

County of Orangeburg, South Carolina
Basic Financial Statements and Supplementary Information
June 30, 2017

County of Orangeburg
Orangeburg, South Carolina
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Independent Auditors' Report

The Honorable Chairman
and Members of County Council
Orangeburg County, South Carolina
Orangeburg, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for Orangeburg County (the County), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Orangeburg County Development Commission, a discretely presented component unit of the County, which represent 42.28%, (03.04%), and 28.03%, respectively, of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Orangeburg County Development Commission is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 auditors' 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 the accounting policies used and the reasonableness of significant accounting estimates made by management as well as evaluating the overall financial statement presentation.

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

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100 S. Main Street, Suite J
PO Box 1588 (29484)
Summerville, SC 29483
843-873-4400 Fax 843-873-7227
www.websterrogers.com

Opinions

In our opinion, based on our audit 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2017, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis; Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund; Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Special Education Fund; Schedule of Funding Progress and Employer Contributions – Other Post-employment Benefits; Schedule of the County's Proportionate Share of the Net Pension Liability; and Schedule of the County's Pension Contributions; as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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.

Supplementary and 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 nonmajor fund statements, as listed in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The Schedule of Fines, Assessments and Surcharges listed in the Table of Contents under Supplementary Information is presented for purposes of additional analysis as required by the State of South Carolina and is not a required part of the financial statements. The SC Department of Transportation Transit Grant - Schedule of Budget to Actual Costs listed in the Table of Contents under Supplementary Information is presented for purposes of additional analysis as required by the South Carolina Department of Transportation and is not a required part of the financial statements.

The combining nonmajor fund financial statements, the Schedule of Fines, Assessments and Surcharges and SC Department of Transportation Transit Grant - Schedule of Budget to Actual Costs are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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, based on our audit, the procedures performed as described above, the combining nonmajor fund financial statements and schedules and supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2018, 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 the 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.



Summerville, South Carolina
June 29, 2018

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County of Orangeburg, South Carolina

Management's Discussion and Analysis

June 30, 2017

Management's Discussion and Analysis

This section of County of Orangeburg, South Carolina's (the County) annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2017. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The County's Governmental Activities net position at year end was \$52,067,827.
- The County's Business-type Activities net position at year end was \$22,638,884.
- The County invested in new capital assets in the amount of \$19,553,820 for its Governmental Activities and \$288,769 for its Business-type activities.
- The County issued new long-term debt in its Governmental Activities and Business-type Activities in the amounts of \$15,459,020 and none, respectively, offset by repayments of long-term debt in the amounts of \$13,327,830 and \$144,407, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements, required supplementary information*, and an optional section that presents *supplementary information* that includes combining statements for nonmajor governmental funds. The basic financial statements are presented as follows:

- The first two statements, The Statement of Net Position and the Statement of Activities, are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's *overall* financial status. The Statement of Net Position offers a snap-shot of balances at the end of the fiscal year while the Statement of Activities presents the results of providing governmental goods and services over the course of the fiscal year.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the County Government, reporting the County's operations in *more detail* than the government-wide statements.
- The *governmental funds* statements tell how general government services like public safety were financed in the short term. The *governmental funds* balance sheet is a snap shot of available spendable financial resources and the claims against those resources at year end. The *governmental funds* statement of revenue, expenditures and changes in fund balance indicate how the government used its inflows and outflows of available spendable resources over the course of the fiscal year.
- The *proprietary fund* statements provide financial details of water services to residents of a portion of the County.
- *Fiduciary fund* statements provide information about resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that of the proprietary funds.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about our nonmajor governmental funds, each of which are added together and presented in single columns in the basic financial statements.

County of Orangeburg, South Carolina

Management's Discussion and Analysis

June 30, 2017

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the County and its component units as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County's *net position* and how that has changed. Net position, the difference between the County's assets and liabilities, is one way to measure the County's financial health.

- Over time, increases or decreases in the County's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of the County's roads.
- *Governmental activities* – Most of the County's basic services are included here, such as the police, fire, public works, parks departments, and general administration. Property taxes and state and federal grants finance most of the activities.
- *Business-type activities* – This area accounts for the water and sewer service and broadband internet service to residents of a portion of the County, including user fees, costs of providing services, and depreciation of capital assets.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the County's most significant *funds*, not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The County Council established other funds to control and manage resources for particular purposes or to show that it is properly using certain taxes and grants.

The County has three kinds of funds:

- *Governmental funds* – Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary funds* – The County provides water and sewer utility services and broadband internet service to residents in portions of the County and charges user fees based on consumption for utilities or level of service for internet service. The proprietary fund statements provide details of the fees charged, costs to provide services, capital assets and debt related to providing this service.
- *Fiduciary funds* – The County acts as agent, or *fiduciary*, for other entities' resources. The County is responsible for ensuring that the assets reported in these funds are provided to the intended recipient. All of the County's fiduciary activities are reported in a separate statement of fiduciary assets and liabilities. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

County of Orangeburg, South Carolina

Management's Discussion and Analysis

June 30, 2017

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net position

The County's change in net position for the fiscal year ended June 30, 2017 was a decrease of approximately \$5.2 million resulting in an ending net position of approximately \$74.7 million at June 30, 2017.

County of Orangeburg's Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 68,666,901	\$ 74,286,464	\$ (7,634,464)	\$ (7,249,247)	\$ 61,032,437	\$ 67,037,217
Capital assets, net	112,626,320	103,155,477	45,185,180	46,390,114	157,811,500	149,545,591
Total assets	181,293,221	177,441,941	37,550,716	39,140,867	218,843,937	216,582,808
Deferred outflows of resources	19,755,428	3,139,576	203,533	13,877	19,958,961	3,153,453
Total assets and deferred outflows	<u>\$ 201,048,649</u>	<u>\$ 180,581,517</u>	<u>\$ 37,754,249</u>	<u>\$ 39,154,744</u>	<u>\$ 238,802,898</u>	<u>\$ 219,736,261</u>
Long-term liabilities	\$ 133,425,920	\$ 113,743,936	\$ 14,669,438	\$ 14,417,143	\$ 148,095,358	\$ 128,161,079
Other liabilities	11,253,707	5,003,508	402,569	390,019	11,656,276	5,393,527
Total Liabilities	144,679,627	118,747,444	15,072,007	14,807,162	159,751,634	133,554,606
Deferred inflows of resources	4,301,195	6,239,417	43,358	29,895	4,344,553	6,269,312
Net investment in capital assets	81,890,040	78,739,214	31,122,882	33,315,331	113,012,922	112,054,545
Restricted net position	40,296,327	39,884,696	-	-	40,296,327	39,884,696
Unrestricted (deficit)	(70,118,540)	(63,029,254)	(8,483,998)	(8,997,644)	(78,602,538)	(72,026,898)
Total net position	52,067,827	55,594,656	22,638,884	24,317,687	74,706,711	79,912,343
Total liabilities, deferred inflows and net position	<u>\$ 201,048,649</u>	<u>\$ 180,581,517</u>	<u>\$ 37,754,249</u>	<u>\$ 39,154,744</u>	<u>\$ 238,802,898</u>	<u>\$ 219,736,261</u>

Changes in net position

The County's total revenues decreased by 5.4 percent to approximately \$72.0 million. Approximately 55 percent of the County's revenue comes from property taxes, approximately 13 percent comes from capital projects sales and accommodations tax, approximately 18 percent comes from charges for services, approximately 8 percent comes from operating and capital grants and contributions, 5 percent is from intergovernmental revenues, and 1 percent from other revenues.

The total cost of all programs, services and capital improvements increased approximately \$4.8 million or 6.7 percent. The County's expenses cover a range of services, with about 32 percent related to public safety and 19 percent related to public works. Certain prior period amounts have been reclassified for comparability.

County of Orangeburg, South Carolina

Management's Discussion and Analysis

June 30, 2017

County of Orangeburg's Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenue						
Charges for services	\$ 11,536,731	\$ 12,359,077	\$ 1,221,341	\$ 1,025,151	\$ 12,758,072	\$ 13,384,228
Operating grants and contributions	3,784,107	3,221,680	-	-	3,784,107	3,221,680
Capital grants and contributions	1,927,913	7,205,465	571,502	1,442,858	2,499,415	8,648,323
General revenue						
Property taxes	39,240,066	36,832,021	-	-	39,240,066	36,832,021
Other taxes	9,596,072	9,307,833	-	-	9,596,072	9,307,833
Intergovernmental	3,956,232	4,268,902	-	-	3,956,232	4,268,902
Other	160,846	385,578	(31,018)	690	129,828	386,268
Total revenues	70,201,967	73,580,556	1,761,825	2,468,699	71,963,792	76,049,255
Expenses:						
General government	15,513,701	13,979,147	-	-	15,513,701	13,979,147
Judicial	5,016,446	4,601,541	-	-	5,016,446	4,601,541
Public works	14,538,142	12,716,872	-	-	14,538,142	12,716,872
Public safety	24,170,653	23,231,271	-	-	24,170,653	23,231,271
Social and health	4,864,088	4,512,715	-	-	4,864,088	4,512,715
Other agencies and institutions	8,526,691	9,509,866	-	-	8,526,691	9,509,866
Interest and other charges	1,087,938	1,032,567	-	-	1,087,938	1,032,567
Water, sewer and broadband	-	-	3,451,765	2,771,623	3,451,765	2,771,623
Total expenses	73,717,659	69,583,979	3,451,765	2,771,623	77,169,424	72,355,602
Transfers in (out)	(11,137)	631,536	11,137	(631,536)	-	-
Change in net position	(3,526,829)	4,628,113	(1,678,803)	(934,460)	(5,205,632)	3,693,653
Net position, beginning of year, as previously reported	55,594,656	50,665,290	24,317,687	25,262,874	79,912,343	75,928,164
Prior period restatements	-	301,253	-	(10,727)	-	290,526
Net position, beginning of year, as restated	55,594,656	50,966,543	24,317,687	25,252,147	79,912,343	76,218,690
Net position, end of period	\$ 52,067,827	\$ 55,594,656	\$ 22,638,884	\$ 24,317,687	\$ 74,706,711	\$ 79,912,343

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$59.9 million, a decrease of \$2.9 million in comparison with the prior year. Of the total ending fund balances, there is a deficit of \$1.5 million in unassigned fund balance. Restricted fund balance of \$58.1 million is intended for use in capital improvements, projects and infrastructure for the County as well as payment of debt; committed fund balance of \$187 thousand that is intended to fund capital and other projects for the County; assigned fund balance of \$2.9 million that is intended for use in solid waste activities; and nonspendable fund balance is \$97 thousand which is comprised of inventories, and other nonspendable assets of the County.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5.1 million. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents approximately 15.5 percent of total general fund expenditures.

County of Orangeburg, South Carolina

Management's Discussion and Analysis

June 30, 2017

Revenues in the general fund increased by approximately \$2.2 million as compared to the prior year. In the major revenue categories there were increases in property taxes of approximately \$1.3 million, intergovernmental revenues of approximately \$591 thousand and charges for services of approximately \$393 thousand. These increases were partially offset by decreases in fines, fees and forfeitures of approximately \$54 thousand and other revenues of approximately \$77 thousand, while licenses and permits were essentially flat in comparison to the prior year.

Expenditures in the general fund increased by approximately \$1.3 million as compared to the prior year. The current year increase is primarily from general government increase of approximately \$942 thousand, judicial increase of approximately \$61 thousand, public works increase of approximately \$343 thousand, social and health increase of approximately \$77 thousand, other agencies and institutions public works increase of approximately \$131 thousand and capital outlay increase of approximately \$107 thousand, partially offset by a decrease in public safety of approximately \$315 thousand.

The fund balance of the County's general fund increased by \$877 thousand during the current fiscal year primarily on the basis of increased revenues.

The County's capital projects sales tax II and III funds had a combined fund balance of \$27.6 million which is restricted for projects approved in the capital projects sales tax referendum. Capital projects sales tax revenues increased in the current year by \$285 thousand over the prior year, while intergovernmental revenues decreased by approximately \$2.3 million. Expenditures on capital projects in these funds slowed in the current year, decreasing by approximately \$2.3 million.

The John Matthews Industrial Park fund had a fund balance of \$11.7 million, of which \$11.8 million is related to assets held for resale, specifically parcels of land for industrial sites and speculative buildings. Revenues for this fund decreased from the prior year as there were no intergovernmental revenues in the current year as compare to \$500 thousand in the prior year, while other revenues increased by \$12 thousand. Expenditures in this fund generally relate to development or construction of assets held for resale and are reflected in that asset line item on the balance sheet. In fiscal year 2017, operating expenditures included some landscaping needs and debt service on a speculative building constructed in the park. Subsequent to year end, the completed building was sold and the debt was repaid in full.

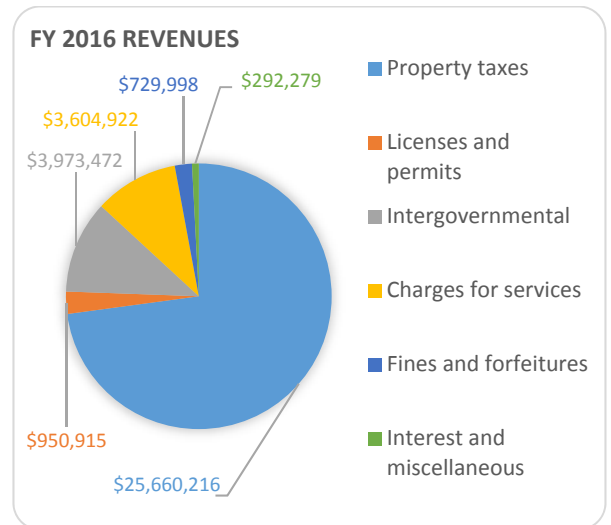
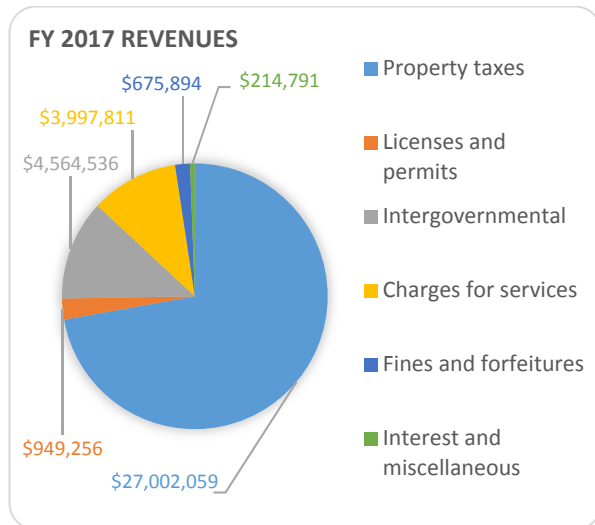
The Roads and Bridges fund is a deficit balance of \$1.8 million, which will be addressed in coming years as the County actively looks at ways to increase revenues in this fund, as well as ways to more efficiently use the resources available. Revenues come from a road maintenance fee included in the tax billings for vehicles, and an increase in this fee is under consideration to address this deficit. Revenues were virtually flat in fiscal year 2017 as compared to 2016 while expenditures increased approximately \$400 thousand. Also, in fiscal year 2017, the County entered into a lease financing agreement for the purchase of road maintenance equipment in the amount of \$7.3 million.

The Special Education fund is a deficit balance of \$2.0 million, which will be addressed in coming years as the County actively looks at ways to increase revenues in this fund, as well as ways to more efficiently use the resources available. Revenues remained relatively flat as compared to the prior year, with a slight increase of approximately \$114 thousand from property taxes and intergovernmental revenues. Expenditures increased over the prior year by approximately \$190 thousand.

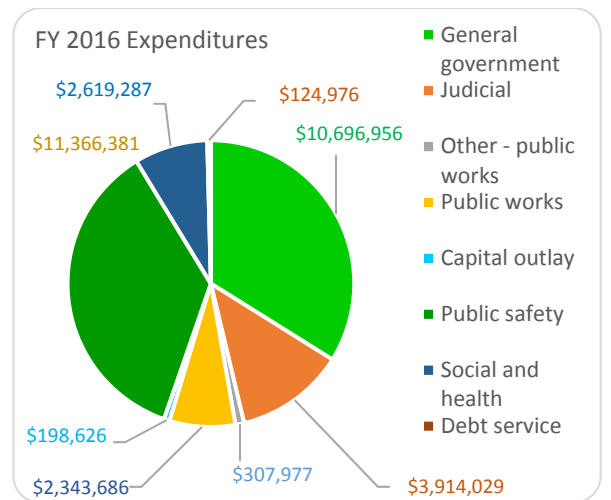
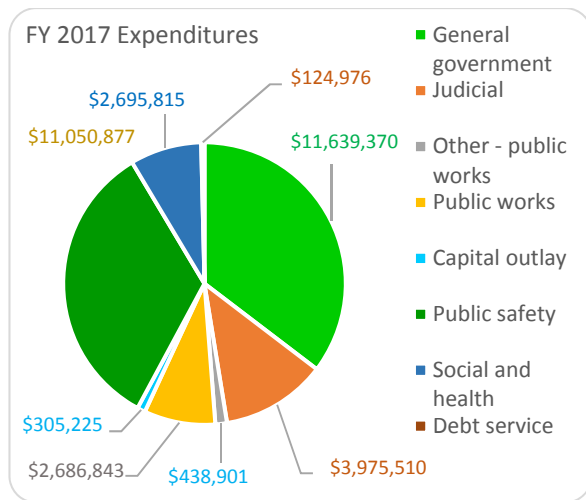
The C Funds fund balance is a deficit of \$1.7 million, which is expected to be resolved upon receipt of funding from the state during fiscal years 2018 for reimbursement of County expenditures on roads improvements. Revenues for the current year are classified as unavailable on the fund's balance sheet as collections of the related accounts receivable were delayed until fiscal year 2018. Expenditures in this fund decreased by approximately \$1.0 million in the current year.

County of Orangeburg, South Carolina
Management's Discussion and Analysis
June 30, 2017

The following charts depict the allocations of revenue to fund General Fund activities for the current and prior years.



The following charts depict the allocations of General Fund expenditures for the current and prior years.



General Fund Budgetary Highlights

The budget-to-actual comparison on the budgetary basis schedule is provided for the General Fund as Required Supplementary Information. A budget column showing the final budget adopted for fiscal year 2017 is presented. Total budgeted revenues fell short of the final budget by \$199,059, or 0.5% of the County's final budget of \$37,797,624. The expenditures incurred during the year were under budgeted appropriations by \$1,945,166. This is 5.0% less than the final total budgeted expenditures in the County's General Fund of \$38,774,752.

County of Orangeburg, South Carolina

Management's Discussion and Analysis

June 30, 2017

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2017, the County had invested \$157.8 million (net of accumulated depreciation) in a broad range of capital assets. This amount represents a net increase (including additions and deductions) of \$8.3 million over last year.

County of Orangeburg's Capital Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Land	\$ 4,433,889	\$ 4,402,381	\$ 1,637,321	\$ 1,637,321	\$ 6,071,210	\$ 6,039,702
Easements	-	-	69,364	69,364	69,364	69,364
Construction in progress	4,645,136	4,592,993	316,161	9,831,636	4,961,297	14,424,629
Infrastructure	64,994,072	61,078,903	48,560,074	38,847,067	113,554,146	99,925,970
Buildings and improvements	85,568,811	81,554,060	-	-	85,568,811	81,554,060
Furniture, vehicles and equipment	52,369,205	51,248,908	72,758	12,899	52,441,963	51,261,807
Total capital assets	212,011,113	202,877,245	50,655,678	50,398,287	262,666,791	253,275,532
Accumulated depreciation	(99,384,793)	(99,721,768)	(5,470,498)	(4,008,173)	(104,855,291)	(103,729,941)
Net capital assets	\$ 112,626,320	\$ 103,155,477	\$ 45,185,180	\$ 46,390,114	\$ 157,811,500	\$ 149,545,591

This year's major capital asset additions included:

- Public Works and other departmental equipment additions of approximately \$9.6 million
- Public Works County Roads additions of approximately \$500 thousand
- 2 Pierce (Freightliner Chassis) pumper fire trucks of approximately \$550 thousand
- Other vehicles of approximately \$894 thousand

More detailed information about the County's capital assets is presented in Note III C to the financial statements.

Long-term Debt

At year-end the County had approximately \$62.7 million in bonds, bond anticipation note, notes, and capital lease obligations outstanding – an increase of 3.3% as compared to last year. More detailed information about the County's long-term liabilities is presented in Note III D to the financial statements.

The state limits the amount of general obligation debt the County can issue without special referendum to 8 percent of the assessed value of all taxable property within the County's legal limits. The County's outstanding general obligation debt subject to the limit is \$13.8 million at June 30, 2017, which is below the limit of approximately \$24.3 million.

County of Orangeburg's Outstanding Debt

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Long-term debt						
General obligation bonds	\$ 13,813,891	\$ 8,544,413	\$ -	\$ -	\$ 13,813,891	\$ 8,544,413
Revenue bonds	14,005,000	20,530,000	12,498,609	12,643,016	26,503,609	33,173,016
Loans payable	9,152,991	9,687,156	1,563,689	1,563,689	10,716,680	11,250,845
Capital leases	11,646,192	7,725,315	-	-	11,646,192	7,725,315
Total long term debt	\$ 48,618,074	\$ 46,486,884	\$ 14,062,298	\$ 14,206,705	\$ 62,680,372	\$ 60,693,589

County of Orangeburg, South Carolina

Management's Discussion and Analysis

June 30, 2017

The County's \$7 million bond anticipation note outstanding at year end, issued to facilitate initiation of several construction and improvement projects, including the new detention center and courthouse renovations, was paid with the issuance of the permanent financing of the projects. See note IV J, Subsequent Events, for information on the issuance of the installment purchase revenue bonds.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The unemployment rate in the County decreased from 8.9% at June 2016 to 6.6% for June 2017 as compared to the decrease in the unemployment rate for South Carolina from 4.9% at June 2016 to 3.9% at June 2017, and the decrease in the unemployment rate from 4.8% at June 2016 to 4.3% at June 2017 nationally.

Inflationary pressures and cost of living in the region continue to compare favorably with state and national trends.

These indicators were taken into account when adopting the general fund budget for 2018. Amounts available for appropriation in the general fund budget are at nearly \$41.2 million, an increase of about 10.5% percent over the final 2017 budget of \$37.3 million.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Gloria Breland, Finance Director, or visit the County website at www.orangeburgcounty.org.

