

UNION COUNTY, SOUTH CAROLINA
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2018

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AND SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2018**

TABLE OF CONTENTS

	<u>Page</u>
County Officials	i
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-9
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	Exhibit A 10
Statement of Activities	Exhibit B 11
Fund Financial Statements	
Governmental Funds	
Balance Sheet	Exhibit C-1 12
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	Exhibit C-2 13
Statement of Revenues, Expenditures, and Changes in Fund Balances	Exhibit D-1 14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	Exhibit D-2 15
Fiduciary Funds	
Statement of Fiduciary Net Position	Exhibit E 16
Notes to Financial Statements	17-46
Required Supplementary Information	
Schedule of the County's Proportionate Share of the Collective Net Pension Liability (SCRS)	Schedule 1 47
Schedule of the County's Contributions (SCRS)	Schedule 2 48
Schedule of the County's Proportionate Share of the Collective Net Pension Liability (PORS)	Schedule 3 49
Schedule of the County's Contributions (PORS)	Schedule 4 50
Schedule of Changes in the County's Total OPEB Liability and Related Ratios (OPEB)	Schedule 5 51
Schedule of the County's Contributions (OPEB)	Schedule 6 52
Budgetary Comparison Schedule - General Fund	Schedule 7 53-54
Other Supplementary Information	
Combining Balance Sheet – Special Revenue Funds	Schedule 8 55-63
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Special Revenue Funds	Schedule 9 64-72
Combining Balance Sheet – Fire Districts	Schedule 10 73
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Fire Districts	Schedule 11 74

**UNION COUNTY, SOUTH CAROLINA
BASIC FINANCIAL STATEMENTS
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YEAR ENDED JUNE 30, 2018**

TABLE OF CONTENTS - CONTINUED

	<u>Page</u>
Other Supplementary Information - Continued	
Combining Balance Sheet – Debt Service Funds	Schedule 12 75
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Debt Service Funds	Schedule 13 76
Combining Balance Sheet – Capital Projects Funds	Schedule 14 77-78
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Capital Projects Funds	Schedule 15 79-80
Combining Statement of Fiduciary Net Position - Agency Funds	Schedule 16 81-82
Supplementary Information Required by State of South Carolina	
Summary Schedule of Court Fines, Assessments and Surcharges	Schedule 17 73
South Carolina Department of Transportation Contract Schedule of Budgeted to Actual Costs	Schedule 18 74

**UNION COUNTY, SOUTH CAROLINA
LISTING OF COUNTY OFFICIALS
JUNE 30, 2018**

Supervisor/Chairman:		Frank Hart
Vice-Chairperson:	District Four	Ben C. Ivey
Council members:		
	District One	Joan Little
	District Two	Ralph A. Tucker
	District Three	David Sinclair
	District Five	Tommie Lee Hill, Sr.
	District Six	Kacie M Petrie
Treasurer		Dianne S. Wilkins
Auditor		Bradley O. Valentine
Clerk of Court		Melanie Lawson
Judge of Probate		William D. All, II
Sheriff		David H. Taylor

To Union County Council
Union, South Carolina

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Union County, South Carolina (the "County"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Union County Carnegie Library, which represents 100 percent of the assets, liabilities, fund balances, revenues and expenditures of the Union County Carnegie Library fund. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Union County Carnegie Library, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Union County, South Carolina, as of June 30, 2018, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 13 to the financial statements, Union County, South Carolina adopted the Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* during fiscal year ended June 30, 2018. The implementation of GASB Statement No. 75 resulted in the restatement of beginning net position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of County's Proportionate Share of the Net Pension Liability, Schedules of the County's Contributions, Schedule of Changes in the County's Total OPEB Liabilities and Related Ratios, Schedule of the County's Contributions related to OPEB and Budgetary Comparison Schedule - General Fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and the supplementary information required by the State of South Carolina are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and the supplementary information required by the State of South Carolina are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements and the supplementary information required by the State of South Carolina are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McAbee, Schwartz, Halliday & Co.

Spartanburg, South Carolina
May 3, 2019

**UNION COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018**

As management of Union County, South Carolina ("the County"), we offer the readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with the County's financial statements.

