$2,040,950 are based on the amount that would be paid if all equipment, facilities, and service required to close, monitor, and maintain the landfill were acquired as of June 30, 2009. 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.

The South Carolina Department of Health and Environmental Control (SCDHEC) has issued a permit to operate C&D landfill. The County is currently applying for a vertical expansion.

NOTE 15 – UNEARNED REVENUE/DEFERRED INFLOWS OF RESOURCES

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not available to liquidate liabilities of the current period. Governmental funds also record unearned revenue in connection with resources that have been received, but not yet earned. At June 30, 2018, the various components of unavailable and unearned revenue reported in the governmental funds were as follows:

Deferred Inflows of Resources	
Unavailable Tax Collections	\$ 876,498
Unavailable Fees	514,695
Unavailable Court Fines	59,818
Unavailable Ambulance Fees	237,166
Unavailable Grant Funds	<u>142,533</u>
	<u>\$1,830,710</u>
Unearned Revenue	
Unearned Grant Funds	<u>\$ 358,338</u>

Unavailable fees includes roads and bridges user fees of \$57,987, landfill fees of \$111,097 and solid waste fees of \$345,611 that were levied for each fund and collected with tax revenue.

NOTE 16 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The following Enterprise Funds have been created to provide various services to the general public:

Water & Sewer Fund - established to account for the operation of the County's water & sewer services.

Williamsburg County Transit Authority - established to account for transportation services provided to the general public.

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**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 16 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS (CONTINUED)

Segment information for these Enterprise Funds is summarized below for the year ended June 30, 2018:

	Water & Sewer Fund	Williamsburg County Transit System
Operating Revenues	\$ 1,695,752	\$ 861,234
Depreciation	1,318,533	311,081
Operating Income (Loss)	(344,051)	(1,342,774)
Interfund Transfers	0	205,691
Non-Operating Revenues (Expenses)	912,654	1,439,589
Change in Net Position	568,603	302,506
Property, Plant and Equipment		
Net Change	1,397,605	189,649
Net Working Capital	346,365	1,599,447
Total Assets	48,672,783	3,638,012
Bonds and Other Long-Term Liabilities Payable		
from Revenues	21,530,744	1,559,748
Total Net Position	26,176,572	2,032,786

NOTE 17 - RISK MANAGEMENT

The County and its component unit are exposed to various risks of loss and pay insurance premiums to certain State agencies and commercial insurers to cover risks that may occur in normal operations. Management believes such coverage is sufficient to preclude any significant losses for the covered risk. The County has not had a significant reduction in insurance in the last three years and has not had claims in excess of coverage in the last three years.

Several State funds accumulate assets and the State itself assumes substantially all risks for the following:

1. Claims of State employees for unemployment compensation benefits (Employment Security Commission).
2. Claims of covered employees for workers compensation benefits for job-related illnesses or injuries (State Accident Fund).
3. Claims of covered public employees for long-term disability and group-life insurance benefits (Retirement Systems).

NOTE 18 - RELATED PARTY TRANSACTIONS

Williamsburg County Development Corporation is a non-profit organization and was established as a certified development company in accordance with Title V of the Small Business Investment Act of 1958, as amended. The County's accountability for this organization does not extend beyond the initial appointments to the Corporation's board. The County Supervisor and Chairman of County Council are members of this board.

Williamsburg County and the Town of Kingstree entered into an intergovernmental agreement in July 1999 to build a new library building. The building is used by the Library Commission, owned by the Town, and is leased indefinitely to the County for \$1 annually.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 19 - FUND BALANCE CLASSIFICATIONS

The following is a list of all classifications by the County and a brief description of each:

Nonspendable Fund Balance – Inventory – an account used to segregate a portion of fund balance to indicate that these funds do not represent available, spendable resources even though it is a component of current assets.

Restricted for Public Safety:

Rural Fire Funds	\$ 112,248
Victim’s Services	2,786
Sheriff’s Narcotics Funds	26,882
Title IV D Funds	<u>40,698</u>
	<u>\$ 182,614</u>

Restricted for Debt Service – an account used to restrict the fund balance of funds collected for the repayment of debts.

Restricted for Capital Projects – an account used to segregate a portion of fund balance to indicate that these funds are restricted for specific purposes.

Restricted for Health and Human Services:

Alcohol and Drug Abuse Fund	\$ <u>506,649</u>
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Restricted for Environmental Services – an account used to segregate a portion of fund balance to indicate funds collected to fund the closure and postclosure costs of the landfill does not represent available, spendable resources even though it is a component of current assets.

Restricted for Economic Development:

Grants Fund	\$ 259,102
Industrial Park Fund	<u>923,233</u>
	<u>\$ 1,182,335</u>

Restricted for Public Works – an account used to segregate a portion of fund balance for funds collected to improve roads and bridges.

NOTE 20 - SUBSEQUENT EVENTS

On July 24, 2018, Williamsburg County issued a Bond Anticipation Note in the amount of \$3,500,000 with a maturity date of April 15, 2019 at an interest rate of 3.02% per annum. The County issued General Obligation Bonds on November 14, 2018, in the amount of \$12,500,000 at an interest rate of 2.70%, which refunded the \$6,000,000 General Obligation Bond.

NOTE 21 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The County sponsors a single employer defined benefit health care plan (the “Plan”) that provides medical and dental insurance for retirees under the medicare eligible age of 65. Employees who had 19 years of service to Williamsburg County as of July 1, 2009 are eligible. The plan is approved each year by County Council; the contribution requirements of the County and plan members are established and amended by Council. These contributions are neither guaranteed nor mandatory. Council retains the right to unilaterally modify its payments towards retiree health care benefits.

As of June 30, 2017, the measurement date, there were 35 covered participants, 3 retired participants, and 32 active participants. The County implemented GASB Statement No. 75 for the year ending June 30, 2018 which resulted in the restatement of net assets in the amount of \$146,464 in the governmental activities and \$30,527 in the business-type activities.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 21 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Plan Description – Eligibility Conditions – A retired employee under the South Carolina Retirement System plan, who is participating in the County’s medical and dental program, is eligible to elect post-retirement coverage if they had completed nineteen years of service with the County as of July 1, 2009. No dependent (non-spouse) coverage is assumed as it is immaterial. The County reserves the right to amend the Plan at any time. All full-time employees (must be covered by the active plan at time of retirement or disability) are covered employees.

Benefits Provided – Medical coverage is a retiree cost sharing plan. The retiree pays 100% of the premium in excess of the County contribution of \$362.98 and coverage ceases at the earlier of Medicare eligibility or death. Dental coverage is a retiree cost sharing plan. The retiree pays 100% of the premium in excess of the County contribution of \$13.48 and coverage ceases at the earlier of Medicare eligibility or death. No post-retirement life insurance is valued.

Employees Covered by Benefit Terms – At July 1, 2017 (the valuation date), the following County employees were covered by the benefit terms: 3 inactive employees or beneficiaries currently receiving benefits for an OPEB liability of \$31,600 and 32 active employees for an OPEB liability of \$463,200 bringing the total OPEB liability to \$494,800.

Contributions – The funding policy of the plan sponsor is to contribute annually an amount sufficient to satisfy benefit payment requirements to participants. There are no employee contributions.

Net OPEB Liability – The County’s net OPEB liability is reported herein as of June 30, 2018 for the employer fiscal year and reporting period of July 1, 2017 to June 30, 2018. The values shown for this fiscal year and reporting period are based on a measurement date of July 1, 2017 and the corresponding measurement period of July 1, 2016 to July 1, 2017. The measurement of the total OPEB liability is based on a valuation date of July 1, 2017.

Actuarial Assumptions and Actuarial Methods – The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following key actuarial assumptions, applied to all periods included in the measurement:

<u>Actuarial cost method</u>	
Actuarial assumptions:	
Discount rate	3.56%
Salary scale	2.50%
Health cost trend rates	7.00% for FY2018, decreasing .50% per year to an ultimate rate of 5.00%
Mortality	RP-2014 mortality table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2018
Actuarial cost method	Entry age actuarial cost method

Discount rate – The total discount rate has been set equal to 3.56% and represents the Municipal GO AA 20-year yield curve rate as of June 30, 2017.

Changes in Net OPEB Liability

Service cost	\$ 11,100
Interest	17,700
Employer contributions	<u>(37,800)</u>
Net changes	(9,000)
Contributions made	0
Change in net OPEB obligation	(9,000)
Net OPEB obligation, beginning of year (As Restated)	503,800
Net OPEB obligation, end of year	<u><u>\$ 494,800</u></u>

The measurement date is July 1, 2017.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 21 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sensitivity of Net OPEB to Changes in the Discount Rate – The following presents the net OPEB liability/(asset) of the employer as of the measurement date calculated using the discount rate, as well as what the employer’s net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate: 1% decrease is \$512,000, current discount rate is \$494,800 and 1% increase is \$477,200.

Sensitivity of Net OPEB to Changes in the Trend Rate – The following presents the net OPEB liability/(asset) of the employer as of the measurement date calculated using the trend rate, as well as what the employer’s net OPEB liability would be if it were calculated using a trend rate that is 1% lower or 1% higher than the current rate: 1% decrease is \$470,200, current trend rate is \$494,800 and 1% increase is \$521,100.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2018, under GASB 75 the employer OPEB expense is \$28,800. The deferred outflows of resources and deferred inflows of resources related to OPEB as of June 30, 2018 from various sources are as follows:

		<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$	0	\$	0
Assumption changes		0		0
Net difference between projected and actual earnings on OPEB plan investments		0		0
Employer contributions after Measurement Date but prior to fiscal year end		27,968		0
	\$	<u>27,968</u>	\$	<u>0</u>

At June 30, 2018, the County did not have any deferred outflows or deferred inflows of resources to be amortized in future years related to the retiree health insurance post-employment benefits plan.

Funding Policy

As of June 30, 2018, the County has not funded contributions to an irrevocable trust. In fiscal year 2018, the County contributes \$363 per retiree per month for health insurance. County retirees contribute 100% of monthly premiums for single health care in excess of the County’s contribution of \$363. The County contributes \$14 per month per retiree for dental coverage. Retirees contributed 100% of the premium for single dental coverage in excess of the \$14 the County contributes. The County contributed the remaining premium of \$37,800.

Annual OPEB Cost and Funded Status and Funding Progress

For 2018, the annual OPEB cost (expense) was \$28,800 for the plan. The following table shows the components of the County’s annual OPEB cost for 2018.