Basic Financial Statements

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County of Orangeburg, South Carolina
Statement of Net Position
June 30, 2017

	Primary government			Component Units	
	Governmental activities	Business-type activities	Totals	Orangeburg County Development Commission	Orangeburg County Library
Assets and deferred outflows of resources					
Assets					
Cash and cash equivalents	\$ 600	\$ 519	\$ 1,119	\$ 308,861	\$ 629,698
Pooled cash	3,860,772	519,330	4,380,102	-	-
Investments	-	-	-	-	2,189
Receivables (net of allowance for uncollectible accounts)					
Property taxes	3,334,821	-	3,334,821	-	-
Intergovernmental	5,961,078	1,321,502	7,282,580	-	2,187
Accounts	1,200,939	138,580	1,339,519	-	-
Rents	23,275	-	23,275	-	-
Other	184,816	-	184,816	-	-
Internal balances, net	10,493,808	(10,493,808)	-	-	-
Due from primary government	-	-	-	93,583	-
Due from component unit	391,567	-	391,567	-	-
Inventories	78,971	-	78,971	-	-
Prepaid items	26,001	-	26,001	525	38,380
Land and buildings held for resale	18,810,317	-	18,810,317	-	-
Restricted assets:					
Cash and cash equivalents	72,689	-	72,689	-	-
Pooled cash	13,390,971	879,413	14,270,384	-	-
Investments	10,836,276	-	10,836,276	-	-
Capital assets:					
Nondepreciable capital assets	9,079,025	2,022,846	11,101,871	-	-
Depreciable capital assets, net	103,547,295	43,162,334	146,709,629	411,192	439,157
Total assets	181,293,221	37,550,716	218,843,937	814,161	1,111,611
Deferred outflows of resources					
Deferred outflows related to pensions	19,755,428	203,533	19,958,961	250,780	778,940
Total deferred outflows of resources	19,755,428	203,533	19,958,961	250,780	778,940
Total assets and deferred outflows of resources	\$ 201,048,649	\$ 37,754,249	\$ 238,802,898	\$ 1,064,941	\$ 1,890,551
Liabilities, deferred inflows of resources and net position					
Liabilities					
Accounts payable and other current liabilities	\$ 3,299,530	\$ 254,974	\$ 3,554,504	\$ 63,202	\$ 12,103
Accrued salaries and fringe benefits	570,718	4,689	575,407	-	-
Due to primary government	-	-	-	-	391,567
Due to other governments	86,401	-	86,401	-	-
Due to component unit	93,583	-	93,583	-	-
Accrued interest payable	203,475	142,906	346,381	-	-
Non-current liabilities:					
Other post-employment benefit obligation (OPEB)	39,686,453	36,967	39,723,420	288,134	1,241,142
Net pension liability	50,037,313	531,786	50,569,099	680,398	2,037,825
Due within one year	16,713,191	209,119	16,922,310	38,796	46,070
Due in more than one year	33,988,963	13,891,566	47,880,529	3,116	41,208
Total liabilities	144,679,627	15,072,007	159,751,634	1,073,646	3,769,915
Deferred inflows of resources					
Deferred inflows related to pensions	4,301,195	43,358	4,344,553	55,474	167,515
Total deferred inflows of resources	4,301,195	43,358	4,344,553	55,474	167,515
Net position					
Net investment in capital assets	74,890,040	31,122,882	106,012,922	411,192	439,157
Restricted					
Grant activities	965,167	-	965,167	-	-
Debt Service	1,361,778	-	1,361,778	-	-
Public safety activities	3,822,336	-	3,822,336	-	-
Public works activities	1,892,877	-	1,892,877	-	-
Economic development activities	19,203,368	-	19,203,368	-	-
Capital projects activities	13,050,801	-	13,050,801	-	-
Unrestricted (deficit)	(63,118,540)	(8,483,998)	(71,602,538)	(475,371)	(2,486,036)
Total net position	52,067,827	22,638,884	74,706,711	(64,179)	(2,046,879)
Total liabilities, deferred inflows of resources and net position	\$ 201,048,649	\$ 37,754,249	\$ 238,802,898	\$ 1,064,941	\$ 1,890,551

County of Orangeburg, South Carolina

Statement of Activities

For the year ended June 30, 2017

Functions/Programs	Program revenues				Net (expense) revenue and changes in net position			Component Units	
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Primary government		Total	Orangeburg County Development Commission	Orangeburg County Library
					Governmental activities	Business-type activities			
Primary government									
Governmental activities									
General government	\$ 15,513,701	\$ 1,462,695	\$ 332,571	\$ -	\$ (13,718,435)	\$ -	\$ (13,718,435)	\$ -	\$ -
Judicial	5,016,446	1,037,439	-	-	(3,979,007)	-	(3,979,007)	-	-
Public works	14,538,142	4,279,310	1,802,477	1,367,019	(7,089,336)	-	(7,089,336)	-	-
Public safety	24,170,653	4,366,840	694,458	-	(19,109,355)	-	(19,109,355)	-	-
Social and health	4,864,088	390,447	954,601	560,894	(2,958,146)	-	(2,958,146)	-	-
Other agencies and institutions	8,526,691	-	-	-	(8,526,691)	-	(8,526,691)	-	-
Interest and other charges	1,087,938	-	-	-	(1,087,938)	-	(1,087,938)	-	-
Total governmental activities	<u>73,717,659</u>	<u>11,536,731</u>	<u>3,784,107</u>	<u>1,927,913</u>	<u>(56,468,908)</u>	<u>-</u>	<u>(56,468,908)</u>	<u>-</u>	<u>-</u>
Business-type activities									
Broadband utility	1,242,775	755,724	-	26,624	-	(460,427)	(460,427)	-	-
Sewer utility	1,363,959	393,043	-	544,878	-	(426,038)	(426,038)	-	-
Water utility	845,031	72,574	-	-	-	(772,457)	(772,457)	-	-
Total business-type activities	<u>3,451,765</u>	<u>1,221,341</u>	<u>-</u>	<u>571,502</u>	<u>-</u>	<u>(1,658,922)</u>	<u>(1,658,922)</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 77,169,424</u>	<u>\$ 12,758,072</u>	<u>\$ 3,784,107</u>	<u>\$ 2,499,415</u>	<u>(56,468,908)</u>	<u>(1,658,922)</u>	<u>(58,127,830)</u>	<u>-</u>	<u>-</u>
Component units									
Orangeburg County Development Commission	\$ 933,015	\$ -	\$ -	\$ -	-	-	-	(933,015)	-
Orangeburg County Library	2,643,264	41,955	190,916	-	-	-	-	-	(2,410,393)
Total component unit	<u>\$ 3,576,279</u>	<u>\$ 41,955</u>	<u>\$ 190,916</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(933,015)</u>	<u>(2,410,393)</u>
General revenues									
Property taxes					39,240,066	-	39,240,066	-	-
Capital project sales tax					9,234,451	-	9,234,451	-	-
Accommodations tax					361,621	-	361,621	-	-
Grants and contributions not restricted to specific programs					3,956,232	-	3,956,232	680,000	1,551,943
Gain (loss) on sale of capital assets					131,818	(31,379)	100,439	15,287	-
Other					10,046	-	10,046	-	-
Investment earnings					18,982	361	19,343	135	69
Transfers					(11,137)	11,137	-	-	-
Total general revenues and transfers					<u>52,942,079</u>	<u>(19,881)</u>	<u>52,922,198</u>	<u>695,422</u>	<u>1,552,012</u>
Change in net position					<u>(3,526,829)</u>	<u>(1,678,803)</u>	<u>(5,205,632)</u>	<u>(237,593)</u>	<u>(858,381)</u>
Net position, beginning of year					55,594,656	24,317,687	79,912,343	173,414	(1,188,498)
Net position end of year					<u>\$ 52,067,827</u>	<u>\$ 22,638,884</u>	<u>\$ 74,706,711</u>	<u>\$ (64,179)</u>	<u>\$ (2,046,879)</u>

County of Orangeburg, South Carolina

Balance Sheet - Governmental Funds

June 30, 2017

	General	Capital Project Tax II	Capital Project Tax III	John Matthews Industrial Park Fund	Roads and Bridges Fund	Special Education Fund	C Funds Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS									
Cash and cash equivalents	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ 600
Pooled cash	1,545,636	-	-	-	-	-	-	2,315,136	3,860,772
Receivables (net of allowance for uncollectible accounts)									
Property taxes	2,332,868	-	-	-	-	215,293	-	786,660	3,334,821
Intergovernmental	948,507	-	2,769,374	-	-	4,012	1,092,129	1,147,056	5,961,078
Accounts	1,036,588	-	-	-	-	-	-	164,351	1,200,939
Rents	23,275	-	-	-	-	-	-	-	23,275
Other	16,362	-	-	-	-	-	-	168,454	184,816
Due from other funds	3,592,324	9,764,044	1,244,092	-	-	3	-	3,924,359	18,524,822
Due from component unit	300	-	-	-	-	391,267	-	-	391,567
Inventories	78,971	-	-	-	-	-	-	-	78,971
Prepaid items	18,000	-	-	-	8,001	-	-	-	26,001
Land and buildings held for resale	-	-	-	11,835,394	-	-	-	6,974,923	18,810,317
Restricted assets:									
Cash and cash equivalents	-	-	-	-	-	-	-	72,689	72,689
Pooled cash	-	1,917,372	1,980,897	-	-	-	-	9,492,702	13,390,971
Investments	-	-	10,836,276	-	-	-	-	-	10,836,276
Total assets	\$ 9,592,931	\$ 11,681,416	\$ 16,830,639	\$ 11,835,394	\$ 8,001	\$ 610,575	\$ 1,092,129	\$ 25,046,830	\$ 76,697,915
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
LIABILITIES									
Accounts payable and other current liabilities	\$ 1,204,411	\$ -	\$ 886,109	\$ -	\$ 157,316	\$ 1,821	\$ -	\$ 1,049,873	\$ 3,299,530
Accrued salaries and fringe benefits	464,130	-	8,701	-	18,733	15,221	-	63,933	570,718
Due to other funds	20,916	-	-	114,234	1,652,257	2,442,923	1,713,851	2,086,833	8,031,014
Due to other governments	86,401	-	-	-	-	-	-	-	86,401
Due to component unit	30,497	-	-	21,286	-	-	-	41,800	93,583
Total liabilities	1,806,355	-	894,810	135,520	1,828,306	2,459,965	1,713,851	3,242,439	12,081,246
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue-property taxes	2,069,408	-	-	-	-	192,383	-	692,843	2,954,634
Unavailable revenue-accounts receivable	526,505	-	-	-	-	-	1,092,129	119,924	1,738,558
Total deferred inflows of resources	2,595,913	-	-	-	-	192,383	1,092,129	812,767	4,693,192
FUND BALANCES									
Nonspendable	96,971	-	-	-	-	-	-	-	96,971
Restricted	-	11,681,416	15,935,829	11,699,874	-	-	-	18,861,002	58,178,121
Committed	-	-	-	-	-	-	-	187,364	187,364
Assigned	-	-	-	-	-	-	-	2,924,893	2,924,893
Unassigned	5,093,692	-	-	-	(1,820,305)	(2,041,773)	(1,713,851)	(981,635)	(1,463,872)
Total fund balances	5,190,663	11,681,416	15,935,829	11,699,874	(1,820,305)	(2,041,773)	(1,713,851)	20,991,624	59,923,477
Total liabilities, deferred inflows of resources and fund balances	\$ 9,592,931	\$ 11,681,416	\$ 16,830,639	\$ 11,835,394	\$ 8,001	\$ 610,575	\$ 1,092,129	\$ 25,046,830	\$ 76,697,915

County of Orangeburg, South Carolina

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities

June 30, 2017

TOTAL FUND BALANCE- GOVERNMENTAL FUNDS \$ 59,923,477

Amounts reported for governmental activities in the Statement of Net Position are different because of the following:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets was \$212,011,113 and the accumulated depreciation was \$99,384,793. 112,626,320

Deferred inflows of resources are not available to for current period expenditures, and therefore, are deferred in the governmental funds:

Property taxes 2,954,634
Accounts receivable 1,738,558

Accrued interest on long-term obligations in governmental accounting is not due or payable in the current period and therefore are not reported as liabilities in the funds. (203,475)

Other post-employment benefit liabilities are not reported in governmental funds, but are reported in governmental activities. (39,686,453)

Net pension liability is not reported in governmental funds, but is reported in governmental activities. (50,037,313)

Pension related deferrals are not reported in governmental funds, but are reported in governmental activities as follows:

Deferred outflows 19,755,428
Deferred inflows (4,301,195)

Long-term liabilities, including bonds and notes, are not due or payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities consisted of the following:

General obligation bonds payable \$ (13,813,891)
Revenue bonds payable (14,005,000)
Notes payable (9,152,991)
Capital leases payable (11,646,192)
Landfill closure and post-closure costs (234,608)
Compensated absences (1,849,472) (50,702,154)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 52,067,827

County of Orangeburg, South Carolina

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

For the year ended June 30, 2017

	General	Capital Project Tax II	Capital Project Tax III	John Matthews Industrial Park Fund	Roads and Bridges Fund	Special Education Fund	C Funds Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES									
Taxes:									
Property taxes	\$ 27,002,059	\$ -	\$ -	\$ -	\$ -	\$ 2,395,380	\$ -	\$ 9,591,690	\$ 38,989,129
Capital project sales tax	-	-	9,234,451	-	-	-	-	-	9,234,451
Licenses and permits	949,256	-	-	-	-	-	-	-	949,256
Intergovernmental	4,564,536	104,125	96,500	-	-	181,609	2,402,307	4,982,724	12,331,801
Charges for services	3,997,811	-	-	-	2,437,505	-	-	2,345,206	8,780,522
Fines and forfeitures	675,894	-	-	-	-	-	-	482,964	1,158,858
Interest	8	-	13,608	-	-	-	-	6,001	19,617
Miscellaneous	214,783	-	-	104,375	-	-	-	291,095	610,253
Total revenues all sources	<u>37,404,347</u>	<u>104,125</u>	<u>9,344,559</u>	<u>104,375</u>	<u>2,437,505</u>	<u>2,576,989</u>	<u>2,402,307</u>	<u>17,699,680</u>	<u>72,073,887</u>
EXPENDITURES									
Current:									
General government	11,639,370	-	-	21,286	-	-	-	2,041,726	13,702,382
Judicial	3,975,510	-	-	-	-	-	-	228,337	4,203,847
Public works	2,686,843	-	350,000	-	2,211,514	-	4,755	4,865,302	10,118,414
Public safety	11,050,877	-	-	-	-	-	-	7,252,568	18,303,445
Social and health	2,695,815	-	-	-	-	66,000	-	1,038,206	3,800,021
Other agencies and institutions:									
General government	-	-	-	-	-	-	-	258,086	258,086
Public works	438,901	-	4,297,146	-	-	40,189	-	751,652	5,527,888
Social and health	-	-	-	-	-	2,740,717	-	-	2,740,717
Capital outlay	305,225	-	3,891,953	-	7,426,292	75,848	1,299,263	6,546,403	19,544,984
Debt service:									
Principal	124,976	-	6,525,000	365,306	2,727,581	-	-	3,584,967	13,327,830
Interest	-	-	330,887	-	149,577	-	-	387,996	868,460
Bond issuance costs	-	-	-	80,000	-	-	-	173,900	253,900
Total expenditures	<u>32,917,517</u>	<u>-</u>	<u>15,394,986</u>	<u>466,592</u>	<u>12,514,964</u>	<u>2,922,754</u>	<u>1,304,018</u>	<u>27,129,143</u>	<u>92,649,974</u>
Excess (deficit) of revenues over (under) expenditures	<u>4,486,830</u>	<u>104,125</u>	<u>(6,050,427)</u>	<u>(362,217)</u>	<u>(10,077,459)</u>	<u>(345,765)</u>	<u>1,098,289</u>	<u>(9,429,463)</u>	<u>(20,576,087)</u>
OTHER FINANCING SOURCES (USES)									
Bond anticipation note	-	-	-	-	-	-	-	7,000,000	7,000,000
Capital lease	-	-	-	-	7,327,140	-	-	1,131,880	8,459,020
Sale of general capital assets	194,218	-	-	-	1,819,329	-	-	223,047	2,236,594
Transfers in	544,783	-	377,307	-	174,054	71,510	-	4,597,527	5,765,181
Transfers out	(4,348,370)	(260,572)	(385,866)	-	-	-	-	(781,510)	(5,776,318)
Total other financing sources (uses)	<u>(3,609,369)</u>	<u>(260,572)</u>	<u>(8,559)</u>	<u>-</u>	<u>9,320,523</u>	<u>71,510</u>	<u>-</u>	<u>12,170,944</u>	<u>17,684,477</u>
Net change in fund balances	877,461	(156,447)	(6,058,986)	(362,217)	(756,936)	(274,255)	1,098,289	2,741,481	(2,891,610)
Fund balances, beginning of year	4,313,202	11,837,863	21,994,815	12,062,091	(1,063,369)	(1,767,518)	(2,812,140)	18,250,143	62,815,087
Fund balances, end of year	<u>\$ 5,190,663</u>	<u>\$ 11,681,416</u>	<u>\$ 15,935,829</u>	<u>\$ 11,699,874</u>	<u>\$ (1,820,305)</u>	<u>\$ (2,041,773)</u>	<u>\$ (1,713,851)</u>	<u>\$ 20,991,624</u>	<u>\$ 59,923,477</u>

County of Orangeburg, South Carolina**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the year ended June 30, 2017**

Net change in fund balances - Total government funds	\$	(2,891,610)
Amounts reported for governmental activities in the statement of activities are different because:		
Revenues that do not provide financial resources with which to pay current expenditures are reported as unearned or unavailable revenues in the fund financial statements. However, such items are reported as revenues in the Statements of Activities.		
Property taxes		251,006
Accounts receivable		(2,263,580)
Repayment of bonds and notes payable principal is recognized in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This amount is the total reduction in the outstanding principal in the current year.		13,327,830
Bonds, notes and capital lease payable proceeds provide current financial resources to governmental funds, but issuing debt or entering into notes payable increases long-term liabilities in the Statement of Net Position.		(15,459,020)
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 the governmental funds.		
Other post-employment benefits expense		(3,290,812)
County's portion of collective pension expense		(2,702,908)
Compensated absences expense		(4,168)
Landfill closure and post-closure costs		1,168
Interest expense		34,422
The cost of capital assets disposed of during the current year is expensed in the Statement of Activities. In the governmental funds, the cost of these assets was recognized as an expenditure in the year purchased. Thus, the change in net assets differs from the change in fund balances by the undepreciated cost of the disposed assets.		(2,104,776)
In the Statement of Activities, capital assets contributed by other entities are reported as revenue. Since such contributions result in neither the receipt nor the use of the current financial resources, they are not reflected in the fund statements.		8,836
Governmental funds report capital asset additions as expenditures. However in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions exceeded depreciation expense in the current period.		
Capital asset additions	\$	19,544,984
Depreciation		(7,978,201)
		<u>11,566,783</u>
		<u>\$ (3,526,829)</u>

County of Orangeburg, South Carolina
Statement of Net Position - Proprietary Funds
June 30, 2017

	Business-Type Activities			Total
	Broadband Program	Sewer Utility Fund	Water Utility Fund	
Assets and Deferred Outflows of Resources				
Assets				
Current assets				
Cash and cash equivalents	\$ -	\$ -	\$ 519	\$ 519
Pooled cash	519,330	-	-	519,330
Receivables, net of allowance for doubtful accounts				
Intergovernmental	776,624	544,878	-	1,321,502
Accounts	49,857	35,318	53,405	138,580
Due from other funds	-	-	775	775
Restricted equity in pooled cash	-	395,432	483,981	879,413
Total current assets	<u>1,345,811</u>	<u>975,628</u>	<u>538,680</u>	<u>2,860,119</u>
Noncurrent assets				
Capital assets				
Nondepreciable capital assets	-	2,007,415	15,431	2,022,846
Depreciable capital assets, net	16,674,401	21,231,244	5,256,689	43,162,334
Total capital assets	<u>16,674,401</u>	<u>23,238,659</u>	<u>5,272,120</u>	<u>45,185,180</u>
Total noncurrent assets	<u>16,674,401</u>	<u>23,238,659</u>	<u>5,272,120</u>	<u>45,185,180</u>
Total assets	<u>18,020,212</u>	<u>24,214,287</u>	<u>5,810,800</u>	<u>48,045,299</u>
Deferred outflows of resources				
Deferred outflows - pension	-	-	203,533	203,533
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>203,533</u>	<u>203,533</u>
Total assets and deferred outflows of resources	<u>\$ 18,020,212</u>	<u>\$ 24,214,287</u>	<u>\$ 6,014,333</u>	<u>\$ 48,248,832</u>
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Current liabilities				
Accounts payable and other current liabilities	\$ 179,607	\$ 61,935	\$ 13,432	\$ 254,974
Accrued salaries and fringe benefits	-	-	4,689	4,689
Accrued interest payable	-	24,434	118,472	142,906
Due to other funds	1,224,183	7,077,262	2,193,138	10,494,583
Compensated absences	-	-	8,550	8,550
Revenue bond payable	-	200,569	-	200,569
Total current liabilities	<u>1,403,790</u>	<u>7,364,200</u>	<u>2,338,281</u>	<u>11,106,271</u>
Noncurrent liabilities				
Compensated absences	-	-	29,837	29,837
Net pension liability	-	-	531,786	531,786
Other post-employment benefit obligation (OPEB)	-	-	36,967	36,967
Revenue bonds payable	-	8,648,040	3,650,000	12,298,040
Notes payable	-	1,563,689	-	1,563,689
Total noncurrent liabilities	<u>-</u>	<u>10,211,729</u>	<u>4,248,590</u>	<u>14,460,319</u>
Total liabilities	<u>1,403,790</u>	<u>17,575,929</u>	<u>6,586,871</u>	<u>25,566,590</u>
Deferred inflows of resources				
Deferred inflows - pension	-	-	43,358	43,358
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>43,358</u>	<u>43,358</u>
Net position				
Net investment in capital assets	16,674,401	12,826,361	1,622,120	31,122,882
Unrestricted	(57,979)	(6,188,003)	(2,238,016)	(8,483,998)
Total net position	<u>16,616,422</u>	<u>6,638,358</u>	<u>(615,896)</u>	<u>22,638,884</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 18,020,212</u>	<u>\$ 24,214,287</u>	<u>\$ 6,014,333</u>	<u>\$ 48,248,832</u>

County of Orangeburg, South Carolina

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds

For the year ended June 30, 2017

	Business-Type Activities			Total
	Broadband Program	Sewer Utility Fund	Water Utility Fund	
OPERATING REVENUES				
Charges for services	\$ 755,724	\$ 393,043	\$ 72,574	\$ 1,221,341
Total operating revenues	755,724	393,043	72,574	1,221,341
OPERATING EXPENSES				
Operations and maintenance	709,053	442,935	156,468	1,308,456
Personnel	-	-	505,295	505,295
Depreciation	533,722	745,335	183,268	1,462,325
Total operating expenses	1,242,775	1,188,270	845,031	3,276,076
Operating income (loss)	(487,051)	(795,227)	(772,457)	(2,054,735)
NONOPERATING REVENUES (EXPENSES)				
Investment income	361	-	-	361
Loss on disposal of capital assets	(20,522)	-	(10,857)	(31,379)
Interest expense	-	(175,689)	-	(175,689)
Total nonoperating revenues (expenses)	(20,161)	(175,689)	(10,857)	(206,707)
Income before capital contributions and transfers	(507,212)	(970,916)	(783,314)	(2,261,442)
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital grants and contributions	26,624	544,878	-	571,502
Transfers in	-	11,887	56,250	68,137
Transfers out	-	(57,000)	-	(57,000)
Change in net position	(480,588)	(471,151)	(727,064)	(1,678,803)
Net position, beginning of year	17,097,010	7,109,509	111,168	24,317,687
Net position, end of year	\$ 16,616,422	\$ 6,638,358	\$ (615,896)	\$ 22,638,884

County of Orangeburg, South Carolina
Statement of Cash Flows - Proprietary Funds
For the year ended June 30, 2017

	Business-Type Activities			
	Broadband Program	Sewer Utility Fund	Water Utility Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 737,661	\$ 385,866	\$ 41,838	\$ 1,165,365
Cash payments for goods and services	(731,305)	(410,140)	(156,510)	(1,297,955)
Cash payments for employees	-	-	(283,350)	(283,350)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	6,356	(24,274)	(398,022)	(415,940)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund activity	112,996	695,227	57,083	865,306
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	112,996	695,227	57,083	865,306
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	-	(103,034)	-	(103,034)
Grant revenue	-	25,729	-	25,729
Principal payments on revenue bond payable	-	(144,407)	-	(144,407)
Interest payments	-	(285,299)	(75,512)	(360,811)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	(507,011)	(75,512)	(582,523)
CASH FLOWS FROM INVESTING ACTIVITIES				
Income on investments	361	-	-	361
NET CASH PROVIDED BY INVESTING ACTIVITIES	361	-	-	361
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	119,713	163,942	(416,451)	(132,796)
CASH AND CASH EQUIVALENTS, JUNE 30, 2016	399,617	231,490	900,951	1,532,058
CASH AND CASH EQUIVALENTS, JUNE 30, 2017	\$ 519,330	\$ 395,432	\$ 484,500	\$ 1,399,262
Reconciliation of operating income to net cash provided by operating activities:				
Operating loss	\$ (487,051)	\$ (795,227)	\$ (772,457)	\$ (2,054,735)
Adjustments to reconcile operating income to net cash used in operating activities				
Depreciation	533,722	745,335	183,268	1,462,325
Change in:				
Accounts receivable	(18,063)	(7,177)	(30,736)	(55,976)
Accounts payable	(22,252)	32,795	(42)	10,501
Accrued salaries and fringe benefits	-	-	1,436	1,436
Compensated absences	-	-	38,387	38,387
Deferred outflows of resources	-	-	(189,656)	(189,656)
Deferred inflows of resources	-	-	13,463	13,463
Net pension liability	-	-	321,348	321,348
Other post-employment benefit obligation (OPEB)	-	-	36,967	36,967
Net cash used in operating activities	\$ 6,356	\$ (24,274)	\$ (398,022)	\$ (415,940)
Reconciliation of Cash and Cash Equivalent Balances				
Cash and cash equivalents	\$ -	\$ -	\$ 519	\$ 519
Unrestricted equity in pooled cash	519,330	-	-	519,330
Restricted equity in pooled cash	-	395,432	483,981	879,413
Total Cash and Cash Equivalent Balances	\$ 519,330	\$ 395,432	\$ 484,500	\$ 1,399,262

County of Orangeburg, South Carolina**Statement of Fiduciary Assets and Liabilities****June 30, 2017**

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 5,279,959
Pooled cash	9,461,265
TOTAL ASSETS	<u>\$ 14,741,224</u>
LIABILITIES	
Due to taxing units	\$ 9,238,810
Due to others	5,502,414
TOTAL LIABILITIES	<u>\$ 14,741,224</u>

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

I. Summary of Significant Accounting Policies

A. Reporting Entity

The County of Orangeburg, South Carolina, (the "County") is a political subdivision of the State of South Carolina and was chartered in 1785. The County operates under a Council-Administrator form of government and is governed by an elected seven-member council, one of whom is the chair. The Council is the legislative body of the County and is responsible for determining the policies and direction of the County government. The administrator is responsible for the County's daily operations.

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

The basic financial statements of the County present the reporting entity that consists of the primary government and those organizations for which the primary government is financially accountable. The blended component units discussed below are included in the County's reporting entity because of their significant financial relationship to the County. Discretely presented component units, also discussed below, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County government.