FINANCIAL HIGHLIGHTS

The following are key financial highlights for the fiscal year:

- Union County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$17,239,418 (net position). Although the net position is positive, the County has an unrestricted deficit net position of (\$4,409,696).
- The County's net position increased \$547,201 during the year due to continuing operations on a government-wide basis. The County also adjusted total net position by \$(23,860) for adjustments to the prior accounting period. Additionally, the County implemented GASB Nos. 75 and 85 related to OPEB reporting which required a restatement of beginning net position of \$1,506,000. Details of these can be found in the Notes to the Financial Statements.
- At the close of this fiscal year, the County's combined governmental funds reported ending fund balances of \$13,920,428, a decrease of \$1,497,568 from the prior year from continuing operations and a \$23,860 decrease from the prior period from adjustments made to prior accounting periods.
- The County reclassified several funds during the year between the governmental funds and agency funds due to changes in financial structure and classification. Beginning fund balance was affected by those changes.
- At June 30, 2018, fund balance for the General Fund was \$6,414,600, an increase of \$1,433,775 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. These statements consist of a statement of net position and a statement of activities, which report information about the overall financial position and activities of the County government as a whole.

The statement of net position presents information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between all four reported as net position. One can think of the County's net position as a measure of financial health. Over time, increases or decreases in the County's net position is one indicator of whether financial health is improving or deteriorating.

**UNION COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS – CONTINUED

Government-Wide Financial Statements – Continued

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. 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 focus of the statement of activities is on the net cost of activities provided by the County.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, public works, economic development, judicial administration, culture and recreation, rescue and fire protections, legislative oversight and other.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Union County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds - Governmental funds are used to account for the County's general government activities. Unlike the government-wide financial statements, governmental fund financial statements are reported using current financial resources. Revenues are recognized to the degree that they are available to finance expenditures of the fiscal period being reported.

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

The County many funds but reports five major funds: the General Fund, the Union County Carnegie Library, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. The General Fund accounts for all financial resources except those required to be accounted for in another fund. The particular definitions and related income and expense of the major funds can be found in Note 1 to the financial statements.

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the general fund as required supplementary information.

Fiduciary Funds – Fiduciary funds account for assets held by the County in a trustee capacity or as an agent on behalf of others. The resources of the fiduciary funds are not available to support the County's programs and are therefore excluded from the government-wide financial statements.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**UNION COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS – CONTINUED

Other Information

In addition to the basic financial statements and accompanying notes, this report presents a combining balance sheet and combining statement of revenues, expenditures and changes in fund balance for the non-major governmental funds, a combining balance sheet for the agency funds, and several other schedules.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the statement of net position presents the difference between the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources and over time may serve as an indicator of its financial position. In the case of Union County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$17,239,418 at the close of the most recent fiscal year.

The following table presents a summary of the statement of net position as of June 30, 2018:

Union County's Net Position Governmental Activities			
	2018	2017 *	Change
Current and Other Assets	\$ 16,889,611	\$ 16,529,391	\$ 360,220
Capital Assets	24,863,645	22,118,749	2,744,896
Total Assets	<u>41,753,256</u>	<u>38,648,140</u>	<u>3,105,116</u>
Deferred Outflows of Resources			
Net loss on refunding	22,637	25,200	(2,563)
Deferred amounts related to OPEB	19,921	-	19,921
Deferred amounts related to pensions	4,040,087	3,846,404	193,683
Total Assets and Deferred Outflows of Resources	<u>45,835,901</u>	<u>42,519,744</u>	<u>3,316,157</u>
Current Liabilities	1,996,805	1,057,781	939,024
Non-Current Liabilities	25,405,353	23,174,899	2,230,454
Total Liabilities	<u>27,402,158</u>	<u>24,232,680</u>	<u>3,169,478</u>
Deferred Inflows of Resources			
Unavailable revenues - local option sales tax	838,388	-	838,388
Deferred amounts related to pensions	355,937	64,987	290,950
Total Liabilities and Deferred Inflows of Resources	<u>28,596,483</u>	<u>24,297,667</u>	<u>4,298,816</u>
Net Position	<u>\$ 17,239,418</u>	<u>\$ 18,222,077</u>	<u>\$ (982,659)</u>
Allocation of Net Position			
Net Investment in Capital Assets	\$ 19,525,115	\$ 15,730,373	\$ 3,794,742
Restricted for:			
Nonexpendable - inventory	-	135	(135)
Culture and recreation	615,269	1,356,962	(741,693)
Capital projects	-	2,483,603	(2,483,603)
Public Safety	96,455	718,772	(622,317)
Public works	1,412,275	1,135,692	276,583
Unrestricted (deficit)	<u>(4,409,696)</u>	<u>(3,203,460)</u>	<u>(1,206,236)</u>
Total Net Position	<u>\$ 17,239,418</u>	<u>\$ 18,222,077</u>	<u>\$ (982,659)</u>

* Prior year not restated for MDA purposes

Total assets and deferred outflows of resources for the year increased \$3,316,157, which was driven by the change in the deferred amounts related to pensions as well as an increase in current assets and capital assets net of related depreciation. Also a driver is the addition of deferred outflows related to OPEB.