Service Cost	\$	11,100
Interest on Net OPEB Obligation		<u>17,700</u>
	\$	<u>28,800</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 21 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Contributions made included \$37,800 by the County through payment of covered participant benefits.

Actuarially Determined Contributions	\$	37,800
Contributions in Relation to Actuarially Determined Contributions		37,800
Contributions Deficiency (Excess)	\$	0

Plan Description

The County also participates in the South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF). The SCLTDITF was established by the State of South Carolina as of Act 195, which became effective on May 2008. The SCLTDITF was created to fund and account for the employer costs of the State’s Basic Long-Term Disability Income Benefit Plan.

In accordance with Act 195, the OPEB Trust is administered through South Carolina Public Employment Benefit Authority (PEBA), Insurance Benefits and the State Treasurer is the custodian of the funds held in trust. The Board of Directors of PEBA has been designated as the Trustee.

The OPEB Trust is cost-sharing multiple-employer defined benefit plan. Article 5 of the State Code of Laws defines the plan and authorized the Trustee to at any time adjust the plan, including its benefits and contributions, as necessary to insure the fiscal stability of the plan. In accordance with the South Carolina Code of Laws the State provides post-employment long-term disability to eligible employees.

Benefits

The SCLTDITF is a long-term disability plan that covers employees of the State of South Carolina, including all agencies and public school districts and all participating local government entities. The SCLTDITF provides disability payments to eligible employees that have been approved for disability.

Contributions and Funding Policies

BLTD benefits are funded through a person’s premium charged to State agencies, public school districts and other participating local governments. The monthly premium per active employee was \$3.22 for the fiscal year ended June 30, 2018. The SCLTDITF premium is billed monthly by PEBA, Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.

In accordance with part (b) of paragraph 69 of GASB Statement No. 75, participating employers recognize revenue in an amount equal to the employers proportionate share of the change in the collective net OPEB liability arising from contributions to the OPEB plan during the measurement period from non-employer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. Therefore, employers classify this revenue in the same manner as it classifies grants from other entities. The County’s proportionate share of appropriated funds was \$581 and is reported as revenues from a contribution made by a non-employer contributing entity.

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 Trust, and additions to and deductions from the OPEB Trust fiduciary net position have been determined on the same basis as they were reported by the OPEB Trust. 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.

Contributions to the OPEB plan from the County were as follows for the year ended June 30, 2018:

SCLTDITF	\$	10,846
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**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 21 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

The County also recorded fringe benefit expenses for insurance benefits for active employees in the amount of \$1,659,036 for the year ended June 30, 2018.

A copy of the separately issued financial statements for the benefit plan and the trust fund may be obtained by writing to the South Carolina Public Employee Benefit Authority – Insurance Benefits Division, P.O. Box 11960, Columbia, South Carolina 29211-1960.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Post-Employment Benefits Other Than Pensions

At June 30, 2018, Williamsburg County reported an OPEB liability of \$2,636 for Long-Term Disability Insurance. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation at June 30, 2016, rolled forward to the measurement date. At June 30, 2017, the County’s proportion of the OPEB Long-Term Disability Liability was .145418%, the same as it’s proportion as of June 30, 2016.

For the year ended June 30, 2018, Williamsburg County recognized OPEB Long-Term Disability expense of \$2,636 for OPEB Long-Term Disability. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to Post-Employment Benefits Other Than Pensions (OPEB) for South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF) from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Assumption Changes	\$ 0	\$ 239
Investment Experience	1,270	0
Outstanding balance between Williamsburg County contributions and proportionate share of plan contributions	0	65
Williamsburg County contributions subsequent to the measurement date	10,846	0
Total	<u>\$ 12,116</u>	<u>\$ 304</u>

\$10,846 reported as deferred outflows of resources related to OPEB resulting from Williamsburg County OPEB Long-Term Disability Insurance contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to OPEB Long-Term Disability will be recognized in OPEB expense as follows:

Year ended June 30:	
2019	\$ 284
2020	284
2021	284
2022	284
2023	(33)
Thereafter	(137)
	<u>\$ 966</u>

Payable to OPEB Plans

As of June 30, 2018, the County had \$0 in outstanding payables to the SCLTDITF at year end.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 21 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions and Methods

Actuarial valuations 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. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following table provides a summary of the actuarial assumptions and methods used in the June 30, 2016 actuarial valuation for SCLTDITF:

Actuarial Assumptions:	SCLTDITF
Valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Inflation	2.25%
Investment rate of return	4.00, net of Plan investment expense; including inflation
Single discount rate	3.87% as of June 30, 2017
Salary, Termination, and Retirement Rates	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015
Disability Incidence	The rates used in the valuation are based on the rates developed for the South Carolina Retirement Systems plans
Disability Recovery	For participants in payment, 1987 CGDT Group Disability; for active employees, 60% were assumed to recover after the first year and 92% were assumed to recover after the first two years
Offsets	40% are assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group
Expenses	The investment return assumption is net of the investment expenses; Third party administrative expenses are included in the benefit projections
Notes	The discount rate changed from 3.74% as of June 30, 2016 to 3.87% as of June 30, 2017

Roll Forward Disclosure

The actuarial valuation was performed as of June 30, 2016. Update procedures were used to roll forward the total OPEB liability to June 30, 2017.

Net OPEB Liability

The Net OPEB Liability (NOL) is calculated separately for the OPEB Trust Fund and represents the Trust's Total OPEB Liability (TOL) determined in accordance with GASB Statement No. 74 less that Trust's fiduciary net position. The allocation of each employer's proportionate share of the collective Net OPEB Liability and collective OPEB expense was determined using the employer's payroll-related contributions over the measurement period. This method is expected to be reflective of the employer's long-term contribution effort as well as be transparent to individual employers and their external auditors.

The following table represents the net OPEB liability as of June 30, 2017:

OPEB TRUST	Total OPEB Liability	Plan Fiduciary Net Position	Employers' Net OPEB Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
SCLTDITF	\$ 38,510,568	\$ 36,697,589	\$ 1,812,979	95.29%

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 21 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

The TOL is calculated by the Trust’s actuary, and the Trust fiduciary net position is reported in the Trust financial statements. The NOL is disclosed in accordance with the requirements of GASB Statement No. 74 in the Trust notes to the financial statements and required supplementary information. Liability calculations performed by the Trust’s actuary for the purpose of satisfying the requirements of GASB Statements No. 74 and 75 and are not applicable for the other purposes, such as determining the Trust’s funding requirements.

Single Discount Rate

A Single Discount Rate of 3.87% was used to measure the total OPEB liability for the SCLTDITF. This Single Discount Rate was based on an expected rate of return on plan investments of 4.00% and a municipal bond rate 3.56%. The projection of cash flows to determine this Single Discount Rate assumed that employer contributions will remain \$38.64 per year for each covered active employee. Based on these assumptions, the plan’s Fiduciary Net Position and future contributions were sufficient to finance the benefit payments through the year 2037. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2037, and the municipal bond rate was applied to all benefit payments after that date.

Long Term Expected Rate of Return

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
U.S. Domestic Fixed Income	80.00%	2.09%	1.67%
Cash	20.00%	0.84%	0.17%
Total	100.00%		1.84%
Expected Inflation			2.25%
Total Return			4.09%
Investment Return Assumption			4.00%

For the SCLTDITF, the annual money-weighted rate of return on the plan investment was 1.00%, respectively.

Sensitivity Analysis

The following table presents the County’s proportionate share of the SCLTDITF net OPEB liability calculated using the discount rate of 3.87 percent, as well as what the County’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.87 percent) or 1 percentage point higher (4.87 percent) than the current rate:

Sensitivity of the SCLTDITF Net OPEB Liability to Changes in the Discount Rate		
1.00% Decrease	Current Discount Rate	1.00% Increase
(2.87%)	(3.87%)	(4.87%)
<u>\$4,690</u>	<u>\$2,636</u>	<u>\$621</u>

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**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 22 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government wide statement of net position. One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The details of this \$42,286,081 are as follows:

Capital Assets	\$	81,402,551
Accumulated Depreciation		(39,116,470)
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$	<u>42,286,081</u>

Another element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this (\$69,760,717) are as follows:

Bonds Payable	\$	(39,591,937)
Less: Unamortized Bond Discount (to be amortized as interest expense)		302,231
Less: Deferred Loss on Refunding Bonds (to be amortized as interest expense)		71,369
Plus: Issuance Premium (to be amortized as interest expense)		(130,217)
Accrued Interest Payable		(184,214)
Capital Leases Payable		(1,544,549)
Municipal Solid Waste Landfill Closure		
Postclosure Cost Accrual		(8,132,295)
Post Employment Benefits Payable		(411,885)
Compensated Absences		(611,364)
Net Pension Liability		(22,032,394)
Deferred Outflows of Resources Related to Pensions		4,461,200
Deferred Inflows of Resources Related to Pensions		(1,989,900)
Deferred Outflows of Resources Related to OPEB		33,542
Deferred Inflows of Resources Related to OPEB		(304)
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	\$	<u>(69,607,717)</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE 22 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(CONTINUED)**

Another element of that reconciliation is that “other long-term assets, such as property taxes, court fines, and ambulance fees are not available to pay for current period expenditures and, therefore, are unavailable in the fund financial statements.” The details of this \$1,830,710 are as follows:

Property Taxes and Fees Unavailable in Governmental Fund Statement	\$	876,498
Ambulance Fees Unavailable in Governmental Fund Statement		237,166
Court Fines Unavailable in Governmental Fund Statement		59,818
Unavailable Fees –Solid Waste, Landfill and Road User Fees		514,695
Unavailable Grant Funds		142,533
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$	1,830,710

- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this (\$1,496,577) are as follows:

Capital Outlay	\$	1,187,376
Depreciation Expense		(2,683,953)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$	(1,496,577)

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this (\$2,971,997) are as follows:

Compensated Absences	\$	32,999
OPEB Expense		39,811
Pension Expense		(804,159)
Accrued Interest		(59,484)
Amortization of Bond Premium, Bond Discounts and Deferred Loss on Refunding		(13,017)
Municipal Solid Waste Closure Costs		(2,168,147)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$	(2,971,997)

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE 22 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(CONTINUED)**

Another element of that reconciliation explains that “Revenues in the statement of activities, such as property taxes and police fines that will not be collected for several months after year-end and do not provide for current financial resources, are not reported as revenues in the funds.” The details of that element are as follows:

Property Taxes	\$	(120,918)
Court Fines		(16,500)
Roads & Bridges Fees		(19,011)
Ambulance Fees		37,573
Landfill Fees		(3,250)
Solid Waste Fees		(4,623)
Intergovernmental Revenue		(321,333)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$	(448,062)

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this (\$1,753,939) are as follows:

Debt issued or incurred:		
General Obligation Bond Proceeds and Bond Premiums	\$	(6,117,534)
Principal repayments:		
General Obligation Debt		3,768,727
Capital Lease		586,868
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$	(1,761,939)

NOTE 23 - ECONOMIC DEPENDENCY

Williamsburg County collects property taxes from five taxpayers which represents 25.76% of total assessed valuation.