Blended Component Unit - Orangeburg Joint Governmental Action Authority (the "Authority") – The Authority, created in 2002, is a non-profit public benefit corporation formed to facilitate the construction of projects authorized by the one-cent Capital Project Sales and Use Tax referendum. The Authority is governed by a board composed of the County Council Chairman and the Orangeburg County Administrator. The Authority financed its projects by issuing revenue bonds which are being retired exclusively by the County by the collection of the Capital Project Sales Tax authorized by referendum. The Authority is presented as a Governmental Fund type in the Capital Project Sales Tax Funds.

Blended Component Unit - Orangeburg County Fire Commission (the "Commission") – The Commission was created in 1997 to provide coordinated fire protection throughout the County. The Commission has either bought or leased the equipment used by the 23 volunteer fire departments which provide fire protection in the County. The Commission is governed by a board composed of seven members, all of whom are appointed by Orangeburg County Council. The Commission's budget and special millage rate to fund it must be approved by County Council. In addition, the County is wholly responsible for the Commission's debt and owns all the Commission's capital assets. The Commission is presented as a Governmental Fund type in the nonmajor Special Revenue Funds.

Discretely Presented Component Unit - Orangeburg County Library (the "Library") - The Library provides library services to County residents. The Library's Board of Trustees is appointed by County Council. The County owns the land and buildings used by the Library and provides most of the funds to operate the Library. The Library meets the criteria set forth in generally accepted accounting principles for inclusion as a component unit with the County. Complete financial statements for the Library may be obtained at its main branch located at 510 Louis Street, Orangeburg, South Carolina.

Discretely Presented Component Unit - Orangeburg County Development Commission (the "OCDC") - The OCDC was created by a County ordinance in 1980 and is governed by eleven members appointed by County Council for the purpose of promoting, advancing and fostering the agricultural, industrial and commercial development of the County. The OCDC is fiscally dependent on the County. Complete financial statements for the OCDC may be obtained at its office at 129 Regional Parkway, Orangeburg, South Carolina 29118.

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

A. Reporting Entity

Joint Venture - Regional Medical Center - The County is a participant in the Regional Medical Center of Orangeburg and Calhoun Counties (the "RMC"). RMC was created jointly as a separate entity under the provisions of a joint ordinance passed by Orangeburg and Calhoun Counties in 1980. Both Counties contributed capital to the RMC, which has since been repaid by the RMC.

The RMC is governed by a 17-member board of trustees comprised of 12 members appointed by Orangeburg County and 3 members appointed by Calhoun County who each serve 4-year terms. The Chief of Staff and Chairman of the Executive Committee serve on the board by virtue of their positions. The Board of Trustees must get permission from the two Counties to acquire or dispose of land and buildings as well as incur debt in excess of \$500,000, however, the Counties are not obligated for debt of the RMC.

Financial information for the RMC is not included in the County's financial statements. Complete financial statements of the RMC can be obtained by writing to The Regional Medical Center 3000 St. Matthews Road Orangeburg, SC 29118.

B. Basis of Presentation - Government-Wide and Fund Financial Statements

a. Government-wide Statements

The Statement of Net Position and the Statement of Activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to avoid the double counting of interfund activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed primarily by fees charged to external parties. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of net position reports all financial and capital resources of the County and reports the difference between assets plus deferred outflows and liabilities plus deferred inflows as net position. The statement of activities presents a comparison between direct expenses and program revenues for each activity of the County. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular activity. Program revenues include: (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by the programs and, (b) grants and contributions that are restricted to meet the operations or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

b. Fund Financial Statements

The accounts of the reporting entity are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for in a separate set of self-balancing accounts comprised of assets, deferred outflows, liabilities, deferred inflows, fund balances, revenues, and expenditures or expenses, as appropriate. The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, with each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

B. Basis of Presentation - Government-Wide and Fund Financial Statements, Continued

c. The County reports the following major fund types:

General Fund - The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Capital Project Tax II and III Funds - These funds account for the sales tax revenues approved by county voters for the second and third penny referenda that are restricted to improve, repair and construct infrastructure for the County.

John Matthews Industrial Park Fund - This fund accounts for the development of an industrial park in which parcels will be sold to commercial enterprises for construction of industrial facilities. The County also constructs speculative buildings in this industrial park in order to have move in ready facilities for enterprises needing immediate or near-term occupancy.

Roads and Bridges Fund - This fund accounts for the maintenance activities for County owned roads and bridges. Resources for these activities are derived from a road maintenance fee assessed on vehicle tax billings.

Special Education Fund - This fund accounts for revenue and expenditures associated with the special education tax levy.

C Funds Fund - This fund accounts for revenues from state distributions of gasoline tax funds and expenditures on maintenance of highways and roads within the County.

Enterprise Funds - The Enterprise Funds are used to account for the activities of the County's Broadband, Water and Sewer utilities.

d. The County reports the following nonmajor governmental fund types:

Special Revenue Funds - The special revenue funds are used to account for the proceeds of specific revenue sources (other than debt service and major capital projects) that are legally restricted or committed to expenditure for specified purposes.

Capital Projects Funds - The capital projects funds are used to account for financial resources used for all general construction projects other than enterprise fund construction.

Debt Service Fund - The debt service fund accumulates financial resources for the payment of principal and interest on the general long-term debt of the County, other than revenue bonds payable in the Capital Projects Sales Tax funds and debt service payments in proprietary fund types.

e. The County reports the following additional fund types:

Agency Funds - These are fiduciary funds used to account for monies received, held, and disbursed on behalf of other governments, special tax districts and certain County departments related to the collection of taxes and court related transactions.

C. Measurement Focus and Basis of Accounting

a. Government-wide, Proprietary, and Fiduciary Fund Statements

The government-wide and proprietary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds also use the accrual basis of accounting to recognize assets and liabilities. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and entitlements. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied.

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

C. Measurement Focus and Basis of Accounting, Continued

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. For the Broadband and Water and Sewer Utilities, principal operating revenues include sales to existing customers for services. Operating expenses include the 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.

b. Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as the amounts become susceptible to accrual by becoming measurable and available to finance the County's operations. Revenue from the use of money and property and from intergovernmental reimbursement grants is recorded as earned. Other revenues are considered available to be used to pay liabilities of the current period if they are collectible within the current period or within 60 days thereafter. The primary revenues susceptible to accrual include property, business license, and other local taxes and intergovernmental revenues. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. Expenditures are recorded when the related fund liability is incurred, except that principal and interest on general long-term debt and certain other general long-term obligations, such as compensated absences and landfill closure and post-closure care costs, are recognized only to the extent they have matured. General capital asset acquisitions are reported as capital outlays in governmental funds. The issuance of general long-term debt and acquisitions under capital leases are reported as other financing sources. The effect of interfund activity has not been eliminated from the governmental fund financial statements.

D. Assets, Liabilities, Deferred Outflows/Inflows, and Net Position/Fund Balance

Pooled cash and investments - The County maintains cash and temporary investments for its funds in a pooled account, except for certain cash and investments required to be maintained with fiscal agents or in separate pools or accounts in order to comply with the provisions of bond indentures. State statutes authorize the government and its component units to invest in (1) obligations of the United States and its agencies, (2) general obligations of South Carolina and its political subdivisions, (3) financial institutions, if their deposits are insured by an agency of the federal government, and (4) certificates of deposit which are collaterally secured by securities of the type described at (1) and (2) above which are held by a third party. Investments consisting of repurchase agreements and mortgage-backed securities are stated at fair value. No investments are stated at amortized cost.

Cash and cash equivalents - The government'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. For purposes of the statements of cash flows, the amounts reported as cash and cash equivalents for the proprietary fund types represent amounts maintained in the reporting entity's investment pool, as they are considered to be demand deposits for the purpose of complying with accounting principles.

Investments - Investments in all funds are stated at fair value.

Receivables - All trade and property tax receivables are shown net of an allowance for uncollectible accounts. The loan receivable is a loan for economic development. The loan is offset in the governmental fund financial statements by a deferred inflow captioned "unavailable revenue". Revenue is recognized in the governmental fund as cash is received.

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

D. Assets, Liabilities, Deferred Outflows/Inflows, and Net Position/Fund Balance, Continued

Property Tax Calendar - Property is valued for taxation at December 31 of the prior fiscal year with the tax bills due between September 30 and January 15 of the current fiscal year. Unpaid taxes are assessed a 3% penalty during the period January 16 to February 1, an additional 7% penalty is assessed February 2 to March 16 and a further 5% penalty is assessed for tax bills unpaid after March 16.

South Carolina law attaches a lien on the property at the December 31 valuation date. The County Treasurer transfers the delinquent tax accounts to the delinquent tax collector after March 17 for collection efforts as prescribed by state law.

Motor vehicle taxes are billed annually to coincide with the vehicles registration month and are due by the last day of that month. Property taxes billed but not collected as of June 30 are reflected in the Governmental Fund balance sheet as taxes receivable and unavailable revenue.

Inventories and Prepaid Items - Inventories are valued at cost using the average cost method. The consumption method of accounting for inventories is used. Under this method, inventories are expensed as they are consumed as operating supplies and spare parts in the period to which they apply. Inventories in the general fund consist of fuel, medical and office supplies. Payments to vendors that reflect costs applicable to future periods are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items consist primarily of insurance coverage paid in advance.

Restricted Assets - Restricted assets are liquid assets which have third-party limitations on their use. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Real Estate Held for Resale - Real estate held for resale consists of purchased properties, including both developed and undeveloped land, and buildings, intended to generate economic development in the County, and is recorded at the lower of cost or its net realizable value.

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges and similar items), are reported in the governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for the proprietary funds. The amounts reported include infrastructure acquired prior to the County implementing GASB Statement No. 34. Capital assets are defined by the County as property with a unit or system cost in excess of \$2,500 and an estimated useful life in excess of three years.

Such assets are recorded at historical cost if purchased or constructed. Donated capital assets received prior to June 15, 2015 are recorded at estimated fair market value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. The cost 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 the projects are constructed.

All reported capital assets are depreciated if applicable. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Infrastructure	25 to 30 years
Buildings and improvements	15 to 30 years
Furniture vehicles and equipment	3 to 10 years

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

D. Assets, Liabilities, Deferred Outflows/Inflows, and Net Position/Fund Balance, Continued

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 issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether withheld from the actual debt proceeds received, or paid outside of debt closing, are reported as debt issuance expenditures.

The County's debt instruments are subject to a number of limitations and restrictions. The County is in compliance with all significant limitations and restrictions.

Capitalized Interest - Interest incurred during the construction phase of proprietary fund capital assets is reflected in the capitalized value of those assets being constructed. Interest is not capitalized on assets acquired by gifts and grants that are restricted by the donor or grantor to the acquisition of those assets. The County does not capitalize interest on capital assets used in governmental activities.

Interfund Receivables and Payables - Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts as "due to/from" funds.

Compensated Absences - County employees may accumulate up to 240 hours of unused vacation and carry it forward from one year to the next. Employees separating from service are paid their regular pay rate for accrued and unused leave. Employees may accumulate sick leave but the County does not pay employees separating from service for unused sick leave. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability is reported in governmental funds only when they mature because an employee resigns or retires.

Deferred Outflows/Inflows of Resources and Unearned Revenue

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County may have four items that qualify for reporting in this category, as follows:

1. Pension contributions made subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the subsequent year.
2. The net difference between the projected and actual earnings on pension plan investments which is deferred and amortized over a closed five-year period.
3. The differences between expected and actual experience which is amortized into pension expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants.
4. The changes in proportion and differences between employer contribution and proportionate share of contributions, which will be deferred and amortized over the remaining service lives of all plan participants.

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

D. Assets, Liabilities, Deferred Outflows/Inflows, and Net Position/Fund Balance, Continued

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County may have the following items that qualify for reporting in this category:

1. The differences between expected and actual experience which is amortized into pension expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants.
2. The changes in proportion and differences between employer contribution and proportionate share of contributions, which will be deferred and amortized over the remaining service lives of all plan participants.

The government also has inflows which arise under modified accrual basis of accounting that qualify for reporting as deferred inflows. The item, unavailable revenue, is reported only in the governmental funds Balance Sheet. As such, under the modified accrual basis of accounting, the governmental funds report unavailable revenues from property taxes and accounts receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position – Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows in the statement of net position. Net position is comprised of three categories: Net investment in capital assets; Restricted net position; and Unrestricted net position. The first category of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, loans and leases that are attributable to these capital assets. Restricted net position consists of net positions with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors or laws and regulation of other governments, or (2) law through constitutional provisions or enabling legislation. Net position which is neither restricted nor related to net investment in capital assets, is reported as unrestricted net position. When the County funds outlays for a particular purpose from both restricted and unrestricted sources, it is the County's policy to use funds restricted for that purpose first, before using unrestricted net position.

Fund Balances

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

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

Committed Fund Balance - The County Council, as the highest level of authority within the County, establishes the commitment of fund balance to purposes through the approval of the annual budget plan by ordinance. As a result, all unrestricted amounts directed toward a purpose are shown as committed.

Assigned Fund Balance - Balances shown as assigned represent balances management has allocated for a specific purpose but which is neither restricted nor committed.

Unassigned Fund Balance – Balances shown as unassigned include amounts that have not been assigned to other funds and have not been restricted, committed or assigned for specific purposes within the fund.

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

D. Assets, Liabilities, Deferred Outflows/Inflows, and Net Position/Fund Balance, Continued

The County considers restricted balances to be expended first in cases where both restricted and unrestricted amounts are available. When utilizing unrestricted balances, committed balances are applied first, followed by assigned then unassigned balances.

Use of Estimates - The financial statements include estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenditures. Actual results could differ from these estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Fund Deficits

At June 30, 2017, the following funds had deficit fund balances:

Special Education Fund	\$	(2,041,773)
Roads and Bridges Fund	\$	(1,820,305)
C Funds Fund	\$	(1,713,851)
Water Utility Fund	\$	(615,896)
Victims' Assistance Fund	\$	(427,597)
Carolina Transit Program	\$	(433,698)
New Brooklyn Lighting Tax District Fund	\$	(66,009)
Brookdale Lighting District Fund	\$	(43,607)
HOME Consortium Grant Fund	\$	(8,962)
Empire States Lighting District Fund	\$	(917)
Fox Run Lighting District Fund	\$	(845)

The County is developing plans in its fiscal year 2018 and 2019 budgets to address the deficits in the Special Education, Roads and Bridges (an increase in road maintenance fees), Victims Assistance and Carolina Transit Program Funds. The current year deficit in the C Funds Fund is expected to be resolved by application to the C Funds Transportation Committee for reimbursements expected to be received in fiscal year 2018. The Water Utility Fund customer usage and water loss will be reviewed to identify ways to remediate water loss and resulting accounts receivable write offs. The HOME program deficit is expected to be resolved in fiscal year 2018 through analysis of projects that may not have been fully reimbursed by the program. Property tax rate increases in the Brookdale, New Brooklyn, Empire States and Fox Run Lighting Tax Districts have been proposed for the 2018 and 2019 fiscal years during the budgeting process.

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash and Investments

Custodial Credit Risk - Cash Deposits - At June 30, 2017, the carrying amount of the County's deposits was \$33,465,518 and the respective bank balances totaled \$33,277,690. Of the total bank balances, \$3,540,405 was insured through the Federal Depository Insurance Corporation (FDIC), \$26,815,845 was collateralized with securities held by the financial institutions in the County's name and \$2,921,440 was uncollateralized.

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

A. Cash and Investments

Investments - State law limits local government investments to (1) obligations of the United States and agencies thereof; (2) general obligations of the State of South Carolina or any of its political units; (3) savings and loan association deposits to the extent insured by the FDIC; (4) certificates of deposit and repurchase agreements collateralized by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, at a market value not less than the amount of certificates of deposit and repurchase agreements so secured, including interest; and (5) no load open and closed-end portfolios of certain investment companies with issues of the US Government. The County has no investment policy that would further limit its investment choices.

The County's investments totaling \$10,836,276 at June 30, 2017 are invested in government obligation mutual funds. These investments are carried at fair value. The change in fair value is recognized as an increase or decrease to investment assets and investment income. Fair value for all investments is determined on a recurring basis based on quoted market prices.

Credit Risk and Interest Rate Risk - The County has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuating interest rates or from credit risk arising from concentration of investments in a limited number of investment vehicles.

A reconciliation of cash and cash equivalents as shown on the government-wide statement of net position and the statement of fiduciary net assets is as follows:

Primary Government			
Unrestricted:	Cash and cash equivalents	\$	1,119
	Pooled cash		4,380,102
Restricted:	Cash and cash equivalents		72,689
	Pooled cash		14,270,384
Trust and Agency Funds:	Cash and cash equivalents		5,279,959
	Pooled cash		9,461,265
Carrying value of deposits		\$	<u>33,465,518</u>

As of June 30, 2017, the County had the following investments:

Investment Type	Rating	Fair Value	Investment Maturities (in years)	
			Less than 1	Greater than 1
Government obligation mutual funds	Aaa-mf	\$ 10,836,276	\$ 10,836,276	\$ -
Total investments		\$ 10,836,276	\$ 10,836,276	\$ -

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

B. Receivables

Receivables as of year-end for the County's governmental funds, including the applicable allowances for uncollectible accounts are as follows:

	General Fund	Capital Project Tax III	Special Education Fund	C Funds Fund	Nonmajor Governmental Funds	Total Governmental Funds
Taxes						
Property taxes	\$ 3,327,620	\$ -	\$ 307,096	\$ -	\$ 1,122,104	\$ 4,756,820
Allowance for uncollectible taxes	(994,752)	-	(91,803)	-	(335,444)	(1,421,999)
Net property taxes receivable	<u>\$ 2,332,868</u>	<u>\$ -</u>	<u>\$ 215,293</u>	<u>\$ -</u>	<u>\$ 786,660</u>	<u>\$ 3,334,821</u>
Intergovernmental receivables	<u>\$ 948,507</u>	<u>\$ 2,769,374</u>	<u>\$ 4,012</u>	<u>\$ 1,092,129</u>	<u>\$ 1,147,056</u>	<u>\$ 5,961,078</u>
Accounts						
EMS fees	\$ 19,088,630	\$ -	\$ -	\$ -	\$ -	\$ 19,088,630
Allowance for uncollectible EMS fees	(18,349,854)	-	-	-	-	(18,349,854)
Other receivables	1,149,773	-	-	-	164,351	1,314,124
Allowance for uncollectible receivables	(851,961)	-	-	-	-	(851,961)
Net accounts receivable	<u>\$ 1,036,588</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,351</u>	<u>\$ 1,200,939</u>
Rents receivable	<u>\$ 23,275</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,275</u>
Other receivables	<u>\$ 16,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,454</u>	<u>\$ 184,816</u>

Receivables as of year-end for the County's business-type activities are as follow:

	Broadband Program	Sewer Utility Fund	Water Utility Fund	Business-type Funds
Intergovernmental grants receivable	<u>\$ 776,624</u>	<u>\$ 544,878</u>	<u>\$ -</u>	<u>\$ 1,321,502</u>
Customer accounts receivable	<u>\$ 49,857</u>	<u>\$ 35,318</u>	<u>\$ 53,405</u>	<u>\$ 138,580</u>

The Broadband Program grant receivable results from reimbursements due from the grantor agency related to the development of the broadband system.

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

C. Capital Assets

Capital asset activity for the primary government for the year ended June 30, 2017 is as follows:

Primary Government Governmental Activities	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated					
Land	\$ 4,402,381	\$ 52,408	\$ (20,900)	\$ -	\$ 4,433,889
Construction in progress	4,592,993	4,256,971	-	(4,204,828)	4,645,136
Total capital assets not being depreciated	8,995,374	4,309,379	(20,900)	(4,204,828)	9,079,025
Capital assets being depreciated					
Infrastructure	61,078,903	493,086	-	3,422,083	64,994,072
Buildings and improvements	81,554,060	3,383,206	(154,000)	785,545	85,568,811
Furniture, vehicles and equipment	51,248,908	11,368,149	(10,245,052)	(2,800)	52,369,205
Total capital assets being depreciated	193,881,871	15,244,441	(10,399,052)	4,204,828	202,932,088
Less: accumulated depreciation					
Infrastructure	(18,584,902)	(2,274,495)	-	-	(20,859,397)
Buildings and improvements	(40,182,427)	(2,523,369)	154,000	-	(42,551,796)
Furniture, vehicles and equipment	(40,954,439)	(3,180,337)	8,161,176	-	(35,973,600)
Total accumulated depreciation	(99,721,768)	(7,978,201)	8,315,176	-	(99,384,793)
Total capital assets being depreciated - net	94,160,103	7,266,240	(2,083,876)	4,204,828	103,547,295
Governmental activity capital assets - net	\$ 103,155,477	\$ 11,575,619	\$ (2,104,776)	\$ -	\$ 112,626,320

Depreciation expense was charged to governmental functions/programs as follows:

Governmental activities:	
General government	\$ 630,664
Judicial	267,053
Public works	3,439,002
Public safety	2,832,352
Social and health	809,130
Total depreciation expense - governmental activities	\$ 7,978,201

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

C. Capital Assets, Continued

Primary Government Business-type activities	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated					
Land	\$ 1,637,321	\$ -	\$ -	\$ -	\$ 1,637,321
Easements	69,364	-	-	-	69,364
Construction in progress	9,831,636	196,050	(12,373)	(9,699,152)	316,161
Total capital assets not being depreciated	11,538,321	196,050	(12,373)	(9,699,152)	2,022,846
Capital assets being depreciated					
Infrastructure	38,847,067	32,860	(19,005)	9,699,152	48,560,074
Furniture, vehicles and equipment	12,899	59,859	-	-	72,758
Total capital assets being depreciated	38,859,966	92,719	(19,005)	9,699,152	48,632,832
Less: accumulated depreciation					
Infrastructure	(4,000,853)	(1,460,746)	-	-	(5,461,599)
Furniture, vehicles and equipment	(7,320)	(1,579)	-	-	(8,899)
Total accumulated depreciation	(4,008,173)	(1,462,325)	-	-	(5,470,498)
Total capital assets being depreciated - net	34,851,793	(1,369,606)	(19,005)	9,699,152	43,162,334
Business-type activity capital assets - net	\$ 46,390,114	\$ (1,173,556)	\$ (31,378)	\$ -	\$ 45,185,180

Capitalized interest totaling \$185,735 was added to construction in progress in the business-type activities for the year ended June 30, 2017.

Component unit capital assets include buildings and equipment used in the operation of the OCDC with a cost of \$917,832 and accumulated depreciation of \$506,640. The Library's books and audio-visual materials are capitalized with a cost of \$1,928,014 and accumulated depreciation of \$1,488,857. Additionally, Library capital assets with cost of \$1,665,717 and accumulated depreciation of \$1,088,321 are carried in the County's capital assets and are included in the above presentation of governmental activities capital assets.

D. Short Term Obligation

The County issued a \$5,000,000 general obligation bond anticipation note for the purpose of providing resources for various capital projects, including commencement of planning and design of the new detention center, renovations of the County Courthouse, upgrades to County network and telephone systems, new property tax billing software and implementation of new law enforcement computer software. The bond anticipation note is presented in the Detention Center / County Capital Projects fund. Repayment of the \$5,000,000 bond anticipation note came from the proceeds of the \$7,000,000 bond anticipation note that is described and presented in long term obligations in Note III. E.

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

D. Short Term Obligation

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government					
Governmental Activities					
Bond Anticipation Note					
\$5,000,000 Bond Anticipation Note 2016	\$ -	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -
	<u>\$ -</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ -</u>	<u>\$ -</u>

E. Long Term Obligations

Governmental Activities

General Obligation Bonds

The County has issued general obligation bonds to provide for construction and purchase of capital assets used in carrying out its governmental activities. General obligation bonds have been issued only for governmental activities. General obligation bonds are direct obligations of the County, and the full faith and credit of the County are pledged as security. Article X, Section 14 of the Constitution of the State of South Carolina, 1895, permits the counties to issue general obligation indebtedness in an amount not exceeding eight percent of the assessed value of taxable property of such county.

General obligation bonds are liquidated by the debt service funds. General obligation bonds outstanding as of year-end are as follows:

General Obligation Bonds Series 2008 – issued June 2008 in the amount of \$9,715,000. Bonds are payable in annual principal and semiannual interest installments ranging from \$1,050,000 to \$1,145,000 including interest from 3.75% to 5.00%, maturing February 2019. The proceeds of the bond were used to purchase vehicles and equipment, acquire land for a new industrial park and expand an existing industrial park, and defray the cost of extensions and improvements to a water treatment system in the eastern part of the County.

General Obligation Bonds Series 2013 – issued February 2013 in the amount of \$2,200,000. Bonds are payable in annual installments of \$114,070 including interest at 3.125%, maturing February 2042. The proceeds of the bonds were used for renovations of County owned buildings.

General Obligation Refunding Bond Series 2014 – issued June 2014 in the amount of \$4,980,000. Bonds are payable in annual principal payments ranging from \$115,000 to \$651,000 and semi-annual interest installments at 2.36%, maturing April 2023. Bond proceeds of \$4,879,144 were used to refund the General Obligation Bonds Series 2003A including accrued interest of \$54,144.