**UNION COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS - CONTINUED

Capital assets, net of depreciation increased \$2,744,896, due to capital outlay into both construction in progress and physical assets on hand exceeding depreciation expense in the current year.

The County's long-term obligations are comprised several components: general obligation bonds, capital leases, compensated absences, landfill post-closure liability, OPEB liability and the Net Pension Liability. Long-term liabilities increased \$2,230,454, primarily due to the increase in the net pension liability and net opeb liability as well as the issuance of new capital leases. More detailed information on the capital assets and long-term obligations activity are provided in the notes to the financial statements.

The following table summarizes the change in net position of the County for the year ended June 30, 2018:

Union County's Statement of Activities Governmental Activities			
	2018	2017 *	Change
Revenues:			
Program Revenues:			
Charges for services	\$ 3,206,171	\$ 1,870,252	\$ 1,335,919
Operating grants and contributions	914,906	462,652	452,254
Capital grants and contributions	567,469	-	567,469
General Revenues:			
Property taxes	11,649,129	11,750,785	(101,656)
Other taxes	1,768,700	819,641	949,059
Intergovernmental	2,477,435	3,367,588	(890,153)
Loss on sale of capital assets	8,640	(280,167)	288,807
Other	2,796,241	4,228,855	(1,432,614)
Total Revenues	<u>23,388,691</u>	<u>22,219,606</u>	<u>1,169,085</u>
Expenses:			
General government	6,246,232	5,867,254	378,978
Economic development	974,902	982,233	(7,331)
Public safety	8,254,498	8,272,363	(17,865)
Public works	2,978,416	2,970,842	7,574
Judicial administration	2,090,089	2,046,491	43,598
Fire protection	358,994	605,826	(246,832)
Culture and recreation	1,095,445	1,477,003	(381,558)
Health, education and welfare	573,775	447,660	126,115
Capital outlay	195,227	59,744	135,483
Interest and fiscal charges	73,912	201,542	(127,630)
Total Expenses	<u>22,841,490</u>	<u>22,930,958</u>	<u>(89,468)</u>
Change in net position	547,201	(711,352)	1,258,553
Net position beginning of year	16,716,077	20,036,165	(3,320,088)
Prior period adjustment	<u>(23,860)</u>	<u>(1,102,736)</u>	<u>1,078,876</u>
Net position end of year	<u>\$ 17,239,418</u>	<u>\$ 18,222,077</u>	<u>\$ (982,659)</u>

* Prior year not restated for MDA Purposes

Governmental Activities

Governmental activities increased the County's net position by \$547,201 during the current fiscal year. The key elements were increases in funding due to the new local option sales tax and reduced expenditures year over year.

**UNION COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS - CONTINUED

Governmental Activities - Continued

Total revenues saw an increase of \$1,169,085 over the prior year with the majority of that being local option sales tax and program revenues in total. This was aided by a reduction in expenditures for the County as a whole.

Total expenses decreased by \$89,468, primarily due to the decrease in capital outlay from building projects and other renovations, coupled with increases in personnel costs aided by the management of overall expenditures.

There were also prior period adjustments made to the government-wide financial statements. Increasing the government-wide net position was the landfill, which was previously reported as a business-type activity. Reducing net position were adjustments for accruals and debt issuances as well as pension reporting. More detailed information on these adjustments can be found in the notes to the financial statements.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds

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

The General Fund is the major governmental fund of the County. At the end of the fiscal year, Union County reported an unassigned fund balance of \$5,964,474, in the General Fund. Total fund balance for all the governmental funds was \$13,920,428. As a measure of the General Fund's liquidity, the total unassigned fund balance represents 39.5% of total general fund expenditures.

The County has a multitude of special revenues funds which are used to segregate the assets, liabilities, revenues and expenditures of specifically designated money, whether it be internally or externally designated. Some of the special revenues funds are: Fire Districts, E-911, Union SRT, School Resource Officer, Poll Works, Timken Sports Complex, Recreation, and Economic Development.

During the year the County started and funded, through long-term financings with general obligation bonds and capital leases, the purchase or construction of several assets and projects. These projects are kept up with in the capital projects funds where the expenditures for those projects are reported for fund financial statement purposes.

The County maintains several debt service funds to record the repayment of its general obligation debt as well as other long-term debt obligations.

**UNION COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018**

GENERAL FUND BUDGETARY HIGHLIGHTS

A budgetary comparison schedule for the General Fund is provided in the Required Supplementary Information. The schedule shows the original adopted budget, the final budget, the actual results on GAAP basis, and the variance between budget and actual. After the original budget is approved, it may be revised for a variety of reasons such as unforeseen circumstances, new bond or loan proceeds, new grant awards, or other unanticipated revenues. The General Fund budget was not revised during the current fiscal year.