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Value</u>
Nan Ya Plastics	Manufacturer	9,927,759
Santee Electric	Electric Utility	5,006,730
DSM Biosciences	Bioscience Industry	4,894,149
Duke Power	Electric Utility	2,583,160
CSX	Railroad Utility	1,958,123

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 24 – TAX ABATEMENT

The State of South Carolina has enacted Fee-in-Lieu of Tax Acts and Special Source Revenue Credit Act as part of Title 12 of the South Carolina Code of Laws in support of economic development. The legislation allows the County to enter into negotiated fee-in-lieu of tax (“FILOT”) arrangements with entities in exchange for making investments in facilities and jobs in the County. The FILOT’s typically include millage caps and reduced assessment ratios for entities who commit to certain investment and employment targets. Some FILOT’s also include Special Source Revenue Credits which further reduce the negotiated fee by a percentage for some time period.

As of June 30, 2018, the County had seven (7) entities that have Special Source Revenue Credits which resulted in tax abatements of \$76,674. The County had Fee-in-Lieu agreements with twelve (12) entities which resulted in tax abatements totaling \$3,775,679. The total amount of tax abatements and Special Source Revenue Credits for all tax entities of the County totaled \$3,852,353. The tax abatements for the operations, which included, the general fund, hospital and debt service funds total \$1,048,349. Rural fire abatements totaled \$190,187. Fire bond abatements totaled \$96,946. Williamsburg Technical College abatements totaled \$141,791. Tax abatements for Williamsburg County School District totaled \$1,664,757 for operations and \$567,164 for school bonds. The abatements for the Town of Andrews totaled \$66,485. These calculations have been made with the assumption that the assessment for ad valorem tax is based on the same amount of investment as with the tax incentives. Tax abatements for Nanya Plastics are made with the assumption that ad valorem tax would be split 50/50 between Williamsburg and Florence County.

NOTE 25 - NET POSITION RESTATEMENT

The beginning net position in the business-type activities has been restated due to the implementation of GASB 75, Net OPEB Liability. The table below shows the restatement of beginning net position.

Beginning Net Position, Business-Type Activities, as	
Originally Reported	\$ 27,307,722
Prior Period Adjustment Made Due to Implementation of	
GASB 75, Net OPEB Liability	30,527
Beginning Net Position, Business-Type Activities, As Restated	\$ 27,338,249
Governmental Activities, Net Position, June 30, 2017, As	
Originally Reported	\$ (10,507,489)
Prior Period Adjustment Made Due to Implementation of	
GASB 75, Net OPEB Liability	146,464
Governmental Activities, Net Position, June 30, 2018, As Restated	\$ (10,361,025)

NOTE 26 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

GASB has issued GASB Statement No. 87, *Leases* in June 2017. This standard requires all leases to be reported as capital leases and eliminates the classification of an operating lease unless the lease is a short term, defined as 12 months or less. Under the single approach to accounting for and reporting leases, a lessee will recognize a lease liability and corresponding intangible asset representing the lessee’s controlling “right to use” the asset. This standard is applicable for periods beginning after December 15, 2019. The County has not determined the effect this implementation will have on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**REQUIRED SUPPLEMENTARY INFORMATION
WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 11,981,201	\$ 12,047,384	\$ 12,346,749	\$ 299,365
Local Hospitality Tax	70,000	70,000	64,113	(5,887)
Fees, Licenses, & Permits	112,250	112,250	184,048	71,798
Fines & Forfeitures	505,800	505,800	416,332	(89,468)
Charges for Services	3,449,600	3,449,600	4,632,776	1,183,176
Intergovernmental Revenue	1,938,487	1,938,487	1,597,700	(340,787)
Other Revenues	536,300	536,300	2,562,732	2,026,432
TOTAL REVENUE	\$ 18,593,638	\$ 18,659,821	\$ 21,804,450	\$ 3,144,629
EXPENDITURES				
County Council	261,168	259,606	226,766	32,840
Supervisor's Office	677,785	683,280	692,687	(9,407)
Information Technology	280,721	280,721	251,030	29,691
Council Discretionary	45,240	44,940	36,204	8,736
County Attorney	51,297	51,297	92,816	(41,519)
Treasurer	349,487	355,440	358,713	(3,273)
Building & Grounds	548,119	565,574	587,258	(21,684)
Chavis Building	153,413	149,157	135,411	13,746
Community Buildings	138,632	138,632	86,451	52,181
Health Department	92,625	89,526	95,636	(6,110)
Auditor	285,568	285,568	286,231	(663)
Tax Assessor	582,558	582,558	513,977	68,581
Tax Collector	160,087	164,008	190,413	(26,405)
Probate Judge	196,771	196,771	296,534	(99,763)
Clerk of Court	489,806	489,806	526,815	(37,009)
Magistrates	675,141	678,760	645,511	33,249
Coroner	118,364	118,364	139,015	(20,651)
Emergency Management	236,197	219,411	351,011	(131,600)
Communications	814,045	854,478	919,071	(64,593)
Citizen's Emergency Response Team	0	0	37,231	(37,231)
E-911	411,103	405,670	309,239	96,431
Veterans Affairs Office	105,183	105,183	117,107	(11,924)
Department of Social Services	244,530	244,530	245,563	(1,033)
Aeronautics Commission	28,933	29,413	25,852	3,561
Development Board	226,402	226,402	233,361	(6,959)
Voter Registration	232,142	231,662	245,146	(13,484)
Grant Administration	154,827	154,827	197,594	(42,767)
Other Government	400,531	400,531	400,531	0
MIAP Program	12,552	12,552	10,042	2,510
Employee Benefits	500,444	500,444	376,156	124,288
Other Expenses	694,666	728,449	780,610	(52,161)

**REQUIRED SUPPLEMENTARY INFORMATION
WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXPENDITURES (continued)				
Summer Intern Program	\$ 41,846	\$ 44,346	\$ 36,006	\$ 8,340
Circuit Court Judge	1,755	1,755	2,236	(481)
Rural Fire Group Health	0	0	2,475	(2,475)
Building Code Enforcement	179,579	179,579	158,615	20,964
Disaster Response	0	0	161,691	(161,691)
Forfeited Land Commission	0	2,458	8,711	(6,253)
Victim Advocates	46,677	46,677	56,938	(10,261)
Sheriff	2,835,158	2,835,158	2,606,285	228,873
Detention Center	1,984,372	1,984,372	2,069,640	(85,268)
Parole & Corrections	683	683	2,120	(1,437)
Emergency Medical Services	1,663,424	1,663,424	1,650,400	13,024
Animal Care and Control	293,275	293,275	261,956	31,319
Solid Waste Disposal Recycling	1,437,784	1,437,784	1,255,960	181,824
Roads and Bridges	1,118,696	1,139,696	933,543	206,153
Landfill Expense	480,995	480,995	770,462	(289,467)
Social Service Agencies	61,793	61,793	61,793	0
Agencies	207,274	207,274	207,274	0
Public Defender	0	0	1,294	(1,294)
Senior Citizens	107,525	107,525	107,525	0
Recreation Department	565,014	565,014	561,305	3,709
Capital Outlay	0	0	153,102	(153,102)
Debt Service	0	0	1,841,437	(1,841,437)
Bond Issuance Costs	12,000	12,000	12,500	(500)
TOTAL EXPENDITURES	\$ 20,206,187	\$ 20,311,368	\$ 22,333,250	\$ (2,021,882)
EXCESS OF REVENUES OVER EXPENDITURES	\$ (1,612,549)	\$ (1,651,547)	\$ (528,800)	\$ 1,122,747
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 80,604	\$ 86,854	\$ 1,840,738	\$ 1,753,884
Transfers Out	(328,131)	(328,131)	(1,414,270)	(1,086,139)
Lease Purchase Proceeds	265,000	305,963	0	(305,963)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 17,473	\$ 64,686	\$ 426,468	\$ 361,782
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ (1,595,076)	\$ (1,586,861)	\$ (102,332)	\$ 1,484,529
FUND BALANCE, Beginning of Year			4,539,909	
FUND BALANCE, End of Year			\$ 4,437,577	

**REQUIRED SUPPLEMENTARY INFORMATION
WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
RURAL FIRE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Taxes	\$ 1,016,267	\$ 1,016,267	\$ 1,037,556	\$ 21,289
Other Revenues	19,320	19,320	98,340	79,020
TOTAL REVENUES	\$ 1,035,587	\$ 1,035,587	\$ 1,135,896	\$ 100,309
EXPENDITURES				
Public Safety:				
Current	1,035,587	1,035,587	1,139,466	(103,879)
Capital Outlay	0	0	42,984	(42,984)
TOTAL EXPENDITURES	\$ 1,035,587	\$ 1,035,587	\$ 1,182,450	\$ (146,863)
EXCESS REVENUES OVER EXPENDITURES	\$ 0	\$ 0	(46,554)	\$ (46,554)
FUND BALANCE, Beginning of Year			158,802	
FUND BALANCE, End of Year			\$ 112,248	

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. Legal budgets are adopted for the following major governmental funds: General Fund and Rural Fire Fund.

The budget is prepared by the County Supervisor and the Budget Director and approved by the County Council. The appropriated budget is prepared by fund, function, department, activity and object and can be amended throughout the year by County Council approval. The County Supervisor may make transfers of appropriations within a function. Transfers of appropriations between funds require the approval of the County Council. The legal level of budgetary control is the fund level.

The budgetary calendar is as follows:

February 17 - Packets distributed to elected officials, department heads, agency directors, and contribution agencies.

March 17 - All packets returned to Budget Director.

March 26 - County Supervisor, Budget Director and Clerk to Council submit computerized budget worksheets and department budgets to County Supervisor, Finance Committee and County Council.