Bond Anticipation Note

The County has issued a \$7,000,000 general obligation bond anticipation note for the purpose of providing resources to pay off an existing \$5,000,000 bond anticipation note, described in short term obligations above, and for various capital projects, including commencement of planning and design of the new detention center, renovations of the County Courthouse, upgrades to County network and telephone systems, new property tax billing software and implementation of new law enforcement computer software. The bond anticipation note issued is presented in the Detention Center / County Capital Projects fund. Repayment of the bond anticipation note was made subsequent to year end from proceeds of an installment purchase revenue bond. See Note IV. J.

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

E. Long Term Obligations, Continued

Revenue Bonds

Capital Project Sales and Use Tax Revenue Bond Series 2014 – issued November 2014 in the amount of \$33,575,000. The bonds are payable in annual principal installments of \$6,405,000 to \$6,765,000 and a final payment of \$595,000, with semi-annual interest at 5.0%, maturing October 2019, collateralized by assignment of capital project sales and use tax collections. The proceeds of the bonds were used to fund various capital projects within the County. The bonds are being repaid by the Capital Project Sales Tax III fund.

Other Loans, Notes Payable and Capital Leases

Loan payable to the Lower Savannah Regional Development Corporation in monthly installments of \$4,234 including interest at 2.5%, maturing October 2022. The loan is being repaid by the Debt Service Fund.

Note payable to the City of Orangeburg Department of Public Utilities (DPU) – issued July 2011. The County entered into an agreement in which the DPU loaned the County up to \$1,600,000 at zero interest to use for economic development. The loan is payable from the proceeds of a fee-in-lieu agreement whereby the County pays to the DPU one half of the fee-in-lieu revenue received annually from the economic development project until the loan is paid in full. The fee-in-lieu revenue began during fiscal year 2015 and the first payment to DPU in the amount of \$124,976 was made during the fiscal year. It is currently projected that the note will be fully amortized by fiscal year 2027. The loan is being repaid by the General Fund.

Note payable to the South Carolina Public Service Authority – issued May 2015 in the amount of \$4,000,000, secured by a mortgage on real estate to be developed as a speculative building for economic development purposes. The note bears no interest and was originally due and payable twenty-four months from the issue date, but was extended to coincide with the sale of the speculative building, which occurred subsequent to year end, on October 12, 2017. Proceeds from the sale of the speculative building in the John Matthews Industrial Park capital projects fund will be used to repay the note.

Note payable to the Central South Carolina Alliance – issued April 2015 in the amount of \$100,000, with the proceeds used for development of a speculative building for economic development purposes. The note is due and payable upon the sale, lease or donation of the speculative building and bears no interest. It is currently projected that the note will be repaid by fiscal year 2018. Proceeds from the sale of the speculative building the John Matthews Industrial Park, which occurred subsequent to year end, on October 12, 2017, will be used to repay the note.

Note payable to the South Carolina Public Service Authority – issued September 2015 in the amount of \$4,000,000, payable over a ten-year term with principal payments ranging from \$365,000 to \$420,000, bearing interest for the initial five-year term at 2.0%, and thereafter at the then current rate of interest on 10-year U.S. Treasury Notes. The note is secured by a mortgage on real estate to be developed as a speculative building for economic development purposes. Repayment is expected to be from the current revenue streams from the County's operating funds.

Various capital leases for the acquisition of equipment used in governmental activities as follows:

Motorola capital lease with monthly payments of \$32,069, through August 2017. Repayment is from the E911 Surcharge special revenue fund.

Motorola 2012 capital lease with monthly payments of \$15,675, through June 2022. Repayment is from the E911 Surcharge special revenue fund.

Caterpillar 2015 capital lease with quarterly payments of \$43,138, through March 2020, with a balloon payment of \$498,818. Repayment is from the Roads and Bridges and Solid Waste special revenue funds.

Caterpillar 2016 capital lease with quarterly payments of \$266,900 through December 2021, with a balloon payment of \$2,600,746. Repayment is from the Roads and Bridges and Solid Waste special revenue funds.

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

E. Long Term Obligations, Continued

Caterpillar 2017 capital lease with quarterly payments of \$64,894, through March 2022, with a balloon payment of \$420,174. Repayment is from the Roads and Bridges and Solid Waste special revenue funds.

PNC capital lease with semi-annual payments of approximately \$365,000 through December 2018. Repayment is from the Debt Service fund.

Carolina Alliance Bank capital lease with five annual principal payments ranging from \$178,000 to \$197,000 through June 2021. Repayment is from the Debt Service fund.

Enterprise Funds

Revenue Bonds

The County is obligated for revenue bonds, proceeds of which were used to finance construction and expansion of the County's water and sewer systems. These bonds are secured by liens on and pledges of water and sewer revenue net of system operating and maintenance costs. The revenue bonds are liquidated by the Enterprise Funds. Water and sewer system revenue bonds outstanding at fiscal year end are as follows:

Revenue bond payable to the U. S. Department of Agriculture Rural Development Series 2002 – issued November 2002 in the amount of \$329,300. The bond is payable in monthly installments of \$1,496 including interest at 4.5%, maturing 2042. The proceeds of the bond were used in the construction and expansion of the sewer system.

Revenue bond payable to the U. S. Department of Agriculture Rural Development Series 2013A – issued December 2013 in the amount of \$2,088,000. The bond is payable in monthly installments of \$7,100 including interest at 2.5%, maturing 2053. The proceeds of the bond were used in the construction and expansion of the sewer system.

Revenue bond payable to the U. S. Department of Agriculture Rural Development Series 2013B – issued December 2013 in the amount of \$6,741,000. The bond is payable in monthly installments of \$23,864 including interest at 2.75%, maturing 2053. The proceeds of the bond were used in the construction and expansion of the sewer system.

Revenue bond payable to the U. S. Department of Agriculture Rural Development Series 2015A – issued June 2015 in the amount of \$2,830,000. The bond is payable with interest only payments prior to the start of monthly installments of principal and interest of \$9,051 including interest at 2.125%, beginning July 2017, and maturing 2055. The proceeds of the bond were used in the construction and expansion of the water system.

Revenue bond payable to the U. S. Department of Agriculture Rural Development Series 2016A – issued March 2016 in the amount of \$820,000. The bond is payable with 24 interest only payments prior to the start of monthly installments of principal and interest of \$2,516 including interest at 1.875%, beginning April 2018, and maturing 2056. The proceeds of the bond were used in the construction and expansion of the water system in the Town of Vance.

Note Payable

Note payable – South Carolina Public Service Authority \$4,000,000 to fund a sewer system under construction. The County has drawn \$1,563,689 through June 30, 2017. The draws accrue interest at the U.S. Treasury ten year rate each January 1, approximately 1.50% at June 30, 2017. Repayment of accrued interest and principal is deferred until six months after the County receives the state permit to operate the sewer system and will be over a ten-year period. It is currently projected that the note will be fully amortized by fiscal year 2021. The note will be repaid by the Sewer Enterprise Fund.

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

E. Long Term Obligations, Continued

A summary of changes in long term obligations (other than other post-employment benefits) for the year ended June 30, 2017 for both the County's governmental activities and business-type activities is as follows:

	Beginning			Ending	Due Within
	Balance	Additions	Reductions	Balance	One Year
Primary Government					
Governmental Activities					
General Obligation Bonds Payable					
\$9,715,000 General Obligation Bonds-Series 2008	\$ 2,240,000	\$ -	\$ (1,095,000)	\$ 1,145,000	\$ 1,145,000
\$2,200,000 General Obligation Bonds-Series 2013	2,005,413	-	(55,522)	1,949,891	53,007
\$4,980,000 General Obligation Bonds-Series 2014	4,299,000	-	(580,000)	3,719,000	592,000
\$7,000,000 Bond Anticipation Note-Series 2017	-	7,000,000	-	7,000,000	-
Total General Obligation Bonds	<u>8,544,413</u>	<u>7,000,000</u>	<u>(1,730,522)</u>	<u>13,813,891</u>	<u>1,790,007</u>
Revenue Bonds					
Series 2014 Capital Project Sales and					
Use Tax Revenue Bond	20,530,000	-	(6,525,000)	14,005,000	6,645,000
Total Revenue Bonds	<u>20,530,000</u>	<u>-</u>	<u>(6,525,000)</u>	<u>14,005,000</u>	<u>6,645,000</u>
Loans and Notes Payable					
Lower Savannah Regional					
Development Corporation	300,421	-	(43,883)	256,538	44,397
Orangeburg Department of Public Utilities	1,286,735	-	(124,976)	1,161,759	125,000
South Carolina Public Service Authority	4,000,000	-	-	4,000,000	4,000,000
Central South Carolina Alliance	100,000	-	-	100,000	100,000
South Carolina Public Service Authority	4,000,000	-	(365,306)	3,634,694	372,612
Total Loans Payable	<u>9,687,156</u>	<u>-</u>	<u>(534,165)</u>	<u>9,152,991</u>	<u>4,642,009</u>
Capital Leases					
Motorola	462,311	-	(371,076)	91,235	91,235
Motorola 2012	1,022,115	-	(156,706)	865,409	161,956
Caterpillar 2011	2,138,075	-	(2,138,075)	-	-
Caterpillar 2012	358,532	-	(358,532)	-	-
Caterpillar 2015	1,021,282	-	(144,987)	876,295	149,164
Caterpillar 2016	-	6,951,545	(431,142)	6,520,403	882,460
Caterpillar 2017	-	1,507,475	(53,625)	1,453,850	218,540
PNC Lease	1,785,000	-	(706,000)	1,079,000	717,000
Carolina Alliance Bank	938,000	-	(178,000)	760,000	183,000
Total Capital Leases Payable	<u>7,725,315</u>	<u>8,459,020</u>	<u>(4,538,143)</u>	<u>11,646,192</u>	<u>2,403,355</u>
Landfill Closure and Post-Closure Costs	235,776	16,532	(17,700)	234,608	17,700
Compensated Absences	1,845,304	1,216,548	(1,212,380)	1,849,472	1,215,120
	<u>\$ 48,567,964</u>	<u>\$ 16,692,100</u>	<u>\$ (14,557,910)</u>	<u>\$ 50,702,154</u>	<u>\$ 16,713,191</u>

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

E. Long Term Obligations, Continued

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government					
Business-type Activities					
Revenue Bonds					
\$329,300 Revenue Bond-Series 2002	\$ 273,669	\$ -	\$ (5,754)	\$ 267,915	\$ 5,995
\$2,088,000 Sewer System Improvement Revenue Bonds-Series 2013A	2,069,828	-	(33,838)	2,035,990	34,461
\$6,741,000 Sewer System Improvement Revenue Bonds-Series 2013B	6,649,519	-	(104,815)	6,544,704	107,458
\$2,830,000 Sewer System Improvement Revenue Bonds-Series 2015A	2,830,000	-	-	2,830,000	48,946
\$820,000 Water System Improvement Revenue Bonds-Series 2016A	820,000	-	-	820,000	3,709
Total Revenue Bonds	12,643,016	-	(144,407)	12,498,609	200,569
Note Payable					
South Carolina Public Service Authority	1,563,689	-	-	1,563,689	-
Total Revenue Bonds and Note Payable	14,206,705	-	(144,407)	14,062,298	200,569
Compensated absences	-	46,937	(8,550)	38,387	8,550
	\$ 14,206,705	\$ 46,937	\$ (152,957)	\$ 14,100,685	\$ 209,119

Following is a summary of debt service requirements to maturity by year for the governmental and business-type activities:

Governmental Activities Year ended June 30,	General Obligation Bonds			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 1,790,007	\$ 401,008	\$ 2,191,015	\$ 6,645,000	\$ 210,656	\$ 6,855,656
2019	655,792	423,838	1,079,630	6,765,000	88,229	6,853,229
2020	820,505	404,986	1,225,491	595,000	4,072	599,072
2021	883,270	381,828	1,265,098	-	-	-
2022	1,096,091	353,009	1,449,100	-	-	-
2023 - 2027	7,230,826	980,576	8,211,402	-	-	-
2028 - 2032	384,684	185,666	570,350	-	-	-
2033 - 2037	448,668	121,682	570,350	-	-	-
2038 - 2042	504,048	46,456	550,504	-	-	-
	\$ 13,813,891	\$ 3,299,049	\$ 17,112,940	\$ 14,005,000	\$ 302,957	\$ 14,307,957
Loans and Notes						
	Principal	Interest	Total			
2018	\$ 4,642,009	\$ 79,107	\$ 4,721,116			
2019	550,572	70,546	621,118			
2020	559,311	61,806	621,117			
2021	568,230	52,887	621,117			
2022	593,792	43,783	637,575			
2023 - 2027	2,239,077	84,536	2,323,613			
	\$ 9,152,991	\$ 392,665	\$ 9,545,656			

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

E. Long Term Obligations, Continued

Business-type Activities Year ended June 30,	Revenue Bonds			Note		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 200,569	\$ 301,743	\$ 502,312	\$ -	\$ 23,455	\$ 23,455
2019	217,061	297,128	514,189	-	23,455	23,455
2020	222,676	291,820	514,496	-	23,455	23,455
2021	228,440	286,369	514,809	1,563,689	23,456	1,587,145
2022	234,358	280,769	515,127	-	-	-
2023 - 2027	1,266,261	1,314,362	2,580,623	-	-	-
2028 - 2032	1,439,939	1,149,604	2,589,543	-	-	-
2033 - 2037	1,638,354	960,991	2,599,345	-	-	-
2038 - 2042	1,862,477	744,915	2,607,392	-	-	-
2043 - 2047	2,023,774	508,436	2,532,210	-	-	-
2048 - 2052	2,295,684	249,548	2,545,232	-	-	-
2053 - 2056	869,016	25,403	894,419	-	-	-
	<u>\$ 12,498,609</u>	<u>\$ 6,411,088</u>	<u>\$ 18,909,697</u>	<u>\$ 1,563,689</u>	<u>\$ 93,821</u>	<u>\$ 1,657,510</u>

Capital Leases. The County has entered into lease agreements as lessee to finance acquisition of equipment and vehicles used in governmental activities. Capital leases are liquidated by the General Fund, Roads and Bridges Fund and the Solid Waste Fund. The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2017 are:

Fiscal year ending June 30,	Primary Government Governmental Activities
	Total
2018	\$ 2,714,209
2019	2,253,342
2020	2,301,053
2021	1,716,733
2022	3,605,699
Total minimum payments	12,591,036
Less: interest	(944,844)
Net minimum payments	<u>\$ 11,646,192</u>

The balance of capital assets, net of accumulated depreciation, under these capital lease agreements as of June 30, 2017, are:

Equipment and vehicles	\$ 16,428,526
Less: accumulated depreciation	(6,473,550)
Net capital assets under capital lease	<u>\$ 9,954,976</u>

Current year depreciation of assets acquired under capital leases totaled \$1,260,997 and has been included in depreciation expense.

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

E. Long Term Obligations, Continued

Landfill Closure and Post-closure Costs. State and federal laws and regulations require the County to place a final cover on its landfill sites when it stops accepting waste, and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. In accordance with state and federal law, the County closed its Class III solid waste landfill in fiscal year 1995. The County paid to cover the landfill in fiscal year 1996. The estimated total liability for post-closure care costs equaled \$453,000 which is being amortized over 30 years. The remaining unamortized balance is \$118,200.

The County also operates a Class II landfill, which based upon recent expansion, has an estimated remaining life of 71 years. The filled capacity at June 30, 2017 is estimated to be 23.7%. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the County reports a portion of estimated closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each fiscal year end. The County estimates the total costs for closure and post-closure monitoring for the Class II landfill to be \$492,000. At June 30, 2017, the costs to be recognized as a liability based on estimates of filled capacity is \$116,408.

The County has not accumulated funds to meet this additional closure and post-closure care liability. The \$234,608 reported as the accrual for landfill closure and post-closure costs at June 30, 2017 is calculated as follows:

	Estimated Liability Recognized		
	Class III	Class II	Total
Accrued liabilities at June 30, 2016	\$ 135,900	\$ 99,876	\$ 235,776
Current year changes	(17,700)	16,532	(1,168)
Estimated liability	118,200	116,408	234,608
Less: current portion	17,700	-	17,700
Accrued liabilities at June 30, 2017	\$ 100,500	\$ 116,408	\$ 216,908

The County's landfill closure and post-closure liability represents what it would cost to perform all closure and post-closure care at June 30, 2017 and are based on engineering estimates subject to change due to inflation, deflation, technology, and/or applicable laws and regulations. Federal and state statutes and regulations require that all permitted landfills have a financial assurance mechanism in place to ensure that funds are available for clean-up of the facility at the time of closure to cover any post-closure care that may be required. The County does not qualify for the financial or alternative means tests to satisfy federal and state financial assurance requirements. The County has adopted a pay-as-you-go policy, anticipating that future available resources will be the primary source of funds to pay the cost of closure and post-closure care.

Component units

Long-term obligations include accrued leave due to employees of the County Library and OCDC.

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

F. Operating Leases

The County leases copiers and other equipment under non-cancelable operating leases. Some of the copier leases include payment terms based on copy volume rather than minimum lease payments. Future minimum lease payments under the terms of these leases are as follows:

Year ending June 30,		
2018		\$ 15,113
2019		15,113
2020		<u>13,854</u>
	Total	<u>\$ 44,080</u>

Lease expense during the fiscal year was \$135,901, which included payments on leases that are both cancelable and non-cancelable.

G. Interfund Receivables and Payables

Interfund balances arise because the County utilizes a cash pool to maximize potential interest earnings. Interfund balances at June 30, 2017 were:

	Receivable	Payable
Governmental Funds:		
General Fund	\$ 3,592,324	\$ 20,916
Capital Project Tax II Fund	9,764,044	-
Capital Project Tax III Fund	1,244,092	-
John Matthews Industrial Park	-	114,234
Roads and Bridges	-	1,652,257
Special Education Fund	3	2,442,923
C Funds	-	1,713,851
Other Nonmajor Governmental Funds	<u>3,924,359</u>	<u>2,086,833</u>
Total Governmental Funds	<u>18,524,822</u>	<u>8,031,014</u>
Enterprise Funds:		
Broadband Fund	-	1,224,183
Sewer Fund	-	7,077,262
Water Fund	<u>775</u>	<u>2,193,138</u>
Total Enterprise Funds	<u>775</u>	<u>10,494,583</u>
Total	<u>\$ 18,525,597</u>	<u>\$ 18,525,597</u>

H. Transfers In and Out

During the course of normal operations, the County makes numerous transactions between funds. Transfers of resources from a fund receiving revenue to a fund through which the resources are expended are recorded as transfers and are reported as other financing sources (uses) in the governmental funds and as nonoperating revenues (expenses) in proprietary funds. Transfers into the general fund were primarily to recover overhead and related costs. Transfers from the state accommodations tax fund were made to the general fund to support tourism promotion.

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

H. Transfers In and Out, Continued

Transfers between funds for the year ended June 30, 2017, consisted of the following:

	Transfers in	Transfers out
Governmental Funds:		
General Fund	\$ 544,783	\$ 4,348,370
Capital Project Tax II Fund	-	260,572
Capital Project Tax III Fund	377,307	385,866
Roads and Bridges Fund	174,054	-
Special Education Fund	71,510	-
Nonmajor Governmental Funds	4,597,527	781,510
Total Governmental Funds	<u>5,765,181</u>	<u>5,776,318</u>
Enterprise Funds:		
Sewer Fund	11,887	57,000
Water Fund	56,250	-
Total Enterprise Funds	<u>68,137</u>	<u>57,000</u>
Total	<u>\$ 5,833,318</u>	<u>\$ 5,833,318</u>

I. Fund Balance/Net Position

The following table details the components of nonspendable, restricted, committed and assigned fund balances:

	General Fund	Capital Project Tax II	Project Tax III	John Matthews Industrial Park Fund	Roads and Bridges Fund	Special Education Fund	C Funds	Non-major Governmental Funds	Total Governmental Funds
Nonspendable									
Inventories	\$ 78,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,971
Prepaid items	18,000	-	-	-	-	-	-	-	18,000
Total nonspendable	<u>96,971</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,971</u>
Restricted for:									
Grant programs	-	-	-	-	-	-	-	965,167	965,167
Public safety	-	-	-	-	-	-	-	3,822,336	3,822,336
Public works	-	-	-	-	-	-	-	1,892,877	1,892,877
Capital projects	-	11,681,416	15,935,829	-	-	-	-	3,315,350	30,932,595
Economic development	-	-	-	11,699,874	-	-	-	7,503,494	19,203,368
Debt service	-	-	-	-	-	-	-	1,361,778	1,361,778
Total restricted	<u>-</u>	<u>11,681,416</u>	<u>15,935,829</u>	<u>11,699,874</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,861,002</u>	<u>58,178,121</u>
Committed for:									
Public safety	-	-	-	-	-	-	-	187,364	187,364
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,364</u>	<u>187,364</u>
Assigned for:									
Solid waste	-	-	-	-	-	-	-	2,924,893	2,924,893
Total assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,924,893</u>	<u>2,924,893</u>
Unassigned	5,093,692	-	-	-	(1,820,305)	(2,041,773)	(1,713,851)	(981,635)	(1,463,872)
Total fund balance	<u>\$ 5,190,663</u>	<u>\$ 11,681,416</u>	<u>\$ 15,935,829</u>	<u>\$ 11,699,874</u>	<u>\$(1,820,305)</u>	<u>\$(2,041,773)</u>	<u>\$(1,713,851)</u>	<u>\$ 20,991,624</u>	<u>\$ 59,923,477</u>

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

I. Fund Balance/Net Position, Continued

The County's Net Position for its government-wide activities is follows:

	<u>Governmental</u>	<u>Business-type</u>
Net investment in capital assets		
Net capital assets	\$ 112,626,320	\$ 45,185,180
Less: Bonds payable, net	(27,818,891)	(12,498,609)
Notes and loans payable	(9,152,991)	(1,563,689)
Capital leases payable	(11,646,192)	-
Add: Unspent bond proceeds	17,881,794	-
Total net investment in capital assets	<u>81,890,040</u>	<u>31,122,882</u>
Restricted for:		
Grant activities	965,167	-
Debt service	1,361,778	-
Public safety activities	3,822,336	-
Public works activities	1,892,877	-
Economic development activities	19,203,368	-
Capital projects activities	30,932,595	-
Less: Unspent bond proceeds	(17,881,794)	-
Total restricted	<u>40,296,327</u>	<u>-</u>
Unrestricted (deficit)	<u>(70,118,540)</u>	<u>(8,483,998)</u>
Total net position	<u>\$ 52,067,827</u>	<u>\$ 22,638,884</u>

IV. OTHER INFORMATION

A. Risk Management

The County is currently a party in a claim under the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) in which the County was one of eight counties using a recycling company to collect electronic waste and recycling material for the purpose of recycling and disposing of such material. The recycling company stored the electronic waste and recycling material in the plaintiff's warehouse before completing the recycling process. The recycling company subsequently filed for bankruptcy and went out of business, leaving the electronic waste and recycling material in the plaintiff's warehouse. The plaintiff's claim sought to have all the counties remove the waste, but all the counties have disclaimed ownership. The plaintiff is seeking \$1.4 million in clean-up costs of its warehouse. If an award is made under the CERCLA claim, it will be joint and several as to all defendants found liable, meaning that each could be held responsible for the entire amount of the verdict. The County has responded aggressively to the litigation, contesting its liability. The case is currently in mediation as of the issuance date of these financial statements.

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and job-related illnesses and accidents. The County carries insurance for these risks of loss. Premiums for workers' compensation are paid to a public entity risk pool. The public entity risk pool promises to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accordance with the insurance policy and benefit program limits. Management believes such coverage is sufficient to preclude any significant uninsured losses for covered risks. There has been no significant reduction in coverage and amounts of settlements have not exceeded coverage in any of the last three years.

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

A. Risk Management

The County is also subject to risks of loss from providing health, life, accident, dental, and other medical benefits to employees, retirees, and their dependents. The County has enrolled substantially all its employees in the State's health insurance plans administered by the South Carolina Budget and Control Board.

B. Pension Plan

Description of the Entity:

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

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

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

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 of South Carolina, its public school districts, and political subdivisions.