Actual revenues exceeded budgeted revenues by \$950,375 due to higher than anticipated higher than anticipated collections on other revenues and the addition of a local option sales tax with the increased effect being reduced by lower than expected property tax collections. Budgeted expenditures were greater than actual expenditures by \$906,283, primarily due to lower than anticipated emergency medical services and detention center expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The County's capital assets for its governmental activities as of June 30, 2018, totaled \$24,863,645, net of accumulated depreciation. These capital assets includes land, buildings and building improvements, vehicles, furniture and equipment. The roads (i.e. infrastructure assets) added during the fiscal year are also included.

The major capital asset additions during the year included, but were not limited to, Bonham's Fire Station, renovations to the EMS facility, the County Stadium and at the Timken Sports Complex as well as other smaller asset additions.

Net capital assets at June 30, 2018 and 2017 included:

Union County's Capital Assets

	2018	2017	Change
Land	\$ 4,236,716	\$ 3,797,081	\$ 439,635
Land - library	23,305	23,305	-
Budilings and improvements	22,078,490	19,754,814	2,323,676
Budilings and improvements - library	536,284	536,284	-
Vehicles	4,168,153	4,148,542	19,611
Furniture, fixtures and equipment	6,171,509	6,503,758	(332,249)
Furniture, fixtures and equipment - library	831,167	831,167	-
Infrastructure	1,891,048	1,891,048	-
Landfill	2,528,787	2,528,787	-
Construction in progress	523,225	685,916	(162,691)
Construction in progress - library	1,212,720	50,448	1,162,272
Less: Accumulated depreciation	(19,337,759)	(18,096,117)	(1,241,642)
	<u>\$ 24,863,645</u>	<u>\$ 22,655,033</u>	<u>\$ 2,208,612</u>

Additional information on the County's capital assets can be found in the notes to financial statements.

Long-Term Obligations

The legal limit on the amount of general obligation bond indebtedness that a County can incur is 8% of their assessed value. At the end of the current fiscal year, the County had total long-term obligations outstanding of \$6,199,170. General obligation bonds constitute 75.90% of long-term debt and are backed by the full faith and credit of the County. The remainder of the long-term debt for the County is comprised of multiple capital leases (10.12%), compensated absences (7.91%) and landfill post-closure cost liabilities (6.07%).

**UNION COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018**

CAPITAL ASSET AND DEBT ADMINISTRATION - CONTINUED

Long-Term Obligations – Continued

Union County's Long-Term Obligations

	2018	2017	Change
Long-Term Obligations			
General obligation bonds	\$ 4,705,292	\$ 5,200,874	\$ (495,582)
Capital leases	627,448	764,108	(136,660)
Compensated absences	490,340	442,738	47,602
Landfill post-closure costs	376,090	405,020	(28,930)
	<u>\$ 6,199,170</u>	<u>\$ 6,812,740</u>	<u>\$ (613,570)</u>

During fiscal year 2018, the County issued one new capital lease for a fire truck. The regularly schedule debt payments were made per their payoff schedules with principal and interest being paid on time.

In addition the County also holds liabilities for other post-employment benefits and its net pension liability of \$2,596,600 and \$16,609,583, respectively. The County adopted GASB Nos. 75 and 85 which required a restatement of prior net position due to the change in reporting requirements for the Other Post-Employment Benefits (OPEB). This amount has now been reported in conformity with the above mentioned pronouncements. Additional information on the County's long-term obligations can be found in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Local, national and international economic factors influence the County's revenues. Positive economic growth is correlated with increased revenues from property taxes, sales taxes, charges for services, as well as state and federal grants. Economic growth in the local economy may be measured by a variety of indicators such as employment growth, unemployment, new construction, and assessed valuation.

- As of June 30, 2018, the unemployment rate for Union County was 4.3% compared to 5.5% at June 30, 2017. Statewide unemployment was at 3.7%, down 0.7% from one year prior.
- A number of factors were considered in the approval of the County's total millage rate.

County Council adopted a General Fund budget for fiscal year 2019, where budgeted expenditures are projected to be \$18,454,738, an increase of approximately \$2,444,759 or 15% over the fiscal year 2018 budgeted expenditures. The increase in the projected revenue and projected expenditures was to the inclusion of services not previously addressed in the County budget. For comparative purposes, the change in projected revenue and projected expenditures, excluding these items, would be an increase of 0.3%. The County has allocated \$410,126 of current year fund balance to assist in balancing the 2018-2019 budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Union County, South Carolina's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the County Supervisor, Union County, 210 West Main Street, Union, South Carolina, 29379.