Prior to June 30 - County Supervisor prepares a budget and submits it to County Council for approval. County Council holds hearings to obtain taxpayers' comments.

June 30 - Budget is legally adopted by ordinance.

June 30 - Final budget distributed to libraries, banks, etc.

NOTE 2 – BUDGET APPROPRIATIONS EXCEEDED

The General Fund's actual expenditures of \$22,333,250 exceeded budgeted appropriations of \$20,206,368 by \$2,021,882. The expenditures were authorized by County Council to provide for current financial resources.

The Rural Fire Fund's actual expenditures of \$1,182,450 exceeded budgeted appropriations of \$1,035,587 by \$146,863. The expenditures were authorized by County Council.

WILLIAMSBURG COUNTY
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
South Carolina Retirement System (SCRS)										
County's proportion of the net pension liability (asset)	0.074676%	0.083481%	0.079511%	0.080362%						
County's proportionate share of the net pension liability (asset)	\$ 16,810,769	\$ 17,831,418	\$ 15,079,644	\$ 13,835,672	\$	\$	\$	\$	\$	\$
County's covered payroll	\$ 6,133,171	\$ 6,482,790	\$ 5,995,127	\$ 5,974,770	\$	\$	\$	\$	\$	\$
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	274.10%	275.10%	251.50%	231.57%						
Plan fiduciary net position as a percentage of the total pension liability	53.30%	52.90%	57.00%	59.90%						
South Carolina Police Officer Retirement System (PORS)										
County's proportion of the net pension liability (asset)	0.25098%	0.28929%	0.25534%	0.27066%						
County's proportionate share of the net pension liability (asset)	\$ 6,875,805	\$ 7,337,641	\$ 5,565,126	\$ 5,181,551	\$	\$	\$	\$	\$	\$
County's covered payroll	\$ 2,979,622	\$ 3,198,689	\$ 2,426,652	\$ 2,796,429	\$	\$	\$	\$	\$	\$
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	230.80%	229.40%	202.40%	185.29%						
Plan fiduciary net position as a percentage of the total pension liability	60.90%	60.40%	64.60%	67.50%						

Notes: The amounts presented above for each fiscal year were determined as of the measurement date of the plan's fiscal year end.

The County is retroactively reporting data back to the year of GASB Statement No. 68 implementation, which was fiscal year ending 2015. Information on the proportionate share of net position liability is not available prior to that fiscal year.

WILLIAMSBURG COUNTY
SCHEDULE OF COUNTY CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
South Carolina Retirement System (SCRS)										
Contractually required contribution	\$ 942,378	\$ 872,321	\$ 893,254	\$ 808,821	\$ 777,065	\$ 748,789	\$ 637,061	\$ 625,676	\$ 639,979	\$ 613,542
Contributions in relation to the contractually required contribution (see note)	<u>(942,378)</u>	<u>(872,321)</u>	<u>(893,254)</u>	<u>(808,821)</u>	<u>(777,065)</u>	<u>(748,789)</u>	<u>(637,061)</u>	<u>(625,676)</u>	<u>(639,979)</u>	<u>(613,542)</u>
Contribution deficiency (excess)	\$ <u>0</u>									
County's covered payroll	\$ 7,557,805	\$ 7,546,031	\$ 8,076,436	\$ 7,420,380	\$ 7,330,797	\$ 7,064,050	\$ 6,681,295	\$ 6,663,221	\$ 6,815,537	\$ 6,553,991
Contributions as a percentage of covered payroll	12.58%	11.56%	11.06%	10.90%	10.60%	10.60%	9.53%	9.39%	9.39%	9.36%

South Carolina Police Officer Retirement System (PORS)

Contractually required contribution	\$ 524,735	\$ 480,872	\$ 508,903	\$ 428,542	\$ 414,221	\$ 382,314	\$ 342,524	\$ 308,575	\$ 288,466	\$ 270,858
Contributions in relation to the contractually required contribution	<u>(524,735)</u>	<u>(480,872)</u>	<u>(508,903)</u>	<u>(428,542)</u>	<u>(414,221)</u>	<u>(382,314)</u>	<u>(342,524)</u>	<u>(308,575)</u>	<u>(288,466)</u>	<u>(270,858)</u>
Contribution deficiency (excess)	\$ <u>0</u>									
County's covered payroll	\$ 3,464,611	\$ 3,376,910	\$ 3,703,806	\$ 3,195,688	\$ 3,226,021	\$ 3,108,245	\$ 2,911,876	\$ 2,676,278	\$ 2,610,549	\$ 2,451,202
Contributions as a percentage of covered payroll	15.14%	14.24%	13.74%	13.41%	12.84%	12.30%	11.76%	11.53%	11.05%	11.05%

WILLIAMSBURG COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLANS
JUNE 30, 2018

The table below provides a summary of the actuarial methods and assumptions used in calculations of the actuarially determined contributions for the South Carolina Retirement System (SCRS) and South Carolina Police Officer Retirement System (PORS). This information was obtained from the financial statements of the SCRS, which is administered by the retirement division of the South Carolina Public Employee Benefit Authority (PEBA) for the year ended June 30, 2017.

Summary of Actuarial Methods and Significant Assumptions

	<u>SCRS</u>	<u>PORS</u>
Valuation date	07/01/16	07/01/16
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level percent of pay	Level percent of pay
Amortization period	30 years, open	27 years variable, but not to exceed 30 years
Asset Valuation method	20% difference recognition method	20% difference recognition method
Inflation rate	2.25%	2.25%
Projected salary increases	3.0% to 12.5% (varies by service) ¹	3.5% to 9.5% (varies by service) ¹
Investment rate of return	7.25%	7.25%
Benefit adjustments	Lesser of 1.0% or \$500 annually	Lesser of 1.0% or \$500 annually

¹ Includes inflation at 2.25%.

WILLIAMSBURG COUNTY
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET OPEB LIABILITY AND RELATED RATIOS -
RETIREE HEALTH INSURANCE
FOR THE YEAR ENDED JUNE 30, 2018

	2018
TOTAL OPEB LIABILITY	
Service Cost	\$ 11,100
Interest	17,700
Benefit Payments	(37,800)
NET CHANGE IN TOTAL OPEB LIABILITY	(9,000)
TOTAL OPEB LIABILITY - BEGINNING	503,800
TOTAL OPEB LIABILITY - ENDING	\$ 494,800
PLAN FIDUCIARY NET POSITION	
Contributions - Employer	\$ 37,800
Benefit Payments	(37,800)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	0
PLAN FIDUCIARY NET POSITION - BEGINNING	0
PLAN FIDUCIARY NET POSITION - ENDING	\$ 0
EMPLOYER'S NET OPEB LIABILITY	\$ 494,800
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL OPEB LIABILITY	0%
COVERED EMPLOYEE PAYROLL	\$ 1,253,200
EMPLOYER'S NET OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	39.48%

NOTES TO SCHEDULE:

Until a full ten year trend is compiled, the County will present information for those years which information is available.

WILLIAMSBURG COUNTY
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST 10 FISCAL YEARS

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Williamsburg County Retiree Health Insurance										
County's proportion of the net OPEB liability	100.00%	100.00%								
County's proportionate share of the net OPEB liability	\$ 494,800	\$ 503,800	\$	\$	\$	\$	\$	\$	\$	\$
County's covered payroll	\$ 1,253,200	\$ 1,111,737	\$	\$	\$	\$	\$	\$	\$	\$
County's proportionate share of the net OPEB liability as a percentage of its covered payroll	39.48%	45.32%								
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%								
South Carolina Long-Term Disability Insurance Trust Fund										
County's proportion of the net OPEB liability	0.145418%	0.145418%								
County's proportionate share of the net OPEB liability	\$ 2,636	\$ 1,009	\$	\$	\$	\$	\$	\$	\$	\$
County's covered payroll	\$ N/A	\$ N/A	\$	\$	\$	\$	\$	\$	\$	\$
County's proportionate share of the net OPEB liability as a percentage of its covered payroll	N/A	N/A								
Plan fiduciary net position as a percentage of the total OPEB liability	95.29%	98.15%								

Notes: The OPEB schedule is intended to show information for ten years; additional years' information will be displayed as it becomes available.

The amount presented above for each fiscal year were determined as of the measurement date of the plan's fiscal year end.

**WILLIAMSBURG COUNTY
SCHEDULE OF THE COUNTY CONTRIBUTIONS - OPEB PLANS
LAST 10 FISCAL YEARS**

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Williamsburg County Retiree Health Insurance										
Contractually required contribution	\$ 37,800	\$ 38,700	\$	\$	\$	\$	\$	\$	\$	\$
Contribution in relation to the contractually required contribution (see note)	<u>(37,800)</u>	<u>(38,700)</u>								
Contribution deficiency (excess)	\$ <u>0</u>	\$ <u>0</u>	\$	\$	\$	\$	\$	\$	\$	\$
County's covered payroll	\$ 1,253,200	\$ 1,111,737	\$	\$	\$	\$	\$	\$	\$	\$
Contributions as a portion of covered payroll	3.02%	3.48%								
South Carolina Long-Term Disability Insurance Trust Fund										
Contractually required contribution	\$ 10,846	\$ 10,768	\$	\$	\$	\$	\$	\$	\$	\$
Contribution in relation to the contractually required contribution	<u>(10,846)</u>	<u>(10,768)</u>								
Contribution deficiency (excess)	\$ <u>0</u>	\$ <u>0</u>	\$	\$	\$	\$	\$	\$	\$	\$
County's covered payroll	\$ N/A	\$ N/A	\$	\$	\$	\$	\$	\$	\$	\$
Contributions as a portion of covered payroll	N/A	N/A								

Notes: The OPEB schedule is intended to show information for ten years; additional years' information will be displayed as it becomes available.

The amounts reported as contributions to the Williamsburg County Retiree Health Insurance and the South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF) include the contractually required contributions to the Williamsburg County Retiree Health Insurance and SCLTDITF.

WILLIAMSBURG COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB PLANS
JUNE 30, 2018

The tables below provides a summary of the actuarial methods and assumptions used in calculations of the actuarially determined contributions for the Williamsburg County Retiree Health Insurance and South Carolina Long-Term Disability Trust Fund (SCLTDTF). This information was obtained from the financial statements of South Carolina Public Employee Benefit Authority (PEBA), Insurance Benefits and Other PostEmployment Benefits Trust Funds for the year ended June 30, 2017 and the Williamsburg County PostRetirement Health Insurance Benefit Plan actuarial valuation as of July 1, 2017.