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

Membership:

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

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

B. Pension Plan, Continued

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

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

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

B. Pension Plan, Continued

participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

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

Contributions:

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

Contributions, Continued:

Required employee contribution rates are as follow:

	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016</u>
<u>SCRS</u>		
Employee Class Two	8.66%	8.16%
Employee Class Three	8.66%	8.16%
<u>PORS</u>		
Employee Class Two	9.24%	8.74%
Employee Class Three	9.24%	8.74%

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

B. Pension Plan, Continued

Required employer contribution rates are as follow:

	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016</u>
Required <u>employer</u> contribution rates are as follows:		
<u>SCRS</u>		
Employer Class Two	11.41%	10.91%
Employer Class Three	11.41%	10.91%
Employer Incidental Death Benefit	0.15%	0.15%
<u>PORS</u>		
Employer Class Two	13.84%	13.34%
Employer Class Three	13.84%	13.34%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

Contribution rates are calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

The County's contributions to the SCRS and PORS plans were as follows for the year ended June 30, 2017, which equaled the required contributions:

	<u>Required Contributions</u>	<u>Actual Contributions</u>
<u>Primary Government</u>		
SCRS		
Governmental Activities	\$ 1,470,726	\$ 1,470,726
Business Activities	27,091	27,091
Total SCRS for the Primary Government	<u>1,497,817</u>	<u>1,497,817</u>
PORS		
Governmental Activities	1,044,992	1,044,992
Total PORS for the Primary Government	<u>1,044,992</u>	<u>1,044,992</u>
Total Primary Government	<u>\$ 2,542,809</u>	<u>\$ 2,542,809</u>
<u>Component Units</u>		
SCRS		
Library	\$ 92,452	\$ 92,452
OCDC	24,930	24,930
Total SCRS for the Component Units	<u>117,382</u>	<u>117,382</u>
PORS		
Library	6,809	6,809
Total PORS for the Component Units	<u>6,809</u>	<u>6,809</u>
Total Component Units	<u>\$ 124,191</u>	<u>\$ 124,191</u>

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

B. Pension Plan, Continued

Net Pension Liability:

The net pension liability (NPL) is calculated separately for each System and represents that particular System's total pension liability determined in accordance with GASB Statement No. 67 less that System's fiduciary net position. The County reported its proportionate share of NPL for SCRS and PORS at June 30, 2017 as follows.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 75,829,695	\$ 40,118,798	\$ 35,710,896	52.9%
PORS	44,435,300	26,858,873	17,576,426	60.4%

The total pension liability is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 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 Statement Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

B. Pension Plan, Continued

	Fiscal Year Ended June 30,	
	2017	2016
	Measurement Period Ended June 30,	
	2016	2015
Primary Government		
SCRS		
Governmental Activities	\$ 32,568,729	\$ 19,214,646
Business-Type Activities	531,786	210,438
Total SCRS for the Primary Government	\$ 33,100,515	\$ 19,425,084
Primary Government's SCRS Proportionate Share of the NPL	0.152282%	0.102317%
PORS		
Governmental Activities	\$ 17,468,584	\$ 9,565,685
Total PORS for the Primary Government	\$ 17,468,584	\$ 9,565,685
Primary Government's PORS Proportionate Share of the NPL	0.688464%	0.425700%
Component Units		
SCRS		
Library	\$ 1,929,983	\$ 594,229
OCDC	680,398	232,598
Total SCRS for the Component Units	\$ 2,610,381	\$ 826,827
Component Units' SCRS Proportionate Share of the NPL	0.012110%	0.004466%
PORS		
Library	\$ 107,842	\$ 2,740
Total PORS for the Component Units	\$ 107,842	\$ 2,740
Component Unit's PORS Proportionate Share of the NPL	0.004486%	0.013318%
Totals		
SCRS NPL	\$ 35,710,896	\$ 20,251,911
PORS NPL	\$ 17,576,426	\$ 9,568,425
SCRS Proportionate Share of the NPL	0.164392%	0.106783%
PORS Proportionate Share of the NPL	0.692950%	0.439018%

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

B. Pension Plan, Continued

Pension expense and deferred outflows (inflows) of resources:

For the year ended June 30, 2017, the County recognized pension expense for the SCRS and PORS plans of \$1,745,429 and \$1,102,634, respectively.

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

<u>Primary Government</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Governmental Activities		
	SCRS	
Difference between expected and actual experience	\$ 337,181	\$ 35,324
Net difference between projected and actual earnings on pension plan investments	2,736,576	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,740,091	2,615,308
Employer contributions subsequent to the measurement date	1,470,726	-
	<u>\$ 12,284,574</u>	<u>\$ 2,650,632</u>
	PORS	
Difference between expected and actual experience	\$ 259,113	\$ -
Net difference between projected and actual earnings on pension plan investments	1,980,109	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,186,640	1,645,246
Employer contributions subsequent to the measurement date	1,044,992	-
	<u>\$ 7,470,854</u>	<u>\$ 1,645,246</u>
Business-Type Activities		
	SCRS	
Difference between expected and actual experience	\$ 6,189	\$ 648
Net difference between projected and actual earnings on pension plan investments	50,227	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	120,026	48,027
Employer contributions subsequent to the measurement date	27,091	-
	<u>\$ 203,533</u>	<u>\$ 48,675</u>
	<u>\$ 19,958,961</u>	<u>\$ 4,344,553</u>
Component Units		
Library		
	SCRS	
Difference between expected and actual experience	\$ 21,120	\$ 2,213
Net difference between projected and actual earnings on pension plan investments	171,409	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	445,278	154,581
Employer contributions subsequent to the measurement date	92,452	-
	<u>\$ 730,259</u>	<u>\$ 156,794</u>
	PORS	
Difference between expected and actual experience	\$ 1,688	\$ -
Net difference between projected and actual earnings on pension plan investments	12,903	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	27,281	10,721
Employer contributions subsequent to the measurement date	6,809	-
	<u>\$ 48,681</u>	<u>\$ 10,721</u>
OCDC		
	SCRS	
Difference between expected and actual experience	\$ 5,695	\$ 597
Net difference between projected and actual earnings on pension plan investments	46,222	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	173,933	54,877
Employer contributions subsequent to the measurement date	24,930	-
	<u>\$ 250,780</u>	<u>\$ 55,474</u>

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

B. Pension Plan, Continued

Pension Expense and Deferred Outflows (Inflows) of Resources, Continued:

The deferred outflows of resources of \$1,615,199 for SCRS and \$1,051,801 for PORS related to pensions resulting from contributions made subsequent to the measurement date for the SCRS and PORS plans. These deferred outflows of resources will be recognized as a reduction of the net pension liabilities during the year ending June 30, 2017. Other amounts reported as deferred outflows (inflows) of resources will be recognized in pension expense in future years. The following schedule reflects the amortization of the County's proportionate share of the net balance of remaining deferred outflows (inflows) of resources at June 30, 2017. Average remaining service lives of all employees provided with pensions through the pension plans at the June 30, 2016 measurement date was 4.164 years and 4.796 years for SCRS and PORS, respectively.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the SCRS and PORS plans:

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	SCRS	PORS
Primary Government			
Governmental Activities			
2017	2018	\$ 2,022,145	\$ 1,058,072
2018	2019	1,845,898	1,044,938
2019	2020	3,369,470	1,466,174
2020	2021	925,703	1,211,432
Net balance of deferred outflows / (inflows) of resources		<u>\$ 8,163,216</u>	<u>\$ 4,780,616</u>
Business-type Activities			
2017	2018	\$ 37,115	\$ -
2018	2019	33,880	-
2019	2020	40,205	-
2020	2021	16,567	-
Net balance of deferred outflows / (inflows) of resources		<u>\$ 127,767</u>	<u>\$ -</u>
Component Units			
Library			
2017	2018	\$ 126,660	\$ 6,895
2018	2019	115,620	6,809
2019	2020	182,192	9,554
2020	2021	56,541	7,893
Net balance of deferred outflows / (inflows) of resources		<u>\$ 481,013</u>	<u>\$ 31,151</u>
OCDC			
2017	2018	\$ 42,155	\$ -
2018	2019	39,178	-
2019	2020	64,912	-
2020	2021	24,131	-
Net balance of deferred outflows / (inflows) of resources		<u>\$ 170,376</u>	<u>\$ -</u>

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

B. Pension Plan, Continued

Payables to the Pension Plans

At June 30, 2017, the County reported a payable of \$338,948 and \$213,801 for the outstanding amount of contributions due to SCRS and PORS, respectively, including component units. The liabilities will be paid in the normal course of paying year-end obligations.

Actuarial Assumptions and Methods:

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

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

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2015 valuations for the SCRS and PORS plans.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	3.5% to 12.5% (varies by service)	4.0% to 10.0% (varies by service)
Includes inflation at	2.75%	2.75%
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

B. Pension Plan, Continued

Actuarial Assumptions and Methods, Continued:

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

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

Long-Term Expected Rate of Return

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

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

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

B. Pension Plan, Continued

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity	43.0%		
Global Public Equity	34.0%	6.52%	2.22%
Private Equity	9.0%	9.30%	0.84%
Real Assets	8.0%		
Real Estate	5.0%	4.32%	0.22%
Commodities	3.0%	4.53%	0.13%
Opportunistic	20.0%		
GTAA/Risk Parity	10.0%	3.90%	0.39%
HF (Low Beta)	10.0%	3.87%	0.39%
Diversified Credit	17.0%		
Mixed Credit	5.0%	3.52%	0.17%
Emerging Markets Debt	5.0%	4.91%	0.25%
Private Debt	7.0%	4.47%	0.31%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	1.72%	0.17%
Cash and Short Duration (Net)	2.0%	0.71%	0.01%
Total Expected Rate of Return	<u>100.0%</u>		5.10%
Inflation for Actuarial Purposes			<u>2.75%</u>
Total Expected Nominal Return			<u><u>7.85%</u></u>

Discount Rate:

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

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

B. Pension Plan, Continued

Sensitivity Analysis:

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

	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
<u>Primary Government</u>			
SCRS			
Governmental Activities	\$ 40,628,598	\$ 32,568,729	\$ 25,859,192
Business-Type Activities	663,388	531,786	422,232
Total SCRS for the Primary Government	41,291,986	33,100,515	26,281,424
PORS			
Governmental Activities	22,894,075	17,468,584	12,592,762
Total PORS for the Primary Government	22,894,075	17,468,584	12,592,762
Total Primary Government	<u>\$ 64,186,061</u>	<u>\$ 50,569,099</u>	<u>\$ 38,874,186</u>
<u>Component Units</u>			
SCRS			
Library	\$ 2,407,601	\$ 1,929,983	\$ 1,532,384
OCDC	848,778	680,398	540,228
Total SCRS for the Component Units	3,256,379	2,610,381	2,072,612
PORS			
Library	141,336	107,842	77,741
Total PORS for the Component Units	141,336	107,842	77,741
Total Component Units	<u>\$ 3,397,715</u>	<u>\$ 2,718,223</u>	<u>\$ 2,150,353</u>

Additional Financial and Actuarial Information

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' audited financial statements for the fiscal year ended June 30, 2016 (including the unmodified audit opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2016.

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

C. Deferred Compensation Plans

Certain County employees participate in one of two optional deferred compensation plans which are available to them in conjunction with the State Retirement System. The multiple employer plans, created under Internal Revenue Code Sections 457 and 401(k) are administered for the State Retirement System by third parties. Compensation deferred under the plans is placed in trust for the contributing employee. The County has no liability for losses under the plans. Employees may withdraw the current value of their contributions when they terminate their employment with the County. Employees may also withdraw contributions prior to termination if they meet requirement specified by the applicable plan.

D. Other Post-Employment Benefits

Plan Description. The County's single employer defined benefit post-employment healthcare plan (the plan) provides medical insurance to retirees. The County will contribute the full monthly premium for a retiree with 30 years or more of service with the County, or for an elected official with 15 or more years of service in County elected office, provided the employee or elected official is eligible for retirement under the State Retirement System at the time the retiree leaves active County service. The County will contribute the full monthly premium for a retiree with 25 years or more of service provided the retiree is eligible for regular or disability retirement under the Police Officers' Retirement System at the time the retiree leaves active County service. The County will contribute 50 percent of the monthly premium for a retiree with 15 years or more of service with the County provided the retiree is eligible for regular or disability retirement under either the State Retirement System or the Police Officers' Retirement System at the time the retiree leaves active County service. The health insurance benefits received by a retiree are the same as those under the County's group plan, minus any payments attributable to Medicare. If a retiree desires to cover dependents, the retiree must pay the entire cost of the dependent's insurance premium. The plan does not issue separate financial statements.

As of July 1, 2015, the measurement date for the plan year, there were 591 covered participants; 85 members were retirees (73) and spouses (12) receiving benefits and 506 were active participants.

Funding Policy. The plan was established and may be amended by County Council. The County currently finances the plan on a pay-as-you-go basis. During the year ended June 30, 2017, the County paid \$357,099 to meet its obligation for participants under the terms of the plan.

Annual OPEB Cost and Net OPEB Obligation. The County's annual other post-employment benefits (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with accounting principles generally accepted in the United States of America. The ARC is equal to the normal cost plus the amortization of any unfunded actuarially accrued liability. The normal cost represents the annual ongoing cost of benefits accruing to active participants. The actuarial accrued liability is the portion of the total present value of benefits that is attributable to service up to the date of the valuation. The amount of the actuarially accrued liability in excess of the plan's assets is the unfunded actuarially accrued liability which is being amortized over a period not to exceed 30 years.

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

D. Other Post-Employment Benefits, Continued

Annual OPEB Cost and Net OPEB Obligation, Continued - The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan and any changes in the County's obligation under the plan:

	Total	Primary		
		Government	Library	OCDC
Annual required contribution (ARC)	\$ 3,848,833	\$ 3,716,098	\$ 117,010	\$ 15,725
Interest on unfunded OPEB obligation	1,512,911	1,455,825	46,172	10,914
Adjustment to ARC	(1,574,735)	(1,515,317)	(48,058)	(11,360)
Annual OPEB cost (expense)	3,787,009	3,656,606	115,124	15,279
Less: actual contributions	(357,099)	(328,827)	(28,272)	-
Increase in net OPEB obligation	3,429,910	3,327,779	86,852	15,279
Net OPEB liability, beginning of year	37,822,786	36,395,641	1,154,290	272,855
Net OPEB liability, end of year	\$ 41,252,696	\$ 39,723,420	\$ 1,241,142	\$ 288,134

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current year and each of the two preceding years were as follows:

Fiscal Year Ended June 30,	Annual OPEB Cost	Employer Amount Contributed	Percentage of	
			Annual OPEB Cost Contributed	Net OPEB Obligation
2017	\$ 3,656,606	\$ 328,827	9.0%	\$ 39,723,420
2016	5,033,053	307,151	6.1%	36,395,641
2015	4,743,813	302,507	6.4%	31,669,739

The Library's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current year and each of the two preceding years were as follows:

Fiscal Year Ended June 30,	Annual OPEB Cost	Employer Amount Contributed	Percentage of	
			Annual OPEB Cost Contributed	Net OPEB Obligation
2017	\$ 115,124	\$ 28,272	24.6%	\$ 1,241,142
2016	147,899	28,488	19.3%	1,154,290
2015	140,182	26,152	18.7%	1,034,879

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

D. Other Post-Employment Benefits, Continued

Annual OPEB Cost and Net OPEB Obligation, Continued - The OCDC's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current year and each of the two preceding years were as follows:

Fiscal Year Ended June 30,	Annual OPEB Cost	Employer Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2017	\$ 15,279	\$ -	0.0%	\$ 288,134
2016	28,600	-	0.0%	272,855
2015	22,793	-	0.0%	244,255

Funded Status and Funding Progress - As of July 1, 2016, the most recent actuarial valuation date, the funded status of the plan (excluding component units) was as follows:

Actuarial accrued liability (AAL)	\$ 37,641,674
Actuarial value of Plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 37,641,674</u>
Funded ratio (actuarial value of Plan assets/AAL)	0.0%
Covered payroll (annual payroll of active employees covered by the Plan)	<u>\$ 20,453,721</u>
UAAL as a percentage of covered payroll	184.0%

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

Actuarial Methods and Assumptions - The Projected Unit Credit actuarial cost method is used to calculate the ARC for the County's retiree health care plan. Anticipated future payments are projected using the plan benefits, the present health premiums and a set of actuarial assumptions. The projected unit credit method then provides for a systematic funding for the anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The Projected Unit Credit Actuarial Cost Method was used to calculate the ARC, based on an assumed level percent of payroll funding, an assumed 4.0 percent rate of return on investments for the current year, and an open thirty year amortization period. The assumed general inflation rate was 2.5 percent. The assumed rate of annual increase in health costs varied from 5.0 to 7.5 percent. The actuarial methods and assumptions and calculations reflect a long-term perspective and are designed to reduce short-term volatility in actuarially accrued liabilities and in actuarial value of assets.

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

D. Other Post-Employment Benefits, Continued

Actuarial Methods and Assumptions, Continued - Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the County's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Component Unit - Library. The assumptions for the Library are the same as for the Primary Government. At June 30, 2017, the actuarial accrued liability for the Library's Retiree Health Plan was \$1,135,065, all of which is unfunded. The unfunded accrued actuarial liability was 148.5% of payroll for the year ended June 30, 2017.

Component Unit - Development Commission. The assumptions for the Development Commission are the same as for the Primary Government. At June 30, 2017, the actuarial accrued liability for the Development Commission's Retiree Health Plan was \$132,612, all of which is unfunded. The unfunded accrued actuarial liability was 63.8% of payroll for the year ended June 30, 2017.

E. Property Tax and Tax Abatements

The State of South Carolina has enacted Fee-in-Lieu of Tax Acts and Special Source Revenue Credit Acts 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, 2017, the County (primary government) has 23 entities with active FILOT's which resulted in a net tax abatement of \$4.3 million.

F. Conduit Debt

From time to time, the County issues bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are generally for a period of 20 years, are secured by the property financed, and are payable solely from the payments received on the underlying mortgage notes or lease arrangements. Pursuant to County Council ordinances and certain lease agreements, the County shall own legal title to the real property and facilities during the term of the lease and debt service of the bonds shall be payable solely out of lease payments made by the business. Upon repayment of bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the County, State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities, nor are the deeded (leased) assets in the accompanying financial statements.

At June 30, 2017, the County had outstanding arrangements with the Three Rivers Solid Waste Authority with aggregate outstanding bonds equaling approximately \$27,700,000.

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

G. Commitments

The County had commitments for construction contracts not yet completed at year end totaling \$5,737,570.

H. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute liabilities of the applicable funds. The amount, if any, of expenditures which may be disallowed by a grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

I. Pending Implementation of GASB Statements

GASB Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. The County will implement the new guidance with the 2018 financial statements.

GASB Statement No. 81, Irrevocable Split-Interest Agreements, requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. The County will implement the new guidance with the 2018 financial statements.

GASB Statement No. 83, Certain Asset Retirement Obligations addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The County will implement the new guidance with the 2019 financial statements.

GASB Statement No. 84, Fiduciary Activities addresses the criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria is generally on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The County will implement the new guidance with the 2019 financial statements.

County of Orangeburg, South Carolina

Notes to the Basic Financial Statements

June 30, 2017

I. Pending Implementation of GASB Statements, Continued

GASB Statement No. 85, Omnibus 2017 addresses practice issues that have been identified during implementation and application of certain GASB statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application and post-employment benefits (pensions and other post-employment benefits (OPEB)). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The County will implement the new guidance with the 2018 financial statements.

GASB Statement No. 86, Certain Debt Extinguishment Issues addresses consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The County will implement the new guidance with the 2018 financial statements.

GASB Statement No. 87, Leases requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. This Statement establishes a single model for lease accounting based on the foundation principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, with the goal of enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The County will implement the new guidance with the 2021 financial statements.

Management has not yet determined the impact implementation of these standards will have on the County's financial statements, if any.

J. Subsequent Events

In November 2017, the County issued General Obligation Bond, Series 2017A in the amount of \$2,142,000 with an average interest rate of 1.78%, payable in five annual installments ranging from \$413,000 to \$444,000, plus accrued interest. The proceeds were used to acquire vehicles for the Sheriff's Department, Emergency Medical Services, Detention Center and Public Works.

In December 2017, the Orangeburg County Facilities Corporation issued Installment Purchase Revenue Bonds, Series 2017 in the amount of \$36,565,000 with interest rates ranging from 3.00% to 5.00%, payable in annual installments ranging from \$150,000 to \$2,470,000, with a final maturity of December 1, 2042. The bond issue yielded a net premium in the amount of \$2,689,886. The proceeds will be used to repay the 2017 \$7,000,000 bond anticipation note issue and finance construction of a new detention center in the County, computer software upgrades in the Sheriff's and Treasurer's Departments, upgrades to the computer network in the County Administration building, renovations to the County Courthouse and other capital projects.

In March 2018, the County entered into a lease financing agreement with a bank to purchase a ladder fire truck costing approximately \$952,000, with five annual payments of approximately \$210,000, including principal and interest.

Management has evaluated subsequent events through June 29, 2018.

Required Supplementary Information

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County of Orangeburg, South Carolina

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

General Fund

For the year ended June 30, 2017

	GENERAL FUND					
	Original Budget	Final Budget	Actual (GAAP Basis)	GAAP to Budgetary Basis Differences	Actual (Budgetary Basis)	Variance
REVENUES						
Property taxes:						
Current property taxes	\$ 21,384,590	\$ 21,384,590	\$ 20,276,072	\$ -	\$ 20,276,072	\$ (1,108,518)
Delinquent property taxes	2,480,384	2,480,384	2,156,041	-	2,156,041	(324,343)
Homestead	1,185,526	1,185,526	1,268,527	-	1,268,527	83,001
Penalties	209,600	209,600	240,084	-	240,084	30,484
Manufacturers' reimbursement	569,250	569,250	628,597	-	628,597	59,347
Merchants' inventory tax	205,757	205,757	205,757	-	205,757	-
Fees in lieu of taxes	1,863,597	1,863,597	1,995,024	-	1,995,024	131,427
Sums in lieu of taxes (SCPSA)	6,500	6,500	9,138	-	9,138	2,638
Motor carriers' allocation	151,944	151,944	184,285	-	184,285	32,341
Escheatments - delinquent tax	105,000	105,000	38,534	-	38,534	(66,466)
Total property taxes	<u>28,162,148</u>	<u>28,162,148</u>	<u>27,002,059</u>	<u>-</u>	<u>27,002,059</u>	<u>(1,160,089)</u>
Licenses and permits:						
Franchise fees	337,152	337,152	367,731	-	367,731	30,579
Documentary stamps	134,000	134,000	254,526	-	254,526	120,526
Health department fees	38,000	38,000	-	-	-	(38,000)
Building permits	260,000	260,000	301,972	-	301,972	41,972
Mobile home licenses/inspection fees	4,500	4,500	2,560	-	2,560	(1,940)
Probate Judge licenses	10,000	10,000	8,897	-	8,897	(1,103)
Pollution control	3,500	3,500	-	-	-	(3,500)
Subdivision regulation fees	6,550	6,550	13,570	-	13,570	7,020
Total licenses and permits	<u>793,702</u>	<u>793,702</u>	<u>949,256</u>	<u>-</u>	<u>949,256</u>	<u>155,554</u>
Intergovernmental:						
State supplement	3,671,350	3,671,350	3,588,502	-	3,588,502	(82,848)
Mini-bottle tax	147,000	147,000	202,660	-	202,660	55,660
Accommodations tax	36,000	36,000	41,831	-	41,831	5,831
Tax supply aid	3,085	3,085	-	-	-	(3,085)
Voter registration and elections	136,750	136,750	105,071	-	105,071	(31,679)
Veterans' affairs	10,000	10,000	6,708	-	6,708	(3,292)
DSS - FFP funds	20,000	20,000	144,179	-	144,179	124,179
Probate, RMC, Clerk of Court, Sheriff	7,875	7,875	7,875	-	7,875	-
Other	-	-	467,710	-	467,710	467,710
Total intergovernmental	<u>4,032,060</u>	<u>4,032,060</u>	<u>4,564,536</u>	<u>-</u>	<u>4,564,536</u>	<u>532,476</u>
Charges for services						
Probate Judge	177,300	177,300	186,372	-	186,372	9,072
Clerk of Court	6,000	6,000	8,029	-	8,029	2,029
Family Court	65,045	65,045	49,359	-	49,359	(15,686)
Register of Deeds	130,000	130,000	125,153	-	125,153	(4,847)
Master in Equity	100,000	100,000	81,845	-	81,845	(18,155)
Treasurer returned checks	3,000	3,000	-	-	-	(3,000)
Tax Collector fees	493,168	493,168	631,131	-	631,131	137,963
Sheriff's fees	17,000	17,000	11,904	-	11,904	(5,096)
Ambulance service fees	2,000,000	2,000,000	2,732,178	-	2,732,178	732,178
Clean up fees	12,000	12,000	161,656	-	161,656	149,656
Magistrates' costs	104,031	104,031	4,131	-	4,131	(99,900)
Other charges for services	100,000	100,000	6,053	-	6,053	(93,947)
Total charges for services	<u>3,207,544</u>	<u>3,207,544</u>	<u>3,997,811</u>	<u>-</u>	<u>3,997,811</u>	<u>790,267</u>