**UNION COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2018**

	Governmental Activities
Assets	
Pooled cash and investments	\$ 14,595,901
Taxes receivable - net	1,504,137
Advances to fire districts	75,500
Due from other governments	691,421
Other receivables	22,652
	<u>16,889,611</u>
Capital Assets	
Land	4,260,021
Buildings and improvements	22,614,774
Vehicles	4,168,153
Furniture, fixtures and equipment	7,002,676
Infrastructure	1,891,048
Landfill	2,528,787
Construction in progress	1,735,945
Less: Accumulated depreciation	<u>(19,337,759)</u>
Total Capital Assets - Net of Accumulated Depreciation	<u>24,863,645</u>
Total Assets	<u>41,753,256</u>
Deferred Outflows of Resources	
Deferred loss on advanced refunding	22,637
Deferred amounts related to OPEB	19,921
Deferred amounts related to pensions	4,040,087
Total Deferred Outflows of Resources	<u>4,082,645</u>
Liabilities	
Accounts payable	1,515,113
Accrued salaries and benefits payable	410,870
Retainage payable	38,268
Due to other governments	4,127
Accrued interest payable	28,427
Non-current liabilities:	
Due within one year	664,738
Due in more than one year	5,534,432
Total OPEB liability	2,596,600
Net pension liability	16,609,583
Total Liabilities	<u>27,402,158</u>
Deferred Inflows of Resources	
Unavailable revenues - local option sales tax	838,388
Deferred amounts related to pensions	355,937
Total Deferred Inflows of Resources	<u>1,194,325</u>
Net Position	
Net investment in capital assets	19,525,115
Restricted for:	
Culture and recreation	615,269
Public safety and public works	96,455
Economic development	1,412,274
Unrestricted	<u>(4,409,695)</u>
Total Net Position	<u>\$ 17,239,418</u>

The accompanying notes are an integral part of these statements.

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

Functions/Programs	Expenses	Program Revenue		Capital Grants and Contributions	Net (Expense) Revenue and Governmental Activities
		Charges for Services	Operating Grants and Contributions		
Primary government					
Governmental activities					
General government	\$ 6,246,232	\$ 1,636,514	\$ -	\$ -	\$ (4,609,718)
Economic development	974,902	-	31,402	300,000	(643,500)
Public safety	8,254,498	1,402,330	75,000	-	(6,777,168)
Public works	2,978,416	40,325	808,504	100,000	(2,029,587)
Judicial administration	2,090,089	-	-	-	(2,090,089)
Fire protection	358,994	-	-	-	(358,994)
Culture and recreation	1,095,445	127,002	-	167,469	(800,974)
Health, education and welfare	573,775	-	-	-	(573,775)
Capital outlay	195,227	-	-	-	(195,227)
Interest and fiscal charges	73,912	-	-	-	(73,912)
Total Primary Government	22,841,490	3,206,171	914,906	567,469	(18,152,944)
General Revenues:					
Property taxes levied for:					
General purposes					11,190,570
Debt Service					458,559
Sales and other miscellaneous taxes					1,768,700
Rental revenue					391,408
Intergovernmental					2,477,435
Investment earnings					67,529
Gain (loss) on sale of capital assets					8,640
Contributions and miscellaneous					2,337,304
Total general revenues					<u>18,700,145</u>
Change in Net Position					547,201
Net Position, as adjusted - Beginning of Year					<u>16,716,077</u>
Prior Period Adjustment					<u>(23,860)</u>
Net Position - End of Year					<u><u>\$ 17,239,418</u></u>

The accompanying notes are an integral part of these statements.