Summary of Actuarial Methods and Significant Assumptions

The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following key actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions:	Williamsburg County Retiree Health Insurance
Discount Rate	3.56%
Salary Scale	2.50%
Healthcare Cost Trend Rates	7.00% for fiscal year end 2018, decreasing 0.50% per year to an ultimate rate of 5.00%
Mortality	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2018
Actuarial Cost Method	Entry Age Actuarial Cost Method

Expected Return on Assets:

None

Discount Rate:

The discount rate has been set equal to 3.56% and represents the Municipal GO AA 20-year yield curve rate as of June 30, 2017.

WILLIAMSBURG COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB PLANS
JUNE 30, 2018

Summary of Actuarial Methods and Significant Assumptions (continued)

Actuarial Assumptions:	SCLTDITF
Valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Inflation	2.25%
Investment rate of return	4.00, net of Plan investment expense; including inflation
Single discount rate	3.87% as of June 30, 2017
Salary, Termination, and Retirement Rates	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015
Disability Incidence	The rates used in the valuation are based on the rates developed for the South Carolina Retirement Systems plans
Disability Recovery	For participants in payment, 1987 CGDT Group Disability; for active employees, 60% were assumed to recover after the first year and 92% were assumed to recover after the first two years
Offsets	40% are assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group
Expenses	The investment return assumption is net of the investment expenses; Third party administrative expenses are included in the benefit projections
Notes	The discount rate changed from 3.74% as of June 30, 2016 to 3.87% as of June 30, 2017

SUPPLEMENTAL INFORMATION

WILLIAMSBURG COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

SPECIAL REVENUE FUNDS

	SPECIAL REVENUE FUNDS						WILLIAMSBURG COUNTY		TOTAL
	ROADS & BRIDGES FUND	LANDFILL FUND	TITLE IV INCENTIVE FUNDS	CAPITAL PROJECTS FUND	INDUSTRIAL PARK FUND	SHERIFF SPECIAL FUND	ALCOHOL & DRUG ABUSE		
ASSETS									
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 384,212	\$ 26,882	\$ 263,961	\$	675,055
Cash Restricted	0	0	40,107	26,142	0	0	0	0	66,249
Due From Other Governments	0	0	32,576	0	0	0	28,439	0	61,015
Other Receivables	0	0	0	21	542,646	0	224,230	0	766,897
TOTAL ASSETS	\$ 0	\$ 0	\$ 72,683	\$ 26,163	\$ 926,858	\$ 26,882	\$ 516,630	\$	1,569,216

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE

LIABILITIES									
Accounts Payable	0	0	0	0	0	0	9,981	0	9,981
Due to Other Funds	0	0	30,028	319,471	3,625	0	0	0	353,124
Accrued Wages & Benefits Payable	0	0	1,957	0	0	0	0	0	1,957
TOTAL LIABILITIES	\$ 0	\$ 0	\$ 31,985	\$ 319,471	\$ 3,625	\$ 0	\$ 9,981	\$	365,062

FUND BALANCE

Restricted for:									
Health & Human Services	0	0	0	0	0	0	506,649	0	506,649
Public Safety	0	0	40,698	0	0	26,882	0	0	67,580
Economic Development	0	0	0	0	923,233	0	0	0	923,233
Unassigned	0	0	0	(293,308)	0	0	0	0	(293,308)
TOTAL FUND BALANCE	\$ 0	\$ 0	\$ 40,698	\$ (293,308)	\$ 923,233	\$ 26,882	\$ 506,649	\$	1,204,154

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

	\$ 0	\$ 0	\$ 72,683	\$ 26,163	\$ 926,858	\$ 26,882	\$ 516,630	\$	1,569,216
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WILLIAMSBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	SPECIAL REVENUE FUNDS							WILLIAMSBURG COUNTY	
	ROADS & BRIDGES FUND	LANDFILL FUND	TITLE IV INCENTIVE FUND	CAPITAL PROJECTS FUND	INDUSTRIAL PARKS FUND	SHERIFF SPECIAL FUND	ALCOHOL & DRUG ABUSE FUND	TOTAL	
REVENUES									
Fees, Licenses & Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 671,058	\$ 0	\$ 0	\$ 671,058	
Charges For Services	0	0	0	0	0	0	182,251	182,251	
Intergovernmental Revenue	0	0	336,986	332,304	0	0	451,992	1,121,282	
Miscellaneous Revenues	0	0	0	190	171	30,532	654	31,547	
TOTAL REVENUES	\$ 0	\$ 0	\$ 336,986	\$ 332,494	\$ 671,229	\$ 30,532	\$ 634,897	\$ 2,006,138	
EXPENDITURES									
Current:									
General Government	0	0	186,887	0	0	0	0	186,887	
Public Safety	0	0	47,441	0	0	21,673	0	69,114	
Health and Human Services	0	0	0	0	0	0	702,332	702,332	
Economic Development	0	0	0	0	521,138	0	0	521,138	
Capital Outlay	0	0	0	37,661	0	0	0	37,661	
General Government	0	0	234,328	37,661	521,138	21,673	702,332	1,517,132	
TOTAL EXPENDITURES	\$ 0	\$ 0	\$ 234,328	\$ 37,661	\$ 521,138	\$ 21,673	\$ 702,332	\$ 1,517,132	
EXCESS REVENUES OVER EXPENDITURES	0	0	102,658	294,833	150,091	8,859	(67,435)	489,006	
OTHER FINANCING SOURCES (USES)									
RDA Loan Proceeds	0	0	0	58,313	0	0	0	58,313	
Transfers In	572,882	0	0	632,483	0	0	122,440	1,327,805	
Transfers (Out)	0	(1,546,738)	0	(922,207)	(200,000)	0	0	(2,668,945)	
TOTAL OTHER FINANCING SOURCES (USES)	\$ 572,882	\$ (1,546,738)	\$ 0	\$ (231,411)	\$ (200,000)	\$ 0	\$ 122,440	\$ (1,282,827)	
EXCESS REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ 572,882	\$ (1,546,738)	\$ 102,658	\$ 63,422	\$ (49,909)	\$ 8,859	\$ 55,005	\$ (793,821)	
FUND BALANCE, Beginning of Year	(572,882)	1,546,738	(61,960)	(356,730)	973,142	18,023	451,644	1,997,975	
FUND BALANCE, End of Year	\$ 0	\$ 0	\$ 40,698	\$ (293,308)	\$ 923,233	\$ 26,882	\$ 506,649	\$ 1,204,154	

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
UNIFORMED SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
FOR THE YEAR ENDED JUNE 30, 2018**

FOR THE STATE TRESURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	<u>General Sessions</u>	<u>Magistrate Court</u>	<u>Total</u>
Court Fines and Assessments:			
Court fines and assessments collected	\$16,799	\$385,650	\$402,449
Court fines and assessments remitted to State Treasurer	14,670	185,876	200,546
Total Court Fines and Assessments retained	\$2,129	\$199,774	\$201,903
Surcharges and Assessments retained for victim services:			
Surcharges collected and retained	4,850	6,204	11,054
Assessments retained	430	14,585	15,015
Total Surcharges and Assessments retained for victim services	\$5,280	\$20,789	\$26,069

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICES FUNDS COLLECTED	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	\$43,784	\$43,784
Victim Service Revenue:		
Victim Service Assessments Retained by City/County Treasurer	15,015	15,015
Victim Service Surcharges Retained by City/County Treasurer	11,054	11,054
General Funds Transferred From Victim Service Fund	(10,130)	(10,130)
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	\$59,723	\$59,723
Expenditures for Victim Assistance Program:	<u>County</u>	<u>Total</u>
Salaries and Benefits	\$54,367	\$54,367
Operating Expenditures	2,571	2,571
Total Expenditures from Victim Assistance Fund/Program (B)	56,938	56,938
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	2,785	2,785
Less: Prior Year Fund Deficit Repayment	0	0
Carryforward Funds – End of Year	\$2,785	\$2,785

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF NET POSITION
WATER AND SEWER ENTERPRISE FUNDS
JUNE 30, 2018**

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>WATER & SEWER FUND</u>
ASSETS			
CURRENT ASSETS			
Cash	\$ 99,453	\$ 0	\$ 99,453
Restricted Cash & Investments	550,396	17,624	568,020
Inventory	63,656	0	63,656
Accounts Receivable, Net of Allowance	373,619	55,467	429,086
Water Availability Fee	57,827	0	57,827
Receivable - Other	4,788	107,096	111,884
TOTAL CURRENT ASSETS	<u>\$ 1,149,739</u>	<u>\$ 180,187</u>	<u>\$ 1,329,926</u>
PROPERTY, PLANT, AND EQUIPMENT			
Land	\$ 97,500	\$ 22,500	\$ 120,000
Construction in Progress	5,113,457	0	5,113,457
Water Distribution System	46,400,279	0	46,400,279
Wastewater and Wastewater Treatment System	0	6,161,920	6,161,920
Vehicles	48,499	0	48,499
Less: Accumulated Depreciation	<u>(7,932,877)</u>	<u>(2,568,421)</u>	<u>(10,501,298)</u>
NET PROPERTY, PLANT, AND EQUIPMENT	<u>\$ 43,726,858</u>	<u>\$ 3,615,999</u>	<u>\$ 47,342,857</u>
TOTAL ASSETS	<u>\$ 44,876,597</u>	<u>\$ 3,796,186</u>	<u>\$ 48,672,783</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pensions	<u>\$ 30,078</u>	<u>\$ 4,102</u>	<u>\$ 34,180</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 30,078</u>	<u>\$ 4,102</u>	<u>\$ 34,180</u>

WILLIAMSBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF NET POSITION
WATER AND SEWER ENTERPRISE FUNDS
JUNE 30, 2018