Continued

County of Orangeburg, South Carolina

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

General Fund

For the year ended June 30, 2017

	GENERAL FUND					
	Original Budget	Final Budget	Actual (GAAP Basis)	GAAP to Budget Differences	Actual (Budgetary Basis)	Variance
REVENUES, Continued						
Fines and forfeitures						
Animal control fines	\$ 1,000	\$ 1,000	\$ 772	\$ -	\$ 772	\$ (228)
Litter control fines	552	552	-	-	-	(552)
Central Traffic Court	622,874	622,874	378,592	-	378,592	(244,282)
Clerk of Court - General Sessions	16,000	16,000	13,368	-	13,368	(2,632)
Forfeited bonds	8,183	8,183	1,421	-	1,421	(6,762)
3% service costs	5,157	5,157	10,411	-	10,411	5,254
Magistrates' fees	184,320	184,320	221,641	-	221,641	37,321
Magistrates - various	52,211	52,211	49,689	-	49,689	(2,522)
Total fines and forfeits	890,297	890,297	675,894	-	675,894	(214,403)
Interest / miscellaneous						
Interest	50,473	50,473	8	-	8	(50,465)
Other	43,400	43,400	36,781	-	36,781	(6,619)
Rents and royalties	200,000	200,000	137,839	-	137,839	(62,161)
Map sales	25,000	25,000	20,465	-	20,465	(4,535)
Family Court set off debt	32,000	32,000	19,698	-	19,698	(12,302)
Surplus property sales	316,000	316,000	-	194,218	194,218	(121,782)
Magistrates' Court set off debt	37,000	37,000	-	-	-	(37,000)
Project reimbursements	8,000	8,000	-	-	-	(8,000)
Total interest / miscellaneous	711,873	711,873	214,791	194,218	409,009	(302,864)
Total revenues	37,797,624	37,797,624	37,404,347	194,218	37,598,565	(199,059)
EXPENDITURES						
General government:						
Legislative delegation	1,046	1,046	971	-	971	75
County Council / Clerk	300,495	308,495	300,624	-	300,624	7,871
County Administrator	275,372	287,083	349,987	-	349,987	(62,904)
Deputy Administrator - property services	184,335	184,335	181,293	-	181,293	3,042
Deputy Administrator - public works	536,311	540,041	314,231	-	314,231	225,810
Personnel	469,046	463,246	458,494	-	458,494	4,752
Election Commission	403,248	403,248	366,807	-	366,807	36,441
GIS mapping / record retention	405,077	405,077	377,264	-	377,264	27,813
Delinquent Tax Collector	438,275	438,275	417,633	-	417,633	20,642
Treasurer	529,789	539,376	445,250	-	445,250	94,126
Finance	450,726	450,726	307,740	-	307,740	142,986
Auditor	296,084	319,578	298,501	-	298,501	21,077
Tax Assessor	975,017	974,117	911,927	-	911,927	62,190
Information technology	1,274,670	1,274,920	992,576	-	992,576	282,344
Building inspection	333,371	336,371	341,241	-	341,241	(4,870)
Planning	198,146	201,164	232,662	-	232,662	(31,498)
Grants	58,059	60,784	174,879	-	174,879	(114,095)
Register of Deeds	244,195	244,195	231,725	-	231,725	12,470
Legal	278,810	278,810	433,368	-	433,368	(154,558)
Non-departmental	4,045,453	4,322,837	3,378,534	-	3,378,534	944,303
Development Commission	703,456	717,456	1,123,663	-	1,123,663	(406,207)
Capital outlay	156,530	125,020	-	39,097	39,097	85,923
Total general government	12,557,511	12,876,200	11,639,370	39,097	11,678,467	1,197,733

Continued

County of Orangeburg, South Carolina

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

General Fund

For the year ended June 30, 2017

	GENERAL FUND					
	Original Budget	Final Budget	Actual (GAAP Basis)	GAAP to Budget Differences	Actual (Budgetary Basis)	Variance
EXPENDITURES, Continued						
Judicial:						
Clerk of Court	\$ 258,555	\$ 258,555	\$ 242,279	\$ -	\$ 242,279	\$ 16,276
Master in Equity	157,272	157,272	157,211	-	157,211	61
Circuit Court	200	200	174	-	174	26
Family Court	484,636	484,636	499,608	-	499,608	(14,972)
Probate Court	402,153	402,153	400,449	-	400,449	1,704
Regional Magistrates' Courts	1,422,840	1,422,840	1,401,501	-	1,401,501	21,339
Public Defender	620,000	620,000	620,000	-	620,000	-
Solicitor	654,288	654,288	654,288	-	654,288	-
Capital outlay	-	70,000	-	69,810	69,810	190
Total judicial	<u>3,999,944</u>	<u>4,069,944</u>	<u>3,975,510</u>	<u>69,810</u>	<u>4,045,320</u>	<u>24,624</u>
Public Works:						
Sign shop	66,052	66,052	54,624	-	54,624	11,428
Buildings and grounds	1,602,921	1,758,051	1,523,028	-	1,523,028	235,023
Purchasing	183,253	183,253	245,066	-	245,066	(61,813)
Vehicle maintenance	904,187	913,687	864,125	-	864,125	49,562
Capital outlay	200,500	125,819	-	36,404	36,404	89,415
Intergovernmental	-	-	438,901	-	438,901	(438,901)
Total public works	<u>2,956,913</u>	<u>3,046,862</u>	<u>3,125,744</u>	<u>36,404</u>	<u>3,162,148</u>	<u>(115,286)</u>
Public Safety:						
Sheriff	6,950,042	6,946,590	6,843,503	-	6,843,503	103,087
Emergency services	350,753	277,069	285,485	-	285,485	(8,416)
Coroner	315,050	315,050	295,806	-	295,806	19,244
Emergency medical services	2,853,067	2,853,067	2,912,663	-	2,912,663	(59,596)
E-911 communications center	655,865	659,261	713,420	-	713,420	(54,159)
Capital outlay	60,000	111,691	-	111,648	111,648	43
Transfer to LEC - Jail	4,889,559	4,889,559	-	3,781,475	3,781,475	1,108,084
Total public safety	<u>16,074,336</u>	<u>16,052,287</u>	<u>11,050,877</u>	<u>3,893,123</u>	<u>14,944,000</u>	<u>1,108,287</u>
Social and Health:						
Health Department	198,664	198,664	129,747	-	129,747	68,917
Mosquito control	52,988	52,988	49,022	-	49,022	3,966
Animal control	327,999	332,300	308,993	-	308,993	23,307
Orangeburg Area Development Center	410,572	410,572	411,321	-	411,321	(749)
Red Cross	20,000	20,000	20,000	-	20,000	-
Elloree Heritage Museum	10,000	10,000	10,000	-	10,000	-
Springfield Museum'	9,000	9,000	9,000	-	9,000	-
Depart of Social Services	190,000	190,000	185,082	-	185,082	4,918
Veterans' Affairs	110,786	110,786	123,111	-	123,111	(12,325)
Carolina Transit	77,207	79,261	-	129,594	129,594	(50,333)
Recreation - summer	33,172	33,172	9,324	-	9,324	23,848
Recreation - basketball	43,195	43,195	51,222	-	51,222	(8,027)
Indian Bluff park	87,737	87,737	60,573	-	60,573	27,164
Council on Aging	100,000	100,000	100,000	-	100,000	-
Dawn Center	64,300	64,300	64,300	-	64,300	-
Dawn Center - mini bottle	147,000	147,000	316,134	-	316,134	(169,134)

Continued

County of Orangeburg, South Carolina

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

General Fund

For the year ended June 30, 2017

	GENERAL FUND					
	Original Budget	Final Budget	Actual (GAAP Basis)	GAAP to Budget Differences	Actual (Budgetary Basis)	Variance
EXPENDITURES, Continued						
Social and Health:						
Medically indigent	\$ 386,991	\$ 386,991	\$ 386,991	\$ -	\$ 386,991	\$ -
Orangeburg County Fine Arts Council	8,000	8,000	8,000	-	8,000	-
CASA	40,000	40,000	40,000	-	40,000	-
Soil and Water	49,692	49,692	55,914	-	55,914	(6,222)
Tri-County Chamber of Commerce	7,000	7,000	7,000	-	7,000	-
Project Life: Positeen	12,000	12,000	12,000	-	12,000	-
Santee Water Park	117,000	117,191	190,081	-	190,081	(72,890)
Boys and Girls Clubs	110,000	110,000	110,000	-	110,000	-
Mental Health	18,000	18,000	18,000	-	18,000	-
CORE	40,000	40,000	20,000	-	20,000	20,000
Capital outlay	4,650	51,610	-	48,266	48,266	3,344
Total social and health	<u>2,675,953</u>	<u>2,729,459</u>	<u>2,695,815</u>	<u>177,860</u>	<u>2,873,675</u>	<u>(144,216)</u>
Capital outlay	-	-	305,225	(305,225)	-	-
Total capital outlay	<u>-</u>	<u>-</u>	<u>305,225</u>	<u>(305,225)</u>	<u>-</u>	<u>-</u>
Debt service						
Principal	-	-	124,976	-	124,976	(124,976)
Total debt service	<u>-</u>	<u>-</u>	<u>124,976</u>	<u>-</u>	<u>124,976</u>	<u>(124,976)</u>
Total expenditures	<u>38,264,657</u>	<u>38,774,752</u>	<u>32,917,517</u>	<u>3,911,069</u>	<u>36,828,586</u>	<u>1,946,166</u>
Excess of revenues over expenditures	<u>(467,033)</u>	<u>(977,128)</u>	<u>4,486,830</u>	<u>(3,716,851)</u>	<u>769,979</u>	<u>1,747,107</u>
OTHER FINANCING SOURCES						
Proceeds on sale of capital assets	-	-	194,218	(194,218)	-	-
Transfers in	467,033	977,128	544,783	-	544,783	(432,345)
Transfers out	-	-	(4,348,370)	3,911,069	(437,301)	(437,301)
Total other financing sources	<u>467,033</u>	<u>977,128</u>	<u>(3,609,369)</u>	<u>3,716,851</u>	<u>107,482</u>	<u>(869,646)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 877,461</u>	<u>\$ -</u>	<u>\$ 877,461</u>	<u>\$ 877,461</u>

See Notes to Required Supplementary Information.

County of Orangeburg, South Carolina

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Special Education Fund

For the year ended June 30, 2017

	Special Education Fund					Variance
	Original Budget	Final Budget	Actual (GAAP Basis)	GAAP to Budgetary Basis Differences	Actual (Budgetary Basis)	
REVENUES						
Property taxes:						
Current property taxes	\$ 1,885,726	\$ 1,885,726	\$ 1,830,277	\$ -	\$ 1,830,277	\$ (55,449)
Delinquent property taxes	225,518	225,518	193,489	-	193,489	(32,029)
Homestead	131,000	131,000	109,979	-	109,979	(21,021)
Penalties	21,836	21,836	21,198	-	21,198	(638)
Manufacturers' reimbursement	55,000	55,000	54,478	-	54,478	(522)
Merchants' inventory tax	22,813	22,813	22,813	-	22,813	-
Fees in lieu of taxes	145,627	145,627	146,070	-	146,070	443
Motor carriers' allocation	18,786	18,786	17,076	-	17,076	(1,710)
Total property taxes	<u>2,506,306</u>	<u>2,506,306</u>	<u>2,395,380</u>	<u>-</u>	<u>2,395,380</u>	<u>(110,926)</u>
Intergovernmental:						
Library Aid	116,000	116,000	144,652	-	144,652	28,652
Lottery Funds	-	-	36,957	-	36,957	36,957
Total intergovernmental	<u>116,000</u>	<u>116,000</u>	<u>181,609</u>	<u>-</u>	<u>181,609</u>	<u>65,609</u>
Fines and forfeitures						
Fines	20,000	20,000	-	-	-	(20,000)
Total fines and forfeits	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,000)</u>
Total revenues	<u>2,642,306</u>	<u>2,642,306</u>	<u>2,576,989</u>	<u>-</u>	<u>2,576,989</u>	<u>(65,317)</u>
EXPENDITURES						
Social and health						
Adult Literacy Council	6,000	6,000	6,000	-	6,000	-
North Family Community School	60,000	60,000	60,000	-	60,000	-
Total social and health	<u>66,000</u>	<u>66,000</u>	<u>66,000</u>	<u>-</u>	<u>66,000</u>	<u>-</u>
Other agencies and institutions:						
Public works						
Soil and Water	1,212	1,212	1,212	-	1,212	-
Soil and Water - personnel and benefits	37,687	37,687	38,977	-	38,977	(1,290)
Soil and Water - capital outlay	-	43,309	42,987	-	42,987	322
Total public works	<u>38,899</u>	<u>82,208</u>	<u>83,176</u>	<u>-</u>	<u>83,176</u>	<u>(968)</u>
Social and health						
Clemson Extension	6,250	6,250	4,688	-	4,688	1,562
OC Technical College	1,130,740	1,130,740	1,130,740	-	1,130,740	-
Disability and Special Needs Board	20,000	20,000	20,000	-	20,000	-
Orangeburg County Library	1,380,417	1,380,417	1,585,289	-	1,585,289	(204,872)
Orangeburg County Library - capital outlay	-	28,201	32,861	-	32,861	(4,660)
Total social and health	<u>2,537,407</u>	<u>2,565,608</u>	<u>2,773,578</u>	<u>-</u>	<u>2,773,578</u>	<u>(207,970)</u>
Total expenditures	<u>2,642,306</u>	<u>2,713,816</u>	<u>2,922,754</u>	<u>-</u>	<u>2,922,754</u>	<u>(208,938)</u>
Excess of revenues over expenditures	<u>-</u>	<u>(71,510)</u>	<u>(345,765)</u>	<u>-</u>	<u>(345,765)</u>	<u>143,621</u>
OTHER FINANCING SOURCES						
Transfers in	-	71,510	71,510	-	71,510	-
Transfers out	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>71,510</u>	<u>71,510</u>	<u>-</u>	<u>71,510</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (274,255)</u>	<u>\$ -</u>	<u>\$ (274,255)</u>	<u>\$ (274,255)</u>

See Notes to Required Supplementary Information.

County of Orangeburg, South Carolina

Notes to Required Supplementary Information

June 30, 2017

Budgetary Data

The County uses the following procedures to establish the budgetary data reflected in the financial statements:

- a. In February of each year, all agencies of the County submit requests for appropriations to the County Administrator so that a budget may be prepared. By the end of March, the proposed budget is presented to County Council for review. The Council holds public hearings, and a final budget must be prepared and adopted by way of a County Ordinance no later than June 30.
- b. The budget ordinance appropriates amounts for activities/departments of the General, Accommodations Tax, Debt Service, Capital Improvement, New Brooklyn Lighting Tax District, Brookdale Lighting District, Creekmore Lighting District, Whittaker Lighting District, Enterprise, Roads and Bridges, E-911 Tariff, Victims' Assistance, Solid Waste, Detention Center and Orangeburg County Fire District Funds. The County by way of an additional ordinance, appropriates amounts raised by the Special Education Millage to fund the Library and other educational purposes.
- c. County Council authorization is required to transfer amounts exceeding \$20,000 from the Contingency Fund. The County Administrator may, if deemed in the best interest of the County and within the appropriations provided by the budget ordinance, transfer funds from any fund, department, activity or purpose.
- d. The General Fund and Special Education Fund budgets reflect the legal level of budgetary control. The major special revenue funds, C Funds Fund and Roads and Bridges Fund, do not have legally adopted budgets.
- e. The budgets are on a basis consistent with GAAP for the General Fund and Special Education Fund, except that:
 1. Certain capital outlays are budgeted as functional expenditures.
 2. Proceeds of sale of certain capital assets are budgeted as revenue rather than other financing source.
 3. Certain transfers are budgeted as functional expenditures.

County of Orangeburg, South Carolina

Required Supplementary Information

Schedule of Funding Progress and Employer Contributions - Other Post-Employment Benefits

For the years ended June 30, 2017

The County's annual required contribution (ARC), actual contributions and the percent funded are as follow:

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Period Ended	Annual Required Contribution (ARC)	Actual Contributions	Percent Funded
2017	\$ 3,716,098	\$ 328,827	8.8%
2016	5,068,336	307,151	6.1%
2015	4,775,688	302,507	6.3%

The funded status and funding progress of the plan was as follows:

SCHEDULE OF FUNDING PROGRESS

Actuarial valuation date	Fiscal period ended	Actuarial value of plan assets (a)	Actuarial accrued liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	UAAL as a percentage of covered payroll
7/1/2016	6/30/2017	\$ -	\$ 37,641,674	37,641,674	0.00%	\$ 20,453,721	184.0%
7/1/2014	6/30/2016	-	51,707,478	51,707,478	0.00%	19,471,757	265.6%
7/1/2014	6/30/2015	-	47,269,448	47,269,448	0.00%	19,149,443	246.8%

County of Orangeburg, South Carolina

Required Supplementary Information

Schedule of the County's Proportionate Share of the Net Pension Liability

For the year ended June 30, 2017

	SCRS			
	2017	2016	2015	2014
Employer's proportion of the net pension liability	0.15228%	0.10231%	0.12811%	0.12811%
Employer's proportionate share of the net pension liability	<u>\$ 33,100,515</u>	<u>\$ 19,425,084</u>	<u>\$ 23,618,882</u>	<u>\$ 24,606,275</u>
Employer's covered payroll during the measurement period	<u>\$ 13,300,897</u>	<u>\$ 12,433,158</u>	<u>\$ 12,063,783</u>	<u>\$ 12,236,947</u>
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	248.85927%	146.04341%	195.78338%	201.08181%
Plan fiduciary net position as a percentage of the total pension liability	52.91%	57.00%	59.90%	56.39%
	PORS			
	2017	2016	2015	2014
Employer's proportion of the net pension liability	0.68846%	0.43257%	0.57520%	0.57520%
Employer's proportionate share of the net pension liability	<u>\$ 17,468,584</u>	<u>\$ 9,565,685</u>	<u>\$ 11,011,786</u>	<u>\$ 11,923,738</u>
Employer's covered payroll during the measurement period	<u>\$ 7,186,862</u>	<u>\$ 6,942,799</u>	<u>\$ 6,889,946</u>	<u>\$ 7,124,059</u>
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	243.06274%	133.09961%	159.82398%	167.37282%
Plan fiduciary net position as a percentage of the total pension liability	60.44%	64.60%	67.55%	62.98%

Note: The County implemented GASB 68 during fiscal year 2015, as such, only the last four years of data are available. Over time, ten years of historical data will be presented.

County of Orangeburg, South Carolina

Required Supplementary Information

Schedule of the County's Pension Contributions

For the year ended June 30, 2017

	SCRS			
	2017	2016	2015	2014
Statutorily required contribution	\$ 1,615,199	\$ 1,412,013	\$ 1,436,528	\$ 1,320,824
Contributions in relation to the statutorily required contribution	1,615,199	1,412,013	1,436,528	\$ 1,320,824
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll	\$ 13,300,897	\$ 13,300,897	\$ 12,443,158	\$ 12,063,783
Contributions as a percentage of covered-employee payroll	12.14353%	10.61592%	11.54472%	10.94867%

	PORS			
	2017	2016	2015	2014
Statutorily required contribution	\$ 1,051,801	\$ 981,416	\$ 926,821	\$ 895,058
Contributions in relation to the statutorily required contribution	1,051,801	981,416	926,821	\$ 895,058
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll	\$ 7,186,862	\$ 7,186,862	\$ 6,942,799	\$ 6,889,946
Contributions as a percentage of covered-employee payroll	14.63505%	13.65570%	13.34939%	12.99078%

Note: The County implemented GASB 68 during fiscal year 2015, as such, only the last four years of data are available. Over time, ten years of historical data will be presented.

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Other Supplementary Information

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County of Orangeburg, South Carolina

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2017

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Nonmajor Funds
ASSETS				
Cash and cash equivalents	\$ 500	\$ -	\$ -	\$ 500
Pooled cash	2,315,136	-	-	2,315,136
Receivables (net of allowance for uncollectibles)				
Property taxes	486,745	51,668	248,247	786,660
Intergovernmental	1,147,056	-	-	1,147,056
Accounts	164,351	-	-	164,351
Other	158,454	10,000	-	168,454
Due from other funds	1,524,009	2,400,350	-	3,924,359
Land and buildings held for resale	-	6,974,923	-	6,974,923
Restricted assets:				
Cash and cash equivalents	72,689	-	-	72,689
Pooled cash	3,610,861	4,551,777	1,330,064	9,492,702
Total assets	\$ 9,479,801	\$ 13,988,718	\$ 1,578,311	\$ 25,046,830
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable and other current liabilities	\$ 537,752	\$ 512,121	\$ -	\$ 1,049,873
Accrued salaries and fringe benefits	63,933	-	-	63,933
Due to other funds	1,967,618	119,215	-	2,086,833
Due to component units	-	41,800	-	41,800
Total liabilities	2,569,303	673,136	-	3,242,439
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues-property taxes	430,501	45,809	216,533	692,843
Unavailable revenues-receivables	119,924	-	-	119,924
Total deferred inflows of resources	550,425	45,809	216,533	812,767
FUND BALANCES				
Restricted	4,229,451	13,269,773	1,361,778	18,861,002
Committed	187,364	-	-	187,364
Assigned	2,924,893	-	-	2,924,893
Unassigned	(981,635)	-	-	(981,635)
Total fund balances	6,360,073	13,269,773	1,361,778	20,991,624
Total liabilities, deferred inflows of resources and fund balances	\$ 9,479,801	\$ 13,988,718	\$ 1,578,311	\$ 25,046,830

County of Orangeburg, South Carolina

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2017

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Nonmajor Funds
REVENUES				
Taxes:				
Property taxes	\$ 5,739,989	\$ 636,821	\$ 3,214,880	\$ 9,591,690
Intergovernmental	4,961,724	21,000	-	4,982,724
Charges for services	2,345,206	-	-	2,345,206
Fines and forfeitures	482,964	-	-	482,964
Interest	5,885	116	-	6,001
Miscellaneous	54,241	236,854	-	291,095
Total revenues all sources	<u>13,590,009</u>	<u>894,791</u>	<u>3,214,880</u>	<u>17,699,680</u>
EXPENDITURES				
Current:				
General government	1,540,624	501,102	-	2,041,726
Judicial	228,337	-	-	228,337
Public works	4,865,302	-	-	4,865,302
Public safety	7,252,568	-	-	7,252,568
Social and health	1,038,206	-	-	1,038,206
Other agencies and institutions:				
General government	258,086	-	-	258,086
Public works	645,644	106,008	-	751,652
Capital outlay	2,385,355	4,161,048	-	6,546,403
Debt service:				
Principal	926,563	-	2,658,404	3,584,967
Interest	71,183	20,553	296,260	387,996
Bond issuance costs	-	171,400	2,500	173,900
Total expenditures	<u>19,211,868</u>	<u>4,960,111</u>	<u>2,957,164</u>	<u>27,129,143</u>
Excess of revenues over (under) expenditures	<u>(5,621,859)</u>	<u>(4,065,320)</u>	<u>257,716</u>	<u>(9,429,463)</u>
OTHER FINANCING SOURCES (USES)				
Bond anticipation note	-	7,000,000	-	7,000,000
Capital lease	1,131,880	-	-	1,131,880
Sale of general capital assets	223,047	-	-	223,047
Transfers in	4,168,544	428,983	-	4,597,527
Transfers out	(449,784)	(331,726)	-	(781,510)
Total other financing sources (uses)	<u>5,073,687</u>	<u>7,097,257</u>	<u>-</u>	<u>12,170,944</u>
Net change in fund balances	(548,172)	3,031,937	257,716	2,741,481
Fund balances, beginning of year	<u>6,908,245</u>	<u>10,237,836</u>	<u>1,104,062</u>	<u>18,250,143</u>
Fund balances, end of year	<u>\$ 6,360,073</u>	<u>\$ 13,269,773</u>	<u>\$ 1,361,778</u>	<u>\$ 20,991,624</u>

County of Orangeburg, South Carolina
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017

	Accommodations - Promotion Fund	Victims' Assistance Fund	E911 Surcharge Fund
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Pooled cash	-	-	-
Receivables (net of allowance for uncollectibles)			
Property taxes	-	-	-
Intergovernmental	95,677	-	424,180
Accounts	-	6,767	-
Other	-	-	99,750
Due from other funds	-	10,185	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Pooled cash	-	12,818	132,423
Total assets	\$ 95,677	\$ 29,770	\$ 656,353
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable and other current liabilities	\$ 31,252	\$ -	\$ 2,309
Accrued salaries and fringe benefits	-	2,835	722
Due to other funds	17,717	454,532	2,212
Total liabilities	48,969	457,367	5,243
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues-property taxes	-	-	-
Unavailable revenues-receivables	-	-	-
Total deferred inflows of resources	-	-	-
FUND BALANCES			
Restricted	46,708	-	651,110
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	(427,597)	-
Total fund balances	46,708	(427,597)	651,110
Total liabilities, deferred inflows of resources and fund balances	\$ 95,677	\$ 29,770	\$ 656,353

Continued

County of Orangeburg, South Carolina
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017