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

	General Fund	Union County Carnige Library	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Governmental Funds
Assets						
Pooled cash and investments	\$ 6,936,810	\$ 807,696	\$ 3,315,538	\$ 419,326	\$ 3,116,531	\$ 14,595,901
Interfund receivable	232,351	-	339,933	-	-	572,284
Taxes receivable - net	898,431	9,917	527,824	51,182	16,783	1,504,137
Advances to fire districts	75,500	-	-	-	-	75,500
Due from other governments	529,874	39,674	121,873	-	-	691,421
Other receivables	-	-	22,652	-	-	22,652
Total Assets	\$ 8,672,966	\$ 857,287	\$ 4,327,820	\$ 470,508	\$ 3,133,314	\$ 17,461,895
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable	\$ 934,810	\$ 231,846	\$ 4,039	\$ -	\$ 344,418	\$ 1,515,113
Accrued payroll	387,124	10,172	13,574	-	-	410,870
Interfund payable	-	-	556,408	15,876	-	572,284
Due to other governments	4,127	-	-	-	-	4,127
Retainage payable	-	-	-	-	38,268	38,268
Total Liabilities	1,326,061	242,018	574,021	15,876	382,686	2,540,662
Deferred Inflows of Resources:						
Unavailable revenues	932,305	7,407	54,239	4,916	1,938	1,000,805
Total Deferred Inflows of Resources	932,305	7,407	54,239	4,916	1,938	1,000,805
Fund Balances:						
Restricted						
Culture and recreation	-	607,862	-	-	-	607,862
Public safety and public works	-	-	96,455	-	-	96,455
Economic development	-	-	1,392,875	-	-	1,392,875
Committed						
Public safety and public works	-	-	164,737	-	-	164,737
Economic development	-	-	761,247	-	-	761,247
Assigned						
Public safety and public works	-	-	707,034	-	-	707,034
Judicial administration	-	-	113,167	-	-	113,167
Culture and recreation	-	-	70,893	-	-	70,893
Capital projects	-	-	-	-	2,748,690	2,748,690
Debt service	-	-	734,204	449,716	-	1,183,920
Health, education and welfare	-	-	106,141	-	-	106,141
Budgetary appropriations	450,126	-	-	-	-	450,126
Unassigned	5,964,474	-	(447,194)	-	-	5,517,280
Total Fund Balances	6,414,600	607,862	3,699,559	449,716	2,748,690	13,920,427
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 8,672,966	\$ 857,287	\$ 4,327,819	\$ 470,508	\$ 3,133,314	\$ 17,461,894

The accompanying notes are an integral part of these statements.

**UNION COUNTY, SOUTH CAROLINA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2018**

Fund Balance - Total Governmental Funds	\$ 13,920,427
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	24,863,645
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:	
Taxes receivable	162,417
Deferred outflows and inflows of resources are not available to use in the current period and, therefore, are not reported in the funds:	
Deferred loss on advanced refunding	22,637
OPEB related deferred outflows	19,921
Pension related deferred outflows	4,040,087
Pension related deferred inflows	(355,937)
Non-current liabilities, including bonds payable, are not due and payable in the current period and therefore not reported in the funds:	
Accrued interest payable	(28,427)
General obligation bonds	(4,705,292)
Capital leases	(627,448)
Compensated absences	(490,340)
Landfill post-closure costs	(376,090)
Total OPEB liability	(2,596,600)
Net pension liability	(16,609,583)
Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 17,239,417</u>

The accompanying notes are an integral part of these statements.

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

	General Fund	Union County Carnegie Library	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 9,030,772	\$ 299,120	\$ 1,680,988	\$ 458,559	\$ 90,612	\$ 11,560,051
Local option sales tax	1,120,726	-	47,793	28,657	5,565	1,202,741
Other miscellaneous taxes	211,706	-	354,252	-	-	565,958
Fees and fines	446,827	-	708,002	-	-	1,154,829
Licenses and permits	109,645	-	386,977	-	-	496,622
Intergovernmental	1,311,414	120,814	938,022	-	865,634	3,235,884
Charges for services	1,099,100	-	433,016	-	-	1,532,116
Investment earnings	58,838	8,384	307	-	-	67,529
Miscellaneous	2,475,923	82,783	381,636	-	-	2,940,342
Grants	80,000	-	457,072	-	-	537,072
Contributions	2,228	-	-	-	-	2,228
Total Revenues	15,947,179	511,101	5,388,065	487,216	961,811	23,295,372
Expenditures						
Current:						
General government	4,109,587	-	740,058	-	-	4,849,645
Economic development	5,000	-	945,187	-	29,716	979,903
Public safety	7,234,583	-	664,472	-	-	7,899,055
Public works	1,374,699	-	46,850	-	890,960	2,312,509
Judicial administration	1,402,915	-	739,884	-	-	2,142,799
Fire protection	-	-	354,082	-	-	354,082
Culture and recreation	705,151	1,541,462	112,021	-	-	2,358,634
Health, education and welfare	-	-	493,779	-	-	493,779
Debt Service:						
Principal	261,133	-	37,109	484,000	-	782,242
Interest and other charges	10,628	-	29,564	86,497	-	126,689
Capital Outlay	-	-	1,615,804	-	1,036,440	2,652,244
Total Expenditures	15,103,696	1,541,462	5,778,810	570,497	1,957,116	24,951,581
Excess (Deficiency) of Revenues Over Expenditures	843,483	(1,030,361)	(390,745)	(83,281)	(995,305)	(1,656,209)
Other Financing Sources (Uses)						
Proceeds from capital leases	-	-	150,000	-	-	150,000
Proceeds from sale of capital assets	8,640	-	-	-	-	8,640
Transfers in	622,718	-	1,187,502	637,058	2,492,270	4,939,548
Transfers out	(41,066)	-	(2,400,664)	(44,748)	(2,453,070)	(4,939,548)
Total Other Financings Sources (Uses)	590,292	-	(1,063,162)	592,310	39,200	158,640
Net Change in Fund Balances	1,433,775	(1,030,361)	(1,453,907)	509,029	(956,105)	(1,497,569)
Fund Balances - Beginning of Year	4,980,825	1,662,083	5,153,466	(59,313)	3,704,795	15,441,856
Prior Period Adjustment	-	(23,860)	-	-	-	(23,860)
Fund Balances - End of Year	\$ 6,414,600	\$ 607,862	\$ 3,699,559	\$ 449,716	\$ 2,748,690	\$ 13,920,427