	WATER FUND	SEWER FUND	WATER & SEWER FUND
LIABILITIES			
SHORT-TERM LIABILITIES			
Accounts Payable & Retainage	\$ 434,159	\$ 0	\$ 434,159
Salaries & Accrued Benefits	2,546	348	2,894
Due to Other Funds	324,960	(233,440)	91,520
Compensated Absences Payable	3,061	418	3,479
Bonds Payable - RDA	400,210	13,609	413,819
Accrued Interest Payable	21,842	590	22,432
Customer Deposits	15,258	0	15,258
TOTAL SHORT-TERM LIABILITIES	\$ 1,202,036	\$ (218,475)	\$ 983,561
LONG-TERM LIABILITIES			
Compensated Absences Payable	3,061	418	3,479
Bonds Payable - RDA	20,737,048	588,487	21,325,535
Net Pension Liability	177,522	24,208	201,730
TOTAL LONG-TERM LIABILITIES	\$ 20,917,631	\$ 613,113	\$ 21,530,744
TOTAL LIABILITIES	\$ 22,119,667	\$ 394,638	\$ 22,514,305
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pensions	\$ 14,155	\$ 1,931	\$ 16,086
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 14,155	\$ 1,931	\$ 16,086
NET POSITION			
Net Investment in			
Capital Assets	22,589,600	3,013,903	25,603,503
Restricted for Debt Service	550,396	17,624	568,020
Unrestricted	(367,143)	372,192	5,049
TOTAL NET POSITION	\$ 22,772,853	\$ 3,403,719	\$ 26,176,572

WILLIAMSBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
WATER AND SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>WATER & SEWER FUND</u>
OPERATING REVENUES			
Charges for Services	\$ 1,337,023	\$ 358,729	\$ 1,695,752
TOTAL OPERATING REVENUES	<u>\$ 1,337,023</u>	<u>\$ 358,729</u>	<u>\$ 1,695,752</u>
OPERATING EXPENSES			
Cost of Sales & Services	377,215	213,923	591,138
Personnel & Benefits	70,370	8,953	79,323
Administration	47,571	3,238	50,809
Depreciation	1,046,282	272,251	1,318,533
TOTAL OPERATING EXPENSES	<u>\$ 1,541,438</u>	<u>\$ 498,365</u>	<u>\$ 2,039,803</u>
OPERATING INCOME (LOSS)	<u>\$ (204,415)</u>	<u>\$ (139,636)</u>	<u>\$ (344,051)</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	6	0	6
Interest Expense	(518,820)	(13,704)	(532,524)
Water Availability Fee	318,932	0	318,932
CDBG Grant	15,093	0	15,093
RDA Grant	1,111,147	0	1,111,147
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>\$ 926,358</u>	<u>\$ (13,704)</u>	<u>\$ 912,654</u>
CHANGE IN NET POSITION	<u>\$ 721,943</u>	<u>\$ (153,340)</u>	<u>\$ 568,603</u>
NET POSITION, Beginning of Year	<u>22,050,910</u>	<u>3,557,059</u>	<u>25,607,969</u>
NET POSITION, End of Year	<u><u>\$ 22,772,853</u></u>	<u><u>\$ 3,403,719</u></u>	<u><u>\$ 26,176,572</u></u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
WATER AND SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>WATER & SEWER FUND</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 1,218,163	\$ 352,255	\$ 1,570,418
Cash Payments to Suppliers for Goods and Services	(483,210)	(222,007)	(705,217)
Cash Payments for Interfund Operating Expenses	229,648	(229,648)	0
Cash Payments to and for Employee's Benefit	(105,713)	(39,122)	(144,835)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 858,888</u>	<u>\$ (138,522)</u>	<u>\$ 720,366</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Water Availability Fees	318,932	0	318,932
NET CASH PROVIDED (USED) By NONCAPITAL FINANCING ACTIVITIES	<u>\$ 318,932</u>	<u>\$ 0</u>	<u>\$ 318,932</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Grants Received	1,224,979	0	1,224,979
Bond Proceeds	3,455,000	0	3,455,000
Property, Plant and Equipment Additions	(2,679,315)	(5,787)	(2,685,102)
Principal Payment Revenue Bonds	(3,800,709)	(12,732)	(3,813,441)
Interest Paid	(526,399)	(13,720)	(540,119)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ (2,326,444)</u>	<u>\$ (32,239)</u>	<u>\$ (2,358,683)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	6	0	6
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ 6</u>	<u>\$ 0</u>	<u>\$ 6</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>\$ (1,148,618)</u>	<u>\$ (170,761)</u>	<u>\$ (1,319,379)</u>
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>\$ 1,798,467</u>	<u>\$ 188,385</u>	<u>\$ 1,986,852</u>
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 649,849</u>	<u>\$ 17,624</u>	<u>\$ 667,473</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
WATER AND SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>WATER & SEWER FUND</u>
Cash	\$ 99,453	\$ 0	\$ 99,453
Cash Restricted	550,396	17,624	568,020
TOTAL CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 649,849</u>	<u>\$ 17,624</u>	<u>\$ 667,473</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ (204,415)	\$ (139,636)	\$ (344,051)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	1,046,282	272,251	1,318,533
(Increase) Decrease in Accounts and Other Operating Receivables	(118,860)	(6,474)	(125,334)
(Increase) Decrease in Inventory	(3,295)	0	(3,295)
Increase (Decrease) in Due to Other Funds	297,953	(236,318)	61,635
Increase (Decrease) in Operating Accounts Payable	(76,427)	(4,946)	(81,373)
Increase (Decrease) in Salaries and Compensated Absences Payable	421	(627)	(206)
Increase (Decrease) in Net Pension Liability & and Related Deferred Resources	(42,534)	(22,772)	(65,306)
Increase (Decrease) in Customer Deposits	(40,237)	0	(40,237)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 858,888</u>	<u>\$ (138,522)</u>	<u>\$ 720,366</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
WATER AND SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Waste Water & Wastewater Treatment				
Wastewater Treatment Revenue	\$ 329,400	\$ 329,400	\$ 313,007	\$ (16,393)
Collections Income	45,600	45,600	0	(45,600)
Lane Sewer Operations	0	0	45,722	45,722
Potable Water				
Charges for Services	1,099,680	1,099,680	1,176,194	76,514
Tap Fees	28,260	28,260	44,244	15,984
Penalties	14,000	14,000	29,135	15,135
Connection Fees	6,300	6,300	16,720	10,420
Reconnection Fees	14,400	14,400	32,380	17,980
Franchise Fees	3,640	3,640	14,985	11,345
Other Revenues	5,200	5,200	23,365	18,165
TOTAL REVENUE	\$ 1,546,480	\$ 1,546,480	\$ 1,695,752	\$ 149,272
EXPENDITURES				
Wastewater & Wastewater Treatment				
Salaries	\$ 43,204	\$ 43,204	\$ 59,484	\$ (16,280)
Employee Benefits	12,806	12,806	(50,531)	63,337
Telephone	2,300	2,300	2,111	189
Postage	275	275	24	251
Office Supplies	1,000	1,000	150	850
Janitorial Supplies	150	150	78	72
Printing Supplies	75	75	0	75
Miscellaneous Expense	2,100	2,100	3,326	(1,226)
Property and Equipment Insurance	3,000	3,000	0	3,000
Tort Insurance	150	150	0	150
Machinery and Equipment Repairs	40,000	40,000	22,731	17,269
Electricity	110,000	110,000	94,898	15,102
Water and Sewer	4,000	4,000	0	4,000
Travel & Training	52	52	50	2
Membership & Dues	2,816	2,816	3,153	(337)
Automotive Gas & Fuel	0	0	147	(147)
Legal Contractual Services	1,000	1,000	0	1,000
Workman's Compensation	1,580	1,580	1,049	531
Contractual Services O&M	43,056	43,056	46,796	(3,740)
Contractual Services Other	21,651	21,651	21,117	534
Lane Sewer Operations	20,000	20,000	17,410	2,590
Operating Permits	1,330	1,330	1,330	0
Chemical Chlorine	6,500	6,500	2,660	3,840
Depreciation Expense	20,162	20,162	272,251	(252,089)
Engineering	3,000	3,000	0	3,000
Lab Expense	300	300	96	204
General Expense	2,000	2,000	35	1,965

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
WATER AND SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

EXPENDITURES (continued)	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
Wastewater & Wastewater Treatment (continued)				
Equipment Rental	\$ 1,000	\$ 1,000	\$ 0	\$ 1,000
Total Wastewater & Wastewater Treatment Plant	\$ 343,507	\$ 343,507	\$ 498,365	\$ (154,858)
Potable Water				
Salaries	\$ 99,996	\$ 99,996	\$ 50,956	\$ 49,040
Employee Benefits	23,783	23,783	11,694	12,089
Postage	9,000	9,000	14,976	(5,976)
Office Supplies	1,400	1,400	2,111	(711)
Printing Supplies	2,600	2,600	3,426	(826)
Advertising & Promotion	3,500	3,500	1,143	2,357
Other Operating Expense	3,800	3,800	5,953	(2,153)
Property and Equipment Insurance	3,236	3,236	0	3,236
Tort Insurance	150	150	0	150
Machinery and Equipment Repairs	44,000	44,000	31,486	12,514
Copy Machine Maintenance	0	0	1,973	(1,973)
Building and Property Leases	12,000	12,000	12,000	0
Electricity	88,000	88,000	76,034	11,966
Uniforms	929	929	162	767
Travel & Training	604	604	42	562
Membership & Dues	1,346	1,346	6,968	(5,622)
Automotive Gas & Fuel	4,000	4,000	1,641	2,359
Vehicle Repairs	0	0	1,097	(1,097)
Independent Auditors	7,400	7,400	0	7,400
Legal Contractual Services	1,000	1,000	0	1,000
Bank Charges Other	750	750	11,710	(10,960)
Workman's Compensation	1,690	1,690	475	1,215
Mobile Phone	600	600	0	600
Contractual Services O&M	137,544	137,544	171,966	(34,422)
Contractual Services Other	22,263	22,263	16,148	6,115
Operating Permits	13,027	13,027	14,651	(1,624)
Install Water Taps Contracted	15,000	15,000	7,100	7,900
Chemical Chlorine	19,000	19,000	13,009	5,991
Depreciation Expense	20,490	20,490	1,046,282	(1,025,792)
Engineering	3,000	3,000	5,426	(2,426)
Materials Water Taps	20,000	20,000	30,092	(10,092)
General Supplies	1,500	1,500	428	1,072
General and Admin. Expense	0	0	2,489	(2,489)
Total Potable Water	\$ 561,608	\$ 561,608	\$ 1,541,438	\$ (979,830)
TOTAL OPERATING EXPENSES	\$ 905,115	\$ 905,115	\$ 2,039,803	\$ (1,134,688)
OPERATING INCOME	\$ 641,365	\$ 641,365	\$ (344,051)	\$ (985,416)