	Legislative Delegation Fund	Carolina Transit Program	Solid Waste Fund
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Pooled cash	-	-	755,657
Receivables (net of allowance for uncollectibles)			
Property taxes	-	-	268,167
Intergovernmental	-	311,895	11,180
Accounts	-	-	155,884
Other	-	-	-
Due from other funds	-	-	966,336
Restricted assets:			
Cash and cash equivalents	-	-	-
Pooled cash	1,693,912	-	-
Total assets	\$ 1,693,912	\$ 311,895	\$ 2,157,224
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ 29,961	\$ 156,103
Accrued salaries and fringe benefits	-	3,434	17,752
Due to other funds	-	712,198	-
Total liabilities	-	745,593	173,855
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues-property taxes	-	-	238,795
Unavailable revenues-receivables	-	-	-
Total deferred inflows of resources	-	-	238,795
FUND BALANCES			
Restricted	1,693,912	-	-
Committed	-	-	-
Assigned	-	-	1,744,574
Unassigned	-	(433,698)	-
Total fund balances	1,693,912	(433,698)	1,744,574
Total liabilities, deferred inflows of resources and fund balances	\$ 1,693,912	\$ 311,895	\$ 2,157,224

Continued

County of Orangeburg, South Carolina
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017

	Fire Service Fund	Orangeburg Detention Center Fund	Sheriff Sub-Funds
ASSETS			
Cash and cash equivalents	\$ 500	\$ -	\$ -
Pooled cash	-	170,000	33,845
Receivables (net of allowance for uncollectibles)			
Property taxes	210,880	-	-
Intergovernmental	13,545	-	-
Accounts	-	-	-
Other	-	-	-
Due from other funds	-	-	-
Restricted assets:			
Cash and cash equivalents	-	72,689	-
Pooled cash	640,421	-	28,369
Total assets	\$ 865,346	\$ 242,689	\$ 62,214
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 16,951	\$ 143,874	\$ 3,365
Accrued salaries and fringe benefits	4,510	33,347	-
Due to other funds	13,430	63,118	-
Total liabilities	34,891	240,339	3,365
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues-property taxes	185,235	-	-
Unavailable revenues-receivables	-	-	-
Total deferred inflows of resources	185,235	-	-
FUND BALANCES			
Restricted	645,220	-	28,369
Committed	-	2,350	30,480
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	645,220	2,350	58,849
Total liabilities, deferred inflows of resources and fund balances	\$ 865,346	\$ 242,689	\$ 62,214

Continued

County of Orangeburg, South Carolina
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017

	<u>Grant Sub-Funds</u>	<u>HOME Consortium Grant Fund</u>	<u>Clerk of Court DSS Incentive Fund</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Pooled cash	235,794	-	1,119,840
Receivables (net of allowance for uncollectibles)			
Property taxes	-	-	-
Intergovernmental	174,203	52,599	63,777
Accounts	1,700	-	-
Other	58,704	-	-
Due from other funds	547,488	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Pooled cash	899,730	-	-
Total assets	\$ 1,917,619	\$ 52,599	\$ 1,183,617
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable and other current liabilities	\$ 102,102	\$ 41,819	\$ 2,028
Accrued salaries and fringe benefits	895	-	438
Due to other funds	574,997	19,742	832
Total liabilities	677,994	61,561	3,298
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues-property taxes	-	-	-
Unavailable revenues-receivables	119,924	-	-
Total deferred inflows of resources	119,924	-	-
FUND BALANCES			
Restricted	965,167	-	-
Committed	154,534	-	-
Assigned	-	-	1,180,319
Unassigned	-	(8,962)	-
Total fund balances	1,119,701	(8,962)	1,180,319
Total liabilities, deferred inflows of resources and fund balances	\$ 1,917,619	\$ 52,599	\$ 1,183,617

Continued

County of Orangeburg, South Carolina
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017

	Whittaker Lighting District Fund	Brookdale Lighting District Fund	New Brooklyn Lighting District Fund
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Pooled cash	-	-	-
Receivables (net of allowance for uncollectibles)			
Property taxes	4,655	915	1,587
Intergovernmental	-	-	-
Accounts	-	-	-
Other	-	-	-
Due from other funds	-	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Pooled cash	189,522	-	-
Total assets	\$ 194,177	\$ 915	\$ 1,587
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable and other current liabilities	\$ 4,185	\$ 1,009	\$ 1,111
Accrued salaries and fringe benefits	-	-	-
Due to other funds	-	42,728	65,052
Total liabilities	4,185	43,737	66,163
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues-property taxes	3,944	785	1,433
Unavailable revenues-receivables	-	-	-
Total deferred inflows of resources	3,944	785	1,433
FUND BALANCES			
Restricted	186,048	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	(43,607)	(66,009)
Total fund balances	186,048	(43,607)	(66,009)
Total liabilities, deferred inflows of resources and fund balances	\$ 194,177	\$ 915	\$ 1,587

Continued

County of Orangeburg, South Carolina
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017

	Creekmoor Lighting District Fund	Fox Run Lighting District Fund	Empire States Lighting District Fund
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Pooled cash	-	-	-
Receivables (net of allowance for uncollectibles)			
Property taxes	175	327	39
Intergovernmental	-	-	-
Accounts	-	-	-
Other	-	-	-
Due from other funds	-	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Pooled cash	13,666	-	-
Total assets	\$ 13,841	\$ 327	\$ 39
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable and other current liabilities	\$ 748	\$ 593	\$ 342
Accrued salaries and fringe benefits	-	-	-
Due to other funds	-	484	576
Total liabilities	748	1,077	918
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues-property taxes	176	95	38
Unavailable revenues-receivables	-	-	-
Total deferred inflows of resources	176	95	38
FUND BALANCES			
Restricted	12,917	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	(845)	(917)
Total fund balances	12,917	(845)	(917)
Total liabilities, deferred inflows of resources and fund balances	\$ 13,841	\$ 327	\$ 39

Continued

County of Orangeburg, South Carolina
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017

	Nonmajor Special Revenue Funds
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ 500
Pooled cash	2,315,136
Receivables (net of allowance for uncollectibles)	
Property taxes	486,745
Intergovernmental	1,147,056
Accounts	164,351
Other	158,454
Due from other funds	1,524,009
Restricted assets:	
Cash and cash equivalents	72,689
Pooled cash	3,610,861
Total assets	<u>\$ 9,479,801</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
LIABILITIES	
Accounts payable and other current liabilities	\$ 537,752
Accrued salaries and fringe benefits	63,933
Due to other funds	1,967,618
Total liabilities	<u>2,569,303</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenues-property taxes	430,501
Unavailable revenues-receivables	119,924
Total deferred inflows of resources	<u>550,425</u>
FUND BALANCES	
Restricted	4,229,451
Committed	187,364
Assigned	2,924,893
Unassigned	(981,635)
Total fund balances	<u>6,360,073</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,479,801</u>

County of Orangeburg, South Carolina

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the year ended June 30, 2017

	Accommodations - Promotion Fund	Victims' Assistance Fund	E911 Surcharge Fund
REVENUES			
Taxes:			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental	319,790	47,818	503,835
Charges for services	-	-	569,469
Fines and forfeitures	-	94,534	-
Interest	-	-	-
Miscellaneous	-	5,636	-
Total revenues all sources	<u>319,790</u>	<u>147,988</u>	<u>1,073,304</u>
EXPENDITURES			
Current:			
General government	-	-	-
Judicial	-	-	-
Public works	-	-	-
Public safety	-	201,250	222,888
Social and health	375,149	-	-
Other agencies and institutions:			
General government	-	-	-
Public works	-	-	-
Capital outlay	-	36,198	-
Debt service:			
Principal	-	-	527,781
Interest	-	-	45,286
Total expenditures	<u>375,149</u>	<u>237,448</u>	<u>795,955</u>
Excess of revenues over (under) expenditures	<u>(55,359)</u>	<u>(89,460)</u>	<u>277,349</u>
OTHER FINANCING SOURCES (USES)			
Capital lease	-	-	-
Sale of general capital assets	-	-	-
Transfers in	-	74,259	-
Transfers out	(11,208)	-	-
Total other financing sources (uses)	<u>(11,208)</u>	<u>74,259</u>	<u>-</u>
Net change in fund balances	(66,567)	(15,201)	277,349
Fund balances, beginning of year	113,275	(412,396)	373,761
Fund balances, end of year	<u>\$ 46,708</u>	<u>\$ (427,597)</u>	<u>\$ 651,110</u>

Continued

County of Orangeburg, South Carolina

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the year ended June 30, 2017

	Legislative Delegation Fund	Carolina Transit Program	Solid Waste Fund
REVENUES			
Taxes:			
Property taxes	\$ -	\$ -	\$ 2,938,637
Intergovernmental	346,282	431,319	68,831
Charges for services	-	7,596	1,644,847
Fines and forfeitures	-	-	-
Interest	-	-	-
Miscellaneous	-	1,778	6,355
Total revenues all sources	<u>346,282</u>	<u>440,693</u>	<u>4,658,670</u>
EXPENDITURES			
Current:			
General government	372,710	-	-
Judicial	-	-	-
Public works	-	-	4,483,730
Public safety	-	-	-
Social and health	-	637,608	-
Other agencies and institutions:			
General government	-	-	-
Public works	533,700	-	-
Capital outlay	-	-	1,156,667
Debt service:			
Principal	-	-	398,782
Interest	-	-	25,897
Total expenditures	<u>906,410</u>	<u>637,608</u>	<u>6,065,076</u>
Excess of revenues over (under) expenditures	<u>(560,128)</u>	<u>(196,915)</u>	<u>(1,406,406)</u>
OTHER FINANCING SOURCES (USES)			
Notes payable- master lease	-	-	1,131,880
Sale of general capital assets	-	-	208,052
Transfers in	-	129,594	25,967
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>129,594</u>	<u>1,365,899</u>
Net change in fund balances	(560,128)	(67,321)	(40,507)
Fund balances, beginning of year	<u>2,254,040</u>	<u>(366,377)</u>	<u>1,785,081</u>
Fund balances, end of year	<u>\$ 1,693,912</u>	<u>\$ (433,698)</u>	<u>\$ 1,744,574</u>

Continued

County of Orangeburg, South Carolina

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the year ended June 30, 2017

	Fire Service Fund	Orangeburg Detention Center Fund	Sheriff Sub-Funds
REVENUES			
Taxes:			
Property taxes	\$ 2,675,194	\$ -	\$ -
Intergovernmental	-	674,323	3,670
Charges for services	-	122,119	-
Fines and forfeitures	-	-	43,947
Interest	-	-	-
Miscellaneous	2,400	-	14,093
Total revenues all sources	<u>2,677,594</u>	<u>796,442</u>	<u>61,710</u>
EXPENDITURES			
Current:			
General government	-	-	-
Judicial	-	-	-
Public works	-	-	-
Public safety	1,770,502	4,547,691	91,096
Social and health	-	-	-
Other agencies and institutions:			
General government	-	-	-
Public works	-	-	-
Capital outlay	897,425	28,422	12,340
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>2,667,927</u>	<u>4,576,113</u>	<u>103,436</u>
Excess of revenues over (under) expenditures	<u>9,667</u>	<u>(3,779,671)</u>	<u>(41,726)</u>
OTHER FINANCING SOURCES (USES)			
Capital lease	-	-	-
Sale of general capital assets	14,995	-	-
Transfers in	-	3,781,475	-
Transfers out	(65,002)	-	-
Total other financing sources (uses)	<u>(50,007)</u>	<u>3,781,475</u>	<u>-</u>
Net change in fund balances	(40,340)	1,804	(41,726)
Fund balances, beginning of year	685,560	546	100,575
Fund balances, end of year	<u>\$ 645,220</u>	<u>\$ 2,350</u>	<u>\$ 58,849</u>

Continued

County of Orangeburg, South Carolina

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the year ended June 30, 2017

	Grant Sub-Funds	HOME Consortium Grant Fund	Clerk of Court DSS Incentive Fund
REVENUES			
Taxes:			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental	951,011	1,197,728	417,117
Charges for services	-	-	1,175
Fines and forfeitures	-	-	344,483
Interest	5,885	-	-
Miscellaneous	23,600	-	379
Total revenues all sources	<u>980,496</u>	<u>1,197,728</u>	<u>763,154</u>
EXPENDITURES			
Current:			
General government	91,214	1,076,700	-
Judicial	1,754	-	226,583
Public works	381,572	-	-
Public safety	419,141	-	-
Social and health	25,449	-	-
Other agencies and institutions:			
General government	258,086	-	-
Public works	15,893	-	-
Capital outlay	254,303	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>1,447,412</u>	<u>1,076,700</u>	<u>226,583</u>
Excess of revenues over (under) expenditures	<u>(466,916)</u>	<u>121,028</u>	<u>536,571</u>
OTHER FINANCING SOURCES (USES)			
Capital lease	-	-	-
Sale of general capital assets	-	-	-
Transfers in	157,249	-	-
Transfers out	(60,000)	-	(313,574)
Total other financing sources (uses)	<u>97,249</u>	<u>-</u>	<u>(313,574)</u>
Net change in fund balances	(369,667)	121,028	222,997
Fund balances, beginning of year	<u>1,489,368</u>	<u>(129,990)</u>	<u>957,322</u>
Fund balances, end of year	<u>\$ 1,119,701</u>	<u>\$ (8,962)</u>	<u>\$ 1,180,319</u>

Continued

County of Orangeburg, South Carolina

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the year ended June 30, 2017

	Whittaker Lighting District Fund	Brookdale Lighting District Fund	New Brooklyn Lighting District Fund
REVENUES			
Taxes:			
Property taxes	\$ 79,892	\$ 8,979	\$ 7,585
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Total revenues all sources	<u>79,892</u>	<u>8,979</u>	<u>7,585</u>
EXPENDITURES			
Current:			
General government	-	-	-
Judicial	-	-	-
Public works	-	-	-
Public safety	-	-	-
Social and health	-	-	-
Other agencies and institutions:			
General government	-	-	-
Public works	50,197	12,122	13,349
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>50,197</u>	<u>12,122</u>	<u>13,349</u>
Excess of revenues over (under) expenditures	<u>29,695</u>	<u>(3,143)</u>	<u>(5,764)</u>
OTHER FINANCING SOURCES (USES)			
Capital lease	-	-	-
Sale of general capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	29,695	(3,143)	(5,764)
Fund balances, beginning of year	<u>156,353</u>	<u>(40,464)</u>	<u>(60,245)</u>
Fund balances, end of year	<u>\$ 186,048</u>	<u>\$ (43,607)</u>	<u>\$ (66,009)</u>

Continued

County of Orangeburg, South Carolina

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the year ended June 30, 2017

	Creekmoor Lighting District Fund	Fox Run Lighting District Fund	Empire States Lighting District Fund
REVENUES			
Taxes:			
Property taxes	\$ 17,442	\$ 7,939	\$ 4,321
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Total revenues all sources	<u>17,442</u>	<u>7,939</u>	<u>4,321</u>
EXPENDITURES			
Current:			
General government	-	-	-
Judicial	-	-	-
Public works	-	-	-
Public safety	-	-	-
Social and health	-	-	-
Other agencies and institutions:			
General government	-	-	-
Public works	8,993	7,158	4,232
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>8,993</u>	<u>7,158</u>	<u>4,232</u>
Excess of revenues over (under) expenditures	<u>8,449</u>	<u>781</u>	<u>89</u>
OTHER FINANCING SOURCES (USES)			
Capital lease	-	-	-
Sale of general capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	8,449	781	89
Fund balances, beginning of year	4,468	(1,626)	(1,006)
Fund balances, end of year	<u>\$ 12,917</u>	<u>\$ (845)</u>	<u>\$ (917)</u>

Continued

County of Orangeburg, South Carolina

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the year ended June 30, 2017

	Nonmajor Special Revenue Funds
REVENUES	
Taxes:	
Property taxes	\$ 5,739,989
Intergovernmental	4,961,724
Charges for services	2,345,206
Fines and forfeitures	482,964
Interest	5,885
Miscellaneous	54,241
Total revenues all sources	<u>13,590,009</u>
EXPENDITURES	
Current:	
General government	1,540,624
Judicial	228,337
Public works	4,865,302
Public safety	7,252,568
Social and health	1,038,206
Other agencies and institutions:	
General government	258,086
Public works	645,644
Capital outlay	2,385,355
Debt service:	
Principal	926,563
Interest	71,183
Total expenditures	<u>19,211,868</u>
Excess of revenues over (under) expenditures	<u>(5,621,859)</u>
OTHER FINANCING SOURCES (USES)	
Capital lease	1,131,880
Sale of general capital assets	223,047
Transfers in	4,168,544
Transfers out	(449,784)
Total other financing sources (uses)	<u>5,073,687</u>
Net change in fund balances	(548,172)
Fund balances, beginning of year	<u>6,908,245</u>
Fund balances, end of year	<u>\$ 6,360,073</u>

County of Orangeburg, South Carolina**Combining Balance Sheet****Nonmajor Capital Projects Funds****June 30, 2017**

	Capital Project Tax I	Capital Improvement Fund	Western Orangeburg Industrial Park Fund
ASSETS			
Receivables (net of allowance for uncollectibles)			
Property taxes	\$ -	\$ 51,668	\$ -
Other	-	-	-
Due from other funds	2,400,350	-	-
Land and buildings held for resale	-	-	2,690,859
Restricted assets:			
Pooled cash	138,891	768,818	471,229
Total assets	<u>\$ 2,539,241</u>	<u>\$ 820,486</u>	<u>\$ 3,162,088</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable and other current liabilities	\$ -	\$ 1,400	\$ -
Due to other funds	-	-	119,215
Due to component unit	-	-	23,275
Total liabilities	<u>-</u>	<u>1,400</u>	<u>142,490</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	-	45,809	-
Total deferred inflows of resources	<u>-</u>	<u>45,809</u>	<u>-</u>
FUND BALANCES			
Restricted	<u>2,539,241</u>	<u>773,277</u>	<u>3,019,598</u>
Total fund balances	<u>2,539,241</u>	<u>773,277</u>	<u>3,019,598</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,539,241</u>	<u>\$ 820,486</u>	<u>\$ 3,162,088</u>

Continued

County of Orangeburg, South Carolina

Combining Balance Sheet

Nonmajor Capital Projects Funds

June 30, 2017

	Orangeburg County / City Industrial Park	Capital Equipment Fund	Economic Development
ASSETS			
Receivables (net of allowance for uncollectibles)			
Property taxes	\$ -	\$ -	\$ -
Other	10,000	-	-
Due from other funds	-	-	-
Land and buildings held for resale	987,799	-	3,296,265
Restricted assets:			
Pooled cash	161,649	2,832	-
Total assets	\$ 1,159,448	\$ 2,832	\$ 3,296,265
LIABILITIES			
Accounts payable and other current liabilities	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Due to component unit	3,232	-	15,293
Total liabilities	3,232	-	15,293
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	-	-	-
Total deferred inflows of resources	-	-	-
FUND BALANCES			
Restricted	1,156,216	2,832	3,280,972
Total fund balances	1,156,216	2,832	3,280,972
Total liabilities, deferred inflows of resources and fund balances	\$ 1,159,448	\$ 2,832	\$ 3,296,265

Continued

County of Orangeburg, South Carolina**Combining Balance Sheet****Nonmajor Capital Projects Funds****June 30, 2017**

	Detention Center / County Capital Projects	Bond Issue 2016	Nonmajor Capital Projects Funds
ASSETS			
Receivables (net of allowance for uncollectibles)			
Property taxes	\$ -	\$ -	\$ 51,668
Other	-	-	10,000
Due from other funds	-	-	2,400,350
Land and buildings held for resale	-	-	6,974,923
Restricted assets:			
Pooled cash	3,008,358	-	4,551,777
Total assets	<u>\$ 3,008,358</u>	<u>\$ -</u>	<u>\$ 13,988,718</u>
LIABILITIES			
Accounts payable and other current liabilities	\$ 510,721	\$ -	\$ 512,121
Due to other funds	-	-	119,215
Due to component unit	-	-	41,800
Total liabilities	<u>510,721</u>	<u>-</u>	<u>673,136</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	-	-	45,809
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>45,809</u>
FUND BALANCES			
Restricted	<u>2,497,637</u>	-	<u>13,269,773</u>
Total fund balances	<u>2,497,637</u>	<u>-</u>	<u>13,269,773</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,008,358</u>	<u>\$ -</u>	<u>\$ 13,988,718</u>

County of Orangeburg, South Carolina

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Projects Funds

For the year ended June 30, 2017

	Capital Project Tax I	Capital Improvement Fund	Western Orangeburg Industrial Park Fund
REVENUES			
Taxes:			
Property taxes	\$ -	\$ 636,821	\$ -
Intergovernmental	-	-	21,000
Interest	-	-	-
Miscellaneous	35,034	-	201,820
Total revenues all sources	<u>35,034</u>	<u>636,821</u>	<u>222,820</u>
EXPENDITURES			
Current:			
General government	-	220,271	23,275
Other agencies and institutions:			
Public works	106,008	-	-
Capital outlay	-	43,351	-
Debt service:			
Interest	-	-	-
Bond issuance costs	-	-	-
Total expenditures	<u>106,008</u>	<u>263,622</u>	<u>23,275</u>
Excess of revenues over (under) expenditures	<u>(70,974)</u>	<u>373,199</u>	<u>199,545</u>
OTHER FINANCING SOURCES (USES)			
Bond anticipation note	-	-	-
Transfers in	-	7,230	375,551
Transfers out	(128,201)	(203,525)	-
Total other financing sources (uses)	<u>(128,201)</u>	<u>(196,295)</u>	<u>375,551</u>
Net change in fund balances	(199,175)	176,904	575,096
Fund balances, beginning of year	<u>2,738,416</u>	<u>596,373</u>	<u>2,444,502</u>
Fund balances, end of year	<u>\$ 2,539,241</u>	<u>\$ 773,277</u>	<u>\$ 3,019,598</u>

Continued

County of Orangeburg, South Carolina

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Projects Funds

For the year ended June 30, 2017

	<u>Orangeburg County / City Industrial Park</u>	<u>Capital Equipment Fund</u>	<u>Economic Development</u>
REVENUES			
Taxes:			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Total revenues all sources	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Current:			
General government	3,232	-	15,293
Other agencies and institutions:			
Public works	-	-	-
Capital outlay	-	-	-
Debt service:			
Interest	-	-	-
Bond issuance costs	-	-	-
Total expenditures	<u>3,232</u>	<u>-</u>	<u>15,293</u>
Excess of revenues over (under) expenditures	<u>(3,232)</u>	<u>-</u>	<u>(15,293)</u>
OTHER FINANCING SOURCES (USES)			
Bond anticipation note	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(3,232)	-	(15,293)
Fund balances, beginning of year	1,159,448	2,832	3,296,265
Fund balances, end of year	<u>\$ 1,156,216</u>	<u>\$ 2,832</u>	<u>\$ 3,280,972</u>

Continued

County of Orangeburg, South Carolina**Combining Statement of Revenues, Expenditures and Changes in Fund Balances****Nonmajor Capital Projects Funds****For the year ended June 30, 2017**

	Detention Center / County Capital Projects	Bond Issue 2016	Nonmajor Capital Projects Funds
REVENUES			
Taxes:			
Property taxes	\$ -	\$ -	\$ 636,821
Intergovernmental	-	-	21,000
Interest	-	116	116
Miscellaneous	-	-	236,854
Total revenues all sources	<u>-</u>	<u>116</u>	<u>894,791</u>
EXPENDITURES			
Current:			
General government	238,326	705	501,102
Other agencies and institutions:			
Public works	-	-	106,008
Capital outlay	4,085,084	32,613	4,161,048
Debt service:			
Interest	20,553	-	20,553
Bond issuance costs	158,400	13,000	171,400
Total expenditures	<u>4,502,363</u>	<u>46,318</u>	<u>4,960,111</u>
Excess of revenues over (under) expenditures	<u>(4,502,363)</u>	<u>(46,202)</u>	<u>(4,065,320)</u>
OTHER FINANCING SOURCES (USES)			
Bond anticipation note	7,000,000	-	7,000,000
Transfers in	-	46,202	428,983
Transfers out	-	-	(331,726)
Total other financing sources (uses)	<u>7,000,000</u>	<u>46,202</u>	<u>7,097,257</u>
Net change in fund balances	2,497,637	-	3,031,937
Fund balances, beginning of year	-	-	10,237,836
Fund balances, end of year	<u>\$ 2,497,637</u>	<u>\$ -</u>	<u>\$ 13,269,773</u>