The accompanying notes are an integral part of these statements.

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

Net Change in Fund Balances - Total Governmental Funds: \$ (1,497,569)

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

Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities. 15,148

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This issuance of long-term debt increases long-term liabilities on the statement of net position and the repayment of principal on long-term liabilities reduces long-term debt on the statement of net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized over the term of the long-term debt in the statement of activities.

Capital leases	(150,000)
Principal payments on long-term debt	782,242
Amortization of deferred loss on advanced refunding	(2,563)

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:

Landfill post-closure costs	28,930
Compensated absences	(47,602)

The cost of pension benefits earned net of employee contributions is reported in the Statement of Activities as an element of pension expense. The fund financial statements report pension contributions as expenditures. (1,191,494)

The cost of OPEB benefits earned net of employee contributions is reported in the Statements of Activities as an element of OPEB expense. The fund financial statements report OPEB contributions/payments as expenditures. (223,879)

Governmental funds report capital outlay 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 for the year by which depreciation expense on capital assets exceeded additions to capital assets. 2,744,896

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Property taxes	89,091
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Change in Net Position of Governmental Activities	\$ 547,200
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The accompanying notes are an integral part of these statements.

**UNION COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018**

	<u>Agency Funds</u>
Assets	
Pooled cash and investments	\$ 3,056,113
Due from other governments	307,589
Taxes receivable, net	<u>1,418,226</u>
Total Assets	<u><u>\$ 4,781,928</u></u>
Liabilities and Deferred Inflows of Resource	
Liabilities	
Accrued salaries	\$ 4,988
Due to other taxing districts	4,196,621
Due to other claimants	<u>437,606</u>
Total Liabilities	<u><u>4,639,215</u></u>
Deferred inflows of resource	
Unavailable revenues - property taxes	<u>142,713</u>
Total Deferred inflows of resources	<u><u>142,713</u></u>
Total Liabilities and Deferred Inflows of Resources	<u><u>\$ 4,781,928</u></u>

The accompanying notes are an integral part of these statements.

**UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

Union County, South Carolina (the County) operates under the provisions of South Carolina 1975 Act No. 283 (Home Rule Act) using a Council-Supervisor form of government. The County provides the following services: public safety (police and fire), highway and street maintenance, sanitation, health and social services, culture-recreation, public improvements, and general administration services.

The accounting policies of the County conform to U.S. generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting principles.

The County has one blended component unit, the Union County Public Facilities Corporation (PFC), which is a not-for-profit 501(c)(3) organization incorporated for the specific charitable purpose of serving as a “support organization” for the capital projects of the County. The Corporation’s board members are selected as follows: three shall be elected from among members of Union County Council and three are appointed by Union County Council. Because the Corporation exclusively benefits the County, the Corporation’s financial information is blended with that of the County in these basic financial statements. Separate financial statement information for the Corporation is included in individual columns throughout the financial statements. The Corporation does not issue separate financial statements.

B. Basis of Presentation

The County’s financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. The accounts of the County are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. There are three categories of funds: governmental, proprietary and fiduciary.

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities for the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program and function of the County’s governmental activities and for the business-type activities of the County. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods and services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and the interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, and all taxes, are presented as general revenues of the County, with certain limited exceptions.

The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

**UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. Basis of Presentation - Continued

Fund Financial Statements

The County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

The County reports the following major governmental funds:

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

Union County Carnegie Library Fund – is used to account for the activities, revenues and expenditures of the Union Carnegie Library.

Special Revenue Funds - The special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term “proceeds of specific revenue sources” establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The County has the following major special revenue fund:

Debt Service Funds - The debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Projects Funds - The capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations or other governments.