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
WATER AND SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	\$ 500	\$ 500	\$ 6	\$ (494)
Interest Expense	(941,865)	(941,865)	(532,524)	409,341
Water Availability Fee	300,000	300,000	318,932	18,932
CDBG Grant	0	0	15,093	15,093
RDA Grant	0	0	1,111,147	1,111,147
	<u>0</u>	<u>0</u>	<u>1,111,147</u>	<u>1,111,147</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>\$ (641,365)</u>	<u>\$ (641,365)</u>	<u>\$ 912,654</u>	<u>\$ 1,554,019</u>
CHANGE IN NET POSITION	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 568,603</u>	<u>\$ 568,603</u>
NET POSITION, Beginning of Year	<u>25,607,969</u>	<u>25,607,969</u>	<u>25,607,969</u>	<u>0</u>
NET POSITION, END OF YEAR	<u><u>\$ 25,607,969</u></u>	<u><u>\$ 25,607,969</u></u>	<u><u>\$ 26,176,572</u></u>	<u><u>\$ 568,603</u></u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
WILLIAMSBURG COUNTY TRANSIT SYSTEM
SCHEDULE OF BUDGETED TO ACTUAL COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

**DMT CONTRACT NUMBER - RTAP- SC18-X03
CONTRACT PERIOD - JULY 1, 2017 - JUNE 30, 2018**

	<u>BUDGET</u>	<u>SECTION 5311</u>	<u>SMTF</u>	<u>LOCAL</u>	<u>TOTAL</u>	<u>VARIANCE</u>
Operation RTAP Fees	\$ 6,100	6,100	0	\$ 0	\$ 6,100	\$ 0
	<u>\$ 6,100</u>	<u>\$ 6,100</u>	<u>0</u>	<u>\$ 0</u>	<u>\$ 6,100</u>	<u>\$ 0</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
WILLIAMSBURG COUNTY TRANSIT SYSTEM
SCHEDULE OF BUDGETED TO ACTUAL COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

**DMT CONTRACT NUMBER - PT-71011-21
CONTRACT PERIOD - JULY 1, 2016 - DECEMBER 31, 2017 ***

	<u>BUDGET</u>	<u>SECTION 5316</u>	<u>SMTF</u>	<u>LOCAL</u>	<u>TOTAL</u>	<u>VARIANCE</u>
Capital	\$ 19,752	\$ 15,802	\$ 3,950	\$ 0	\$ 19,752	\$ 0
Total	<u>\$ 19,752</u>	<u>\$ 15,802</u>	<u>\$ 3,950</u>	<u>\$ 0</u>	<u>\$ 19,752</u>	<u>\$ 0</u>
 Prior Year	 \$ 1,486,354					
Total Contract	\$ 1,506,106					
Prior Year Payments	\$ 853,401					
Current Year Federal	15,802					
Current Year State	3,950					

*Contract Extended

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
WILLIAMSBURG COUNTY TRANSIT SYSTEM
SCHEDULE OF BUDGETED TO ACTUAL COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

**DMT CONTRACT NUMBER - PT-81099-11
CONTRACT PERIOD - JULY 1, 2017 - JUNE 30, 2018**

	<u>BUDGET</u>	<u>SECTION 5316</u>	<u>SMTF</u>	<u>LOCAL</u>	<u>TOTAL</u>	<u>VARIANCE</u>
Capital	\$ 420,000	\$ 0	\$ 420,000	\$ 0	\$ 420,000	\$ 0
Total	<u>\$ 420,000</u>	<u>\$ 0</u>	<u>\$ 420,000</u>	<u>\$ 0</u>	<u>\$ 420,000</u>	<u>\$ 0</u>
Total Budget	<u>\$ 420,000</u>					
Federal Funds	\$ 0					
State Funds	<u>420,000</u>					
Total Expended	<u>\$ 420,000</u>					

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
WILLIAMSBURG COUNTY TRANSIT SYSTEM
SCHEDULE OF BUDGETED TO ACTUAL COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

**DMT CONTRACT NUMBER - PT-81011-61
CONTRACT PERIOD - JULY 1, 2017 - JUNE 30, 2018**

	<u>BUDGET</u>	<u>SECTION 5311</u>	<u>SMTF</u>	<u>LOCAL</u>	<u>TOTAL</u>	<u>VARIANCE</u>
Administration						
Personnel	\$ 170,400	\$ 126,065	\$ 13,537	\$ 92,816	\$ 232,418	\$ (62,018)
Fringe Benefits	60,413	44,508	4,779	32,769	82,056	(21,643)
Professional & Technical Services	9,000	0	0	0	0	9,000
Contract Maintenance Services	10,000	6,604	709	4,862	12,176	(2,176)
Custodial Services	411	309	33	228	570	(159)
Materials & supplies	0	7,366	791	5,423	13,580	(13,580)
Utilities	22,292	15,604	1,676	11,489	28,769	(6,477)
Dues & Subscriptions	5,000	317	34	233	584	4,416
Travel & Meetings	76	101	11	74	186	(110)
Advertising & Promotion	5,000	3,846	413	2,832	7,091	(2,091)
Xerox Rental	4,100	3,880	417	2,857	7,153	(3,053)
Postage	100	0	0	0	0	100
Bank Fees	0	208	22	153	383	(383)
Insurance	0	54	6	40	100	(100)
Other Office Rentals	1,500	472	51	348	871	629
Operations						
Salaries	355,000	145,353	108,402	109,628	363,383	(8,383)
Employee Benefits	117,000	35,061	11,687	70,121	116,869	131
Fuel & Lubricants	150,000	52,182	52,182	180,496	284,860	(134,860)
Material & Supplies	31,000	10,080	3,360	20,161	33,601	(2,601)
Contract Maintenance Service	0	2,169	723	4,339	7,231	(7,231)
Insurance Casualty & Liability	99,994	39,813	13,271	79,627	132,711	(32,717)
Vehicle Licensing & Fees	1,000	515	171	1,031	1,717	(717)
Uniforms	7,000	2,681	893	5,363	8,937	(1,937)
Drug & Alcohol Testing	1,500	728	2,425	(728)	2,425	(925)
Portable	2,000	0	0	0	0	2,000
Kingstree True Value	1,000	0	0	0	0	1,000
Energen	1,000	0	0	0	0	1,000
Physical	1,500	0	0	0	0	1,500
Outside Trash	1,200	355	118	710	1,183	17
Terry Truluck	1,000	0	0	0	0	1,000
Sled	1,000	0	0	0	0	1,000
Miscellaneous	0	763	254	1,526	2,543	(2,543)
Capital						
Preventative Maintenance	205,000	156,888	31,571	49,173	237,632	(32,632)
Sedan Replacement	23,000	18,400	2,300	2,300	23,000	0
Sedan Extension	42,000	25,904	2,300	4,176	32,380	9,620
	<u>270,000</u>	<u>201,192</u>	<u>36,171</u>	<u>55,649</u>	<u>293,012</u>	<u>(23,012)</u>
Total	\$ <u>1,329,486</u>	\$ <u>700,226</u>	\$ <u>252,136</u>	\$ <u>682,046</u>	\$ <u>1,634,409</u>	\$ <u>(304,923)</u>

SINGLE AUDIT SECTION

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

	FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR/AGENCY NUMBER	EXPENDITURES
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through SCEMD			
Disaster Assistance - Hurricane Matthew	97.036	4286	\$ 1,103,734
LEMPG	97.042	2016LEMPG	3,624
LEMPG	97.042	2017LEMPG	<u>45,709</u>
Total U.S. Department of Homeland Security			<u>\$ 1,153,067</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through State of S.C.			
Department of Transportation Office of Public Transportation			
Federal Transit Cluster			
Rural Transportation	20.509	PT-81011-61	\$ 700,226
Rural Transportation	20.509	PT-71011-21	15,802
RTAP Funds	20.509	RTAP SC 18-X03	<u>6,100</u>
Total Federal Transit Cluster			<u>722,128</u>
Total U.S. Department of Transportation			<u>\$ 722,128</u>
U.S. DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT			
USDA American Marketing Service	10.168	15FMPPSC0031	\$ 18,961
RBDG Grant	10.351	N/A	6,262
RBEG	10.350	N/A	504
Community Facilities and Loan Cluster:			
USDA Voters Registration Building Grant	10.766	N/A	42,700
USDA Voters Registration Loan	10.766	N/A	8,688
USDA Voters Registration Building	10.766	N/A	9,420
USDA Chavis Roof Loan	10.766	N/A	40,206
Total Community Facilities and Loan Cluster			<u>\$ 101,014</u>
Water & Wastewater Disposal Systems for Rural Communities:			
RDA Grant - Trio Earl Water Connection	10.760	N/A	874,275
St. Lawrence Water Project RDA Loan	10.760	N/A	236,872
Total Water & Wastewater Disposal Cluster			<u>\$ 1,111,147</u>
Passed Through SC Dept. of Education			
Summer Feeding Program	10.559	SF-110	<u>\$ 308,825</u>
Total U.S. Department of Agriculture and Rural Development			<u>\$ 1,546,713</u>

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

	FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR/AGENCY NUMBER	EXPENDITURES
U.S. DEPARTMENT OF JUSTICE			
Law Enforcement Victims Advocate Grant	16.575	IV16071	\$ 33,779
Law Enforcement Victims Advocate Grant	16.575	IV17050	<u>33,333</u>
Total U.S. Department of Justice			<u>\$ 67,112</u>
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			
Passed through SC Department of Social Services			
Child Support Enforcement IV-D			
Filing Fees	93.563	N/A	21,600
Service of Process Payments	93.563	N/A	21,070
Transaction Reimbursement	93.563	N/A	186,334
Title IV-D Incentives	93.563	N/A	8,536
			<u>\$ 237,540</u>
Passed through SC Department of Health & Environmental Control			
HPP Coroner's Grant	93.074	PD-8-944	<u>12,000</u>
Total U.S. Department of Health & Human Services			<u>\$ 249,540</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Pass Through SC Department of Commerce/Waccamaw Regional Council of Governments			
Bethesda Water Extension Project	14.228	4-CI-17-04	4,259
Midway Water Extension Project	14.228	4-CI-15-031	<u>10,835</u>
Total US Department of Housing and Urban Development			<u>\$ 15,094</u>
TOTALS			<u><u>\$ 3,753,654</u></u>

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

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of all federal award programs of Williamsburg County, South Carolina for the year ended June 30, 2018. All federal awards received directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

The accompanying Schedule of Expenditures of Federal Awards includes federal grant activity of Williamsburg County under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in conformity with the requirements of Title 2 U.S. *Code of Federal Requirements* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Williamsburg County, it is not intended to and does not present financial position or changes in net position, or cash flows of Williamsburg County.