County of Orangeburg, South Carolina

Combining Statement of Changes in Assets and Liabilities - Agency Funds

For the year ended June 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
Education Agency Funds				
Consolidated School District 3				
Assets				
Pooled cash	\$ 1,641,429	\$ 15,453,940	\$ (13,567,736)	\$ 3,527,633
Total assets	<u>\$ 1,641,429</u>	<u>\$ 15,453,940</u>	<u>\$ (13,567,736)</u>	<u>\$ 3,527,633</u>
Liabilities				
Due to taxing unit	\$ 1,641,429	\$ 15,453,940	\$ (13,567,736)	\$ 3,527,633
Total liabilities	<u>\$ 1,641,429</u>	<u>\$ 15,453,940</u>	<u>\$ (13,567,736)</u>	<u>\$ 3,527,633</u>
Consolidated School District 4				
Assets				
Pooled cash	\$ 105,743	\$ 14,358,454	\$ (13,976,590)	\$ 487,607
Total assets	<u>\$ 105,743</u>	<u>\$ 14,358,454</u>	<u>\$ (13,976,590)</u>	<u>\$ 487,607</u>
Liabilities				
Due to taxing unit	\$ 105,743	\$ 14,358,454	\$ (13,976,590)	\$ 487,607
Total liabilities	<u>\$ 105,743</u>	<u>\$ 14,358,454</u>	<u>\$ (13,976,590)</u>	<u>\$ 487,607</u>
Consolidated School District 5				
Assets				
Pooled cash	\$ 2,487,074	\$ 35,545,701	\$ (33,748,710)	\$ 4,284,065
Total assets	<u>\$ 2,487,074</u>	<u>\$ 35,545,701</u>	<u>\$ (33,748,710)</u>	<u>\$ 4,284,065</u>
Liabilities				
Due to taxing unit	\$ 2,487,074	\$ 35,545,701	\$ (33,748,710)	\$ 4,284,065
Total liabilities	<u>\$ 2,487,074</u>	<u>\$ 35,545,701</u>	<u>\$ (33,748,710)</u>	<u>\$ 4,284,065</u>
County Board of Education				
Assets				
Pooled cash	\$ 252,398	\$ 8,649,168	\$ (8,578,368)	\$ 323,198
Total assets	<u>\$ 252,398</u>	<u>\$ 8,649,168</u>	<u>\$ (8,578,368)</u>	<u>\$ 323,198</u>
Liabilities				
Due to taxing unit	\$ 252,398	\$ 8,649,168	\$ (8,578,368)	\$ 323,198
Total liabilities	<u>\$ 252,398</u>	<u>\$ 8,649,168</u>	<u>\$ (8,578,368)</u>	<u>\$ 323,198</u>

Continued

County of Orangeburg, South Carolina

Combining Statement of Changes in Assets and Liabilities - Agency Funds

For the year ended June 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
Municipal Agency Funds				
Town of Bowman				
Assets				
Pooled cash	\$ 2,338	\$ 644,659	\$ (136,313)	\$ 510,684
Total assets	<u>\$ 2,338</u>	<u>\$ 644,659</u>	<u>\$ (136,313)</u>	<u>\$ 510,684</u>
Liabilities				
Due to taxing unit	\$ 2,338	\$ 644,659	\$ (136,313)	\$ 510,684
Total liabilities	<u>\$ 2,338</u>	<u>\$ 644,659</u>	<u>\$ (136,313)</u>	<u>\$ 510,684</u>
 Town of Branchville				
Assets				
Pooled cash	\$ 1,200	\$ 115,055	\$ (116,255)	\$ -
Total assets	<u>\$ 1,200</u>	<u>\$ 115,055</u>	<u>\$ (116,255)</u>	<u>\$ -</u>
Liabilities				
Due to taxing unit	\$ 1,200	\$ 115,055	\$ (116,255)	\$ -
Total liabilities	<u>\$ 1,200</u>	<u>\$ 115,055</u>	<u>\$ (116,255)</u>	<u>\$ -</u>
 Town of Cope				
Assets				
Pooled cash	\$ 170	\$ 5,234	\$ (5,374)	\$ 30
Total assets	<u>\$ 170</u>	<u>\$ 5,234</u>	<u>\$ (5,374)</u>	<u>\$ 30</u>
Liabilities				
Due to taxing unit	\$ 170	\$ 5,234	\$ (5,374)	\$ 30
Total liabilities	<u>\$ 170</u>	<u>\$ 5,234</u>	<u>\$ (5,374)</u>	<u>\$ 30</u>
 Town of Cordova				
Assets				
Pooled cash	\$ 52	\$ 4,487	\$ (4,509)	\$ 30
Total assets	<u>\$ 52</u>	<u>\$ 4,487</u>	<u>\$ (4,509)</u>	<u>\$ 30</u>
Liabilities				
Due to taxing unit	\$ 52	\$ 4,487	\$ (4,509)	\$ 30
Total liabilities	<u>\$ 52</u>	<u>\$ 4,487</u>	<u>\$ (4,509)</u>	<u>\$ 30</u>
 Town of Ellore				
Assets				
Pooled cash	\$ (4,592)	\$ 240,703	\$ (236,111)	\$ -
Total assets	<u>\$ (4,592)</u>	<u>\$ 240,703</u>	<u>\$ (236,111)</u>	<u>\$ -</u>
Liabilities				
Due to taxing unit	\$ (4,592)	\$ 240,703	\$ (236,111)	\$ -
Total liabilities	<u>\$ (4,592)</u>	<u>\$ 240,703</u>	<u>\$ (236,111)</u>	<u>\$ -</u>

Continued

County of Orangeburg, South Carolina

Combining Statement of Changes in Assets and Liabilities - Agency Funds

For the year ended June 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
Municipal Agency Funds				
Town of Eutawville				
Assets				
Pooled cash	\$ 583	\$ 78,262	\$ (78,845)	\$ -
Total assets	<u>\$ 583</u>	<u>\$ 78,262</u>	<u>\$ (78,845)</u>	<u>\$ -</u>
Liabilities				
Due to taxing unit	\$ 583	\$ 78,262	\$ (78,845)	\$ -
Total liabilities	<u>\$ 583</u>	<u>\$ 78,262</u>	<u>\$ (78,845)</u>	<u>\$ -</u>
Town of Holly Hill				
Assets				
Pooled cash	\$ 4,804	\$ 287,492	\$ (286,252)	\$ 6,044
Total assets	<u>\$ 4,804</u>	<u>\$ 287,492</u>	<u>\$ (286,252)</u>	<u>\$ 6,044</u>
Liabilities				
Due to taxing unit	\$ 4,804	\$ 287,492	\$ (286,252)	\$ 6,044
Total liabilities	<u>\$ 4,804</u>	<u>\$ 287,492</u>	<u>\$ (286,252)</u>	<u>\$ 6,044</u>
Town of Livingston				
Assets				
Pooled cash	\$ 196	\$ 4,862	\$ (4,940)	\$ 118
Total assets	<u>\$ 196</u>	<u>\$ 4,862</u>	<u>\$ (4,940)</u>	<u>\$ 118</u>
Liabilities				
Due to taxing unit	\$ 196	\$ 4,862	\$ (4,940)	\$ 118
Total liabilities	<u>\$ 196</u>	<u>\$ 4,862</u>	<u>\$ (4,940)</u>	<u>\$ 118</u>
Town of Neeses				
Assets				
Pooled cash	\$ 362	\$ 26,955	\$ (26,809)	\$ 508
Total assets	<u>\$ 362</u>	<u>\$ 26,955</u>	<u>\$ (26,809)</u>	<u>\$ 508</u>
Liabilities				
Due to taxing unit	\$ 362	\$ 26,955	\$ (26,809)	\$ 508
Total liabilities	<u>\$ 362</u>	<u>\$ 26,955</u>	<u>\$ (26,809)</u>	<u>\$ 508</u>
Town of North				
Assets				
Pooled cash	\$ 510	\$ 133,604	\$ (132,340)	\$ 1,774
Total assets	<u>\$ 510</u>	<u>\$ 133,604</u>	<u>\$ (132,340)</u>	<u>\$ 1,774</u>
Liabilities				
Due to taxing unit	\$ 510	\$ 133,604	\$ (132,340)	\$ 1,774
Total liabilities	<u>\$ 510</u>	<u>\$ 133,604</u>	<u>\$ (132,340)</u>	<u>\$ 1,774</u>

Continued

County of Orangeburg, South Carolina

Combining Statement of Changes in Assets and Liabilities - Agency Funds

For the year ended June 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
Municipal Agency Funds				
Town of Norway				
Assets				
Pooled cash	\$ 880	\$ 34,876	\$ (34,956)	\$ 800
Total assets	<u>\$ 880</u>	<u>\$ 34,876</u>	<u>\$ (34,956)</u>	<u>\$ 800</u>
Liabilities				
Due to taxing unit	\$ 880	\$ 34,876	\$ (34,956)	\$ 800
Total liabilities	<u>\$ 880</u>	<u>\$ 34,876</u>	<u>\$ (34,956)</u>	<u>\$ 800</u>
Town of Orangeburg				
Assets				
Pooled cash	\$ 31,219	\$ 336,979	\$ (340,696)	\$ 27,502
Total assets	<u>\$ 31,219</u>	<u>\$ 336,979</u>	<u>\$ (340,696)</u>	<u>\$ 27,502</u>
Liabilities				
Due to taxing unit	\$ 31,219	\$ 336,979	\$ (340,696)	\$ 27,502
Total liabilities	<u>\$ 31,219</u>	<u>\$ 336,979</u>	<u>\$ (340,696)</u>	<u>\$ 27,502</u>
Town of Rowesville				
Assets				
Pooled cash	\$ 1,253	\$ 25,005	\$ (25,072)	\$ 1,186
Total assets	<u>\$ 1,253</u>	<u>\$ 25,005</u>	<u>\$ (25,072)</u>	<u>\$ 1,186</u>
Liabilities				
Due to taxing unit	\$ 1,253	\$ 25,005	\$ (25,072)	\$ 1,186
Total liabilities	<u>\$ 1,253</u>	<u>\$ 25,005</u>	<u>\$ (25,072)</u>	<u>\$ 1,186</u>
Town of Santee				
Assets				
Pooled cash	\$ 5,600	\$ 678,554	\$ (680,676)	\$ 3,478
Total assets	<u>\$ 5,600</u>	<u>\$ 678,554</u>	<u>\$ (680,676)</u>	<u>\$ 3,478</u>
Liabilities				
Due to taxing unit	\$ 5,600	\$ 678,554	\$ (680,676)	\$ 3,478
Total liabilities	<u>\$ 5,600</u>	<u>\$ 678,554</u>	<u>\$ (680,676)</u>	<u>\$ 3,478</u>
Town of Springfield				
Assets				
Pooled cash	\$ 2,014	\$ 61,689	\$ (62,497)	\$ 1,206
Total assets	<u>\$ 2,014</u>	<u>\$ 61,689</u>	<u>\$ (62,497)</u>	<u>\$ 1,206</u>
Liabilities				
Due to taxing unit	\$ 2,014	\$ 61,689	\$ (62,497)	\$ 1,206
Total liabilities	<u>\$ 2,014</u>	<u>\$ 61,689</u>	<u>\$ (62,497)</u>	<u>\$ 1,206</u>

Continued

County of Orangeburg, South Carolina

Combining Statement of Changes in Assets and Liabilities - Agency Funds For the year ended June 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
Municipal Agency Funds				
Town of Vance				
Assets				
Pooled cash	\$ 158	\$ 11,266	\$ (11,424)	\$ -
Total assets	<u>\$ 158</u>	<u>\$ 11,266</u>	<u>\$ (11,424)</u>	<u>\$ -</u>
Liabilities				
Due to taxing unit	\$ 158	\$ 11,266	\$ (11,424)	\$ -
Total liabilities	<u>\$ 158</u>	<u>\$ 11,266</u>	<u>\$ (11,424)</u>	<u>\$ -</u>
Town of Woodford				
Assets				
Pooled cash	\$ 109	\$ 3,293	\$ (3,258)	\$ 144
Total assets	<u>\$ 109</u>	<u>\$ 3,293</u>	<u>\$ (3,258)</u>	<u>\$ 144</u>
Liabilities				
Due to taxing unit	\$ 109	\$ 3,293	\$ (3,258)	\$ 144
Total liabilities	<u>\$ 109</u>	<u>\$ 3,293</u>	<u>\$ (3,258)</u>	<u>\$ 144</u>
Special Tax District Agency Funds				
Horse Range Watershed District				
Assets				
Pooled cash	\$ 21,363	\$ 20,218	\$ (21,219)	\$ 20,362
Total assets	<u>\$ 21,363</u>	<u>\$ 20,218</u>	<u>\$ (21,219)</u>	<u>\$ 20,362</u>
Liabilities				
Due to taxing unit	\$ 21,363	\$ 20,218	\$ (21,219)	\$ 20,362
Total liabilities	<u>\$ 21,363</u>	<u>\$ 20,218</u>	<u>\$ (21,219)</u>	<u>\$ 20,362</u>
Holly Hill Health and Drainage District				
Assets				
Pooled cash	\$ 1,539	\$ 11,444	\$ (11,249)	\$ 1,734
Total assets	<u>\$ 1,539</u>	<u>\$ 11,444</u>	<u>\$ (11,249)</u>	<u>\$ 1,734</u>
Liabilities				
Due to taxing unit	\$ 1,539	\$ 11,444	\$ (11,249)	\$ 1,734
Total liabilities	<u>\$ 1,539</u>	<u>\$ 11,444</u>	<u>\$ (11,249)</u>	<u>\$ 1,734</u>
Cow Castle Drainage District				
Assets				
Pooled cash	\$ 20,560	\$ 20,560	\$ (20,560)	\$ 20,560
Total assets	<u>\$ 20,560</u>	<u>\$ 20,560</u>	<u>\$ (20,560)</u>	<u>\$ 20,560</u>
Liabilities				
Due to taxing unit	\$ 20,560	\$ 20,560	\$ (20,560)	\$ 20,560
Total liabilities	<u>\$ 20,560</u>	<u>\$ 20,560</u>	<u>\$ (20,560)</u>	<u>\$ 20,560</u>

Continued

County of Orangeburg, South Carolina

Combining Statement of Changes in Assets and Liabilities - Agency Funds

For the year ended June 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
Special Tax District Agency Funds				
Santee Fire District				
Assets				
Pooled cash	\$ 19,775	\$ 244,891	\$ (244,519)	\$ 20,147
Total assets	<u>\$ 19,775</u>	<u>\$ 244,891</u>	<u>\$ (244,519)</u>	<u>\$ 20,147</u>
Liabilities				
Due to taxing unit	\$ 19,775	\$ 244,891	\$ (244,519)	\$ 20,147
Total liabilities	<u>\$ 19,775</u>	<u>\$ 244,891</u>	<u>\$ (244,519)</u>	<u>\$ 20,147</u>
Departmental Agency Funds				
Solicitor's Drug Fund				
Assets				
Cash and cash equivalents	\$ 29,437	\$ 34,825	\$ (29,435)	\$ 34,827
Total assets	<u>\$ 29,437</u>	<u>\$ 34,825</u>	<u>\$ (29,435)</u>	<u>\$ 34,827</u>
Liabilities				
Due to others	\$ 29,437	\$ 34,825	\$ (29,435)	\$ 34,827
Total liabilities	<u>\$ 29,437</u>	<u>\$ 34,825</u>	<u>\$ (29,435)</u>	<u>\$ 34,827</u>
Solicitor's Forfeited Bond Fund				
Assets				
Cash and cash equivalents	\$ 19,093	\$ 19,797	\$ (19,153)	\$ 19,737
Total assets	<u>\$ 19,093</u>	<u>\$ 19,797</u>	<u>\$ (19,153)</u>	<u>\$ 19,737</u>
Liabilities				
Due to others	\$ 19,093	\$ 19,797	\$ (19,153)	\$ 19,737
Total liabilities	<u>\$ 19,093</u>	<u>\$ 19,797</u>	<u>\$ (19,153)</u>	<u>\$ 19,737</u>
Clerk of Court Agency Fund				
Assets				
Cash and cash equivalents	\$ 495,300	\$ 395,798	\$ (495,300)	\$ 395,798
Total assets	<u>\$ 495,300</u>	<u>\$ 395,798</u>	<u>\$ (495,300)</u>	<u>\$ 395,798</u>
Liabilities				
Due to others	\$ 495,300	\$ 395,798	\$ (495,300)	\$ 395,798
Total liabilities	<u>\$ 495,300</u>	<u>\$ 395,798</u>	<u>\$ (495,300)</u>	<u>\$ 395,798</u>
Master in Equity Agency Fund				
Assets				
Cash and cash equivalents	\$ 75,099	\$ 241,360	\$ (75,099)	\$ 241,360
Total assets	<u>\$ 75,099</u>	<u>\$ 241,360</u>	<u>\$ (75,099)</u>	<u>\$ 241,360</u>
Liabilities				
Due to others	\$ 75,099	\$ 241,360	\$ (75,099)	\$ 241,360
Total liabilities	<u>\$ 75,099</u>	<u>\$ 241,360</u>	<u>\$ (75,099)</u>	<u>\$ 241,360</u>

Continued

County of Orangeburg, South Carolina

Combining Statement of Changes in Assets and Liabilities - Agency Funds

For the year ended June 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
Departmental Agency Funds				
Probate Court Agency Fund				
Assets				
Cash and cash equivalents	\$ 226,405	\$ 485,591	\$ (226,405)	\$ 485,591
Total assets	<u>\$ 226,405</u>	<u>\$ 485,591</u>	<u>\$ (226,405)</u>	<u>\$ 485,591</u>
Liabilities				
Due to others	\$ 226,405	\$ 485,591	\$ (226,405)	\$ 485,591
Total liabilities	<u>\$ 226,405</u>	<u>\$ 485,591</u>	<u>\$ (226,405)</u>	<u>\$ 485,591</u>
Family Court Agency Fund				
Assets				
Cash and cash equivalents	\$ 242,275	\$ 318,678	\$ (242,275)	\$ 318,678
Total assets	<u>\$ 242,275</u>	<u>\$ 318,678</u>	<u>\$ (242,275)</u>	<u>\$ 318,678</u>
Liabilities				
Due to others	\$ 242,275	\$ 318,678	\$ (242,275)	\$ 318,678
Total liabilities	<u>\$ 242,275</u>	<u>\$ 318,678</u>	<u>\$ (242,275)</u>	<u>\$ 318,678</u>
Magistrate Agency Fund				
Assets				
Cash and cash equivalents	\$ 43,748	\$ 25,774	\$ (43,748)	\$ 25,774
Total assets	<u>\$ 43,748</u>	<u>\$ 25,774</u>	<u>\$ (43,748)</u>	<u>\$ 25,774</u>
Liabilities				
Due to others	\$ 43,748	\$ 25,774	\$ (43,748)	\$ 25,774
Total liabilities	<u>\$ 43,748</u>	<u>\$ 25,774</u>	<u>\$ (43,748)</u>	<u>\$ 25,774</u>
Sheriff's Agency Fund				
Assets				
Cash and cash equivalents	\$ 20,449	\$ 9,224	\$ (20,449)	\$ 9,224
Total assets	<u>\$ 20,449</u>	<u>\$ 9,224</u>	<u>\$ (20,449)</u>	<u>\$ 9,224</u>
Liabilities				
Due to others	\$ 20,449	\$ 9,224	\$ (20,449)	\$ 9,224
Total liabilities	<u>\$ 20,449</u>	<u>\$ 9,224</u>	<u>\$ (20,449)</u>	<u>\$ 9,224</u>
Delinquent Tax Collector Agency Fund				
Assets				
Cash and cash equivalents	\$ 4,111,700	\$ 3,748,970	\$ (4,111,700)	\$ 3,748,970
Total assets	<u>\$ 4,111,700</u>	<u>\$ 3,748,970</u>	<u>\$ (4,111,700)</u>	<u>\$ 3,748,970</u>
Liabilities				
Due to others	\$ 4,111,700	\$ 3,748,970	\$ (4,111,700)	\$ 3,748,970
Total liabilities	<u>\$ 4,111,700</u>	<u>\$ 3,748,970</u>	<u>\$ (4,111,700)</u>	<u>\$ 3,748,970</u>

Continued

County of Orangeburg, South Carolina

Combining Statement of Changes in Assets and Liabilities - Agency Funds

For the year ended June 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
Departmental Agency Funds				
Installment Tax Payment Agency Fund				
Assets				
Pooled cash	\$ 222,455	\$ 222,455	\$ (222,455)	\$ 222,455
Total assets	<u>\$ 222,455</u>	<u>\$ 222,455</u>	<u>\$ (222,455)</u>	<u>\$ 222,455</u>
Liabilities				
Due to others	\$ 222,455	\$ 222,455	\$ (222,455)	\$ 222,455
Total liabilities	<u>\$ 222,455</u>	<u>\$ 222,455</u>	<u>\$ (222,455)</u>	<u>\$ 222,455</u>
Totals - All Agency Funds				
Assets				
Cash and cash equivalents	\$ 5,263,506	\$ 5,280,017	\$ (5,263,564)	\$ 5,279,959
Pooled cash	4,819,192	77,219,806	(72,577,733)	9,461,265
Total assets	<u>\$ 10,082,698</u>	<u>\$ 82,499,823</u>	<u>\$ (77,841,297)</u>	<u>\$ 14,741,224</u>
Liabilities				
Due to taxing unit	\$ 4,596,737	\$ 76,997,351	\$ (72,355,278)	\$ 9,238,810
Due to others	5,485,961	5,502,472	(5,486,019)	5,502,414
Total liabilities	<u>\$ 10,082,698</u>	<u>\$ 82,499,823</u>	<u>\$ (77,841,297)</u>	<u>\$ 14,741,224</u>

Schedules Required by State Law

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County of Orangeburg, South Carolina**Schedule of Fines, Assessments and Surcharges****For the year ended June 30, 2017**

Court fines and assessments

Court fines, assessments and surcharges	\$ 1,475,767
Remitted to State Treasurer	700,750
Court fines, assessments and surcharges retained by County	\$ 775,017

Court fines, assessments and surcharges retained by the County

General fund	\$ 680,483
Victims' assistance services	94,534
	\$ 775,017

Victims' Advocate fund

Court assessments allocated to victim fund	\$ 94,534
Grant revenue	47,818
Local contribution	79,895
Funds available for victims' services	<u>222,247</u>

Victims' services expenditures

Wages and benefits	192,255
Supplies	3,902
Training and travel	2,700
Dues and memberships	50
Other	2,343
Capital outlay	36,198
Total victims' services expenditures	<u>237,448</u>

Revenues in excess (deficit) of expenditures (15,201)

Deficit available for carry forward, beginning of year (412,396)**Deficit available for carry forward, end of year** **\$ (427,597)**

County of Orangeburg, South Carolina
SC Department of Transportation Transit Grant
Schedule of Budgeted To Actual Costs
For the fiscal year ended June 30, 2017

Grant #: SC-2016

OPT Contract # PT-7C011-26

Contract Period: FY 2016-2017

Period of Performance: July 1, 2016 - June 30, 2017

	CONTRACT BUDGET		ACTUAL			Variance
	Original	Final	Section 5311	SMTF	Local	
Administration						
Personnel	\$ 47,500	\$ 47,500	\$ 15,697	\$ -	\$ 3,935	\$ 27,868
Fringe benefits	14,438	14,438	3,018	-	754	10,666
Professional services	5,400	5,400	-	-	-	5,400
Contract services - maintenance	3,600	3,600	692	-	173	2,735
Custodial fees	6,600	6,600	5,877	-	1,471	(748)
Materials and supplies	2,000	2,000	1,600	-	400	-
Utilities	6,000	6,000	4,800	-	1,200	-
Miscellaneous						
Advertising & promotion media	2,000	2,000	-	-	-	2,000
Drug testing	200	200	-	-	-	200
Professional dues & subscriptions	600	600	-	-	-	600
Travel	5,000	5,000	-	-	-	5,000
Total administration	93,338	93,338	31,684	-	7,933	53,721
Operations						
Personnel - wages	47,971	47,971	23,986	11,033	12,952	-
Personnel - benefits	19,108	19,108	9,554	4,395	5,159	-
Management service fee	412,000	412,000	198,162	94,760	103,403	15,675
Fuel and lubricants	25,000	25,000	3,526	3,378	147	17,949
Miscellaneous						
Two way radio monthly fees	3,600	3,600	-	-	-	3,600
Total operations	507,679	507,679	235,228	113,566	121,661	37,224
Capital						
Communications system	18,000	14,400	-	-	-	14,400
Bus passenger shelters	25,000	20,000	-	-	-	20,000
Total capital	43,000	34,400	-	-	-	34,400
Total program	\$ 644,017	\$ 635,417	\$ 266,912	\$ 113,566	\$ 129,594	\$ 125,345

Reconciliation:

Approved Budget	\$ 635,417
TI Federal Costs	266,912
TI State Costs	113,566
TI Local Costs	129,594
Budget Balance	\$ 125,345

County of Orangeburg, South Carolina
SC Department of Transportation RTAP Grant
Schedule of Budgeted To Actual Costs
For the fiscal year ended June 30, 2017

Grant # SC-18-X038

OPT Contract # T17R040-01

Contract Period: FY 2016-2017

Period of Performance: July 1, 2016 - June 30, 2017

	CONTRACT BUDGET		ACTUAL			Variance
	Original	Final	Section 5311	SMTF	Local	
	Administration					
Registrations	\$ 1,860	\$ 2,325	\$ 2,372	\$ -	\$ -	\$ (47)
Lodging	1,476	1,845	2,091	-	-	(246)
Total administration	3,336	4,170	4,463	-	-	(293)
Total program	\$ 3,336	\$ 4,170	\$ 4,463	\$ -	\$ -	\$ (293)

Reconciliation:

Approved Budget	\$ 4,170
TI Federal Costs	4,463
TI State Costs	-
TI Local Costs	-
Budget Balance	<u>\$ (293)</u>