Additionally, the County reports the following fund type:

Fiduciary Funds (not included in the government-wide statements):

Agency Funds – Agency funds account for assets held by the County as an agent for other governmental units and courts in accordance with the Acts of the General Assembly of South Carolina. The County's only category of fiduciary funds is agency funds for education, clerk of court, magistrates, and property taxes.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Measurement Focus and Basis of Accounting - Continued

Government-wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the County are included on the statement of net position.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's enterprise funds functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, licenses, and interest. Revenues from state and federal grants are recorded when expenditures are incurred. Taxes collected and held by the state at year end on behalf of the County are also recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the County.

With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Agency funds have no measurement focus, but rather are custodial in nature (assets equal liabilities).

**UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Measurement Focus and Basis of Accounting – Continued

Revenue - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: delinquent taxes, sales tax, grants, interest, fees and charges for services.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of fiscal year-end.

Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenue also arises when resources are received by the County before it has a legal claim to them, as when grant money is received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the County has a legal claim to the resources, the liability for the unearned revenue is removed from the balance sheet and revenue is recognized.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

Cash and Investments

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.

State statutes authorize the primary government and its component units to invest in (1) obligations of the United States and its agencies, (2) general obligations of the State of South Carolina and its political subdivisions, (3) savings and loan associations if their deposits are insured by an agency of the federal government, (4) certificates of deposit which are collaterally secured by securities of the type described at (1) and (2) held by a third party, and (5) the State Treasurer's Investment Pool.

Investments are stated at fair value, which approximates costs.

The County Treasurer collects, receives, and holds funds belonging to the County (internal) and to external entities (e.g., other governments). Internal and external funds are not commingled. For the purposes of these financial statements, the cash and investments belonging to the County funds are reported as cash and investments on the statements of net position and governmental fund balance sheets. The funds belonging to external entities are reported in an agency fund.

Receivables and Payables

Property tax receivables are shown net of all allowance for uncollectibles. Taxes on real property are assessed as of January 1, levied the following September, due January 15, and become delinquent March 16. The levy date for motor vehicle taxes is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the same month.

For collection purposes, taxes receivable are written off at the end of ten years in accordance with South Carolina law. All other levies are recognized as revenue on the government-wide financial statements, while all those not collected within sixty days are deferred on the governmental funds statements. The uncollectible reserve at June 30, 2018, was \$766,804.

Outstanding balances between funds are reported as "due to/from other funds".

All other receivables are reported at amounts management expects to collect and are considered delinquent when not collected within one year. All delinquent receivables are reserved.

Inventories and Prepaid Items

Inventories are valued at average cost, except for obsolete inventories which are written down to scrap value. The inventory of the General Fund consists of replacement radio parts and is recorded as an expenditure when consumed. Prepaid items (office, computer, and maintenance supplies) are charged to expense when purchased.

The inventory of the Internal Service Funds consists of materials and supplies held for consumption. Costs, determined on a first in/first out (FIFO) method, are recorded as expenditures when inventory is consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Reported inventories and prepaid items in the governmental fund types are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of current assets.

**UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position – Continued

Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items) and are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects that are constructed. In accordance with U.S. generally accepted accounting principles, the County has elected to implement only prospective reporting of infrastructure assets. Accordingly, only infrastructures acquired or constructed after June 30, 2003, are included in capital assets.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Assets	Years
Buildings	50
Infrastructure	10 - 40
Vehicles and Equipment	5 - 10

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position includes separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an expenditure until then. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as revenue until that time. The County's only deferred outflows of resources were related to pensions. The County has deferred inflows of resources related to unearned revenue, pensions and OPEB expenditures.

Other Post-Employment Benefit (OPEB) Plan

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

Compensated Absences

The County permits employees to accumulate earned but unused vacation (up to thirty days) and comp time pay (up to ninety days). There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service from the County. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for that amount is reported in the governmental funds only if they have matured and are material.

**UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position – Continued

Long - Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the lives of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond issue premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Fund Equity

The governmental fund financial statements present fund balances based on classifications that compose a hierarchy that is based primarily on the extent the County is bound to honor constraints on a specific purpose for which amounts in the respective governmental funds can be spent. The following classifications are used in the governmental fund financial statements.

Nonspendable - Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact. The County has classified assets held for resale as being nonspendable because they are not expected to be converted to cash within the next current year.

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

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

Assigned - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Unassigned - amounts that are available for any purpose; positive amounts are reported only in the general fund. The unassigned classification also includes negative residual fund balances of any governmental fund that cannot be eliminated by the offsetting assigned fund balance amounts.

County Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by County Council through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of capital assets, construction, debt service, etc.).

**UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position – Continued

Fund Equity - Continued

Although the County has not formally adopted a fund balance spending policy, the County would typically use restricted funds balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these classified funds. Where applicable, these classifications are presented on the face of the governmental fund balance sheet.

Net Position

Net position represents the difference between assets, deferred outflows/inflows of resources and liabilities