Expenditures reported in the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Expenditures of federal awards made prior to December 26, 2014 are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*.

NOTE B – RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal award expenditures are reported in the County's basic financial statements as expenditures in the governmental funds and expenses in the enterprise funds. Loan and grant expenditures for the Water & Sewer Funds for the Rural Development Loan Proceeds and Grants have been capitalized in accordance with generally accepted accounting principles. The Capital grants expenses for the Rural Transportation Grants have been capitalized in accordance with generally accepted accounting principles.

NOTE C – MAJOR PROGRAMS

The following funds were audited as major funds for the year ended June 30, 2018:

RDA Water and Wastewater Disposal	10.760
Rural Transportation Funds	20.509

NOTE D – RURAL DEVELOPMENT OUTSTANDING LOANS

The outstanding balances of RDA loans at June 30, 2018 are as follows:

Rural Development Loan Number 8	\$ 29,387
Rural Development Loan Number 10	386,460
Rural Development Loan Number 12	1,893,668
Rural Development Loan Number 16 Lane Sewer	602,096
Rural Development Loan 14 Kingstree East I	3,212,792
Rural Development Loan 18 Kingstree East II	3,292,650
Rural Development Loan 22	8,875,916
Rural Development Bond Anticipation Note	<u>3,446,385</u>
	<u>\$21,739,354</u>

NOTE E – HOMELAND SECURITY DISASTER GRANTS CFDA# 97.036

Williamsburg County's approved projects worksheets for the year ended June 30, 2018 for Hurricane Matthew totaled \$1,103,734. In compliance with the Uniform Guidance, the amount included on the Schedule of Expenditures of Federal Awards equals the approved project worksheets.

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

NOTE F – USDA COMMUNITY FACILITIES LOANS OUTSTANDING

At June 30, 2018, the outstanding balances of USDA Community Facility Bonds were as follows

USDA Community Facilities Bond – Chavis Community Center	\$ 1,064,272
USDA Community Facilities Bond – Voter Registration Building	482,300
USDA Community Facilities Bond – Voter Registration Bldg. Improvements	96,800
USDA Community Facilities Bond – EMS and A. Chapman Building	216,400
USDA Brush Truck Loan Number 30	5,392
USDA Brush Truck Loan Number 31	<u>5,385</u>
Total	<u>\$ 1,870,549</u>

NOTE G – INDIRECT COST

Williamsburg County has a restricted indirect cost rate that is used for its federal programs and did not use the 10% de minimis Indirect cost rate as allowed under the Uniform Guidance and covered in *2 CFR Part 200 414*.

NOTE H – SUBRECIPIENTS

Williamsburg County did not provide any awards to subrecipients for the year ended June 30, 2018.



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

The Honorable Chairman and
Members of Williamsburg County Council
Williamsburg County
Kingstree, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Williamsburg County, South Carolina as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 25, 2019. Our report includes a reference to other auditors who audited the financial statements of Williamsburg County Alcohol and Drug Abuse special revenue fund, as described in our report on Williamsburg County's financial statements.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. These deficiencies are listed as items 2018-001, 2018-002 and 2018-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which is listed at 2018-004.

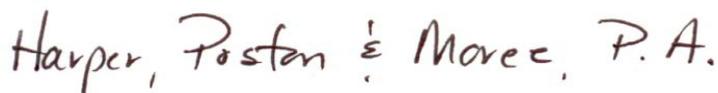
We noted certain other matters that we reported to management of the County in a separate letter dated July 25, 2019.

Auditee Responses to Findings

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



Harper, Poston & Moree, P.A.
Certified Public Accountants

Georgetown, South Carolina
July 25, 2019



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

To the Honorable Chairman and
Members of Williamsburg County Council
Williamsburg County
Kingstree, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Williamsburg County, South Carolina'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 the County's major federal programs for the year ended June 30, 2018. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 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 the 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 the County's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of the 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, we considered the 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 the 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.

Harper, Poston & Moree, P.A.

Harper, Poston & Moree, P.A.
Certified Public Accountants

Georgetown, South Carolina
July 25, 2019

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

A - SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Williamsburg County, South Carolina.
2. Three significant deficiencies were disclosed during the audit of the basic financial statements as reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. One instance of non-compliance was disclosed during the audit of the financial statements.
4. No significant deficiencies were disclosed during the audit of the major federal award programs as reported in the Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for Williamsburg County expresses an unmodified opinion.
6. Audit findings relative to major federal award programs for Williamsburg County are reported in part C of this schedule.

The programs tested as major programs included:

<u>Program</u>	<u>CDFA Number</u>
RDA Water and Wastewater Disposal Grants and Loans	10.760
Rural Transportation Funds	20.509

7. The threshold for distinguishing Type A and B programs was \$750,000.
8. Williamsburg County, South Carolina was not determined to be a low risk auditee.

B - FINDINGS - FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCIES

Finding 2018-001: Financial Statement Preparation

Control Deficiency: The County's staff does not prepare its financial statements and related note disclosures.

Criteria: Controls over the preparation of financial statements are necessary in preventing and detecting misstatements that could occur in the financial statements.

Cause: County staff does not possess the technical skills necessary to prepare the financial statements and related note disclosures in accordance with generally accepted accounting principles.

Effect: Errors or misstatements could occur and not be detected by management.

Repeat Audit Finding: This is a repeat finding of 2017-001.

Auditor's Recommendation: Management should continue to consult with outside accountants on significant accounting matters and take steps toward gaining the knowledge and experience needed to prepare financial statements that are presented in accordance with generally accepted accounting principles.

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

B - FINDINGS - FINANCIAL STATEMENT AUDIT (Continued)

Finding 2018-001: Financial Statement Preparation (Continued)

View of Responsible Officials and Planned Corrective Action: Management concurs with the auditor's recommendation. Additionally, management will take steps to improve use of the financial management software including additional training to maximize the preparation of appropriate financial statements.

Finding 2018-002: Financial Statement Review Process Needs Improvement

Control Deficiency: Our audit disclosed instances of financial statement information not agreeing with source documentation due to errors in coding information into the financial statement software. Internal control procedures should include the verification of data subsequent to data entry to substantiate financial statement data.

Criteria: Internal controls over financial accounting require that data entry be reviewed to verify data entry.

Cause: County staff did not verify that the data entry from the payroll software program was correctly entered into the general ledger system.

Effect: Salaries and fringe benefit expenditures recorded in the general ledger system were not correct.

Auditor's Recommendation: Management should require that internal control procedures over financial statements require the verification of data entered in the general ledger agrees with source data especially when changes are made to the software process so that the data is correctly recorded.

View of Responsible Officials and Planned Corrective Action: Management concurs with the auditor's recommendation.

Finding 2018-003: Accounts Payable Reconciliation to General Ledger

Control Deficiency: Our audit disclosed that the accounts payable detail is not reconciled with the general ledger balance on a monthly basis.

Criteria: Monthly reconciliation of the accounts payable detail to the general ledger assures that general ledger balance reflects the correct accounts payable balance each month.

Cause: Human error. County staff did not comply with the control procedures of performing monthly accounts payable reconciliations with the general ledger.

Effect: Errors or misstatements of accounts payable could occur and not be detected by management.

Repeat Audit Finding: This is a repeat finding of 2017-003.

Auditor's Recommendation: Management should require that the accounts payable detail be reconciled with the general ledger monthly to ensure that the financial statements reflect the proper accounts payable amount.

View of Responsible Officials and Planned Corrective Action: Management concurs with the auditor's recommendation and has implemented procedures to assure that this reconciliation occurs. Accounts payable clerk is now required to produce an accounts payable reconciliation by the end of each month following prior month's closing, and a quarterly reconciliation within 45 days of end of each fiscal year quarter to the Director of Finance for review.

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

B - FINDINGS - FINANCIAL STATEMENT AUDIT (Continued)

NONCOMPLIANCE

Finding: 2018-004: Clerk of Court Trust Account Noncompliance

Noncompliance: Funds held in the Clerk of Court Trust Account were not sufficient to pay all trust recipients. This resulted from funds of the Clerk of Court Trust Account being transferred to the General Fund. Clerk of Court Trust Account balance at June 30, 2018 totaled \$116,761 and the Clerk of Court provided list of trust recipients totaled \$171,577.

Criteria: Funds held in the Clerk of Court Trust Account should be sufficient to pay all trust recipients. Controls over trust funds should require that the balance held in trust is reconciled monthly to the schedule of funds due to trust recipients.

Cause: Human error.

Effect: Noncompliance with Trust Account requirements.

Auditor's Recommendation: The Clerk of Court Trust Account should be reconciled to the schedule of trust recipients monthly. The Trust Account must be replenished to the correct balance.

View of Responsible Officials and Planned Corrective Action: Management concurs with the auditor's recommendation.

C - FINDINGS - MAJOR FEDERAL AWARD PROGRAMS

None Noted.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018**

Finding: Financial Statement Audit

Finding 2017-001: Financial Statement Preparation

Condition: The County's staff does not prepare its financial statements and related notes disclosures.

Recommendation: Management should continue to consult with outside accountants on significant accounting matters and take steps toward gaining the knowledge and experience needed to prepare financial statements in accordance with generally accepted accounting principles as applicable to governmental entities.

Current Status: This finding has not been resolved. The County continues to consult with outside accountants to prepare the financial statements.

Finding 2017-002: Insufficient Accounts Payable Documentation

Condition: Our audit disclosed instances of insufficient documentation of accounts payable and expenditures. Approval procedures were not documented in accordance with County internal control procedures. Procurement procedure documentation was not included with paid invoices documenting compliance with the County's procurement code.

Recommendation: Management should require that internal controls procedures over accounts payable and procurement be adequately documented to authorized disbursements. This will provide assurance that only properly approved expenditures which have met the required procurement procedures are expended.

Current Status: The condition has been resolved.

Finding 2017-003: Accounts Payable Reconciliation to General Ledger

Condition: Our audit disclosed that the account payable detail is not reconciled with the general ledger balance on a monthly basis.

Recommendation: Management should require that the accounts payable detail be reconciled with the general ledger monthly to ensure that the financial statements reflect the proper accounts payable amount.

Current Status: This finding has not been resolved. Management is making progress towards resolving this finding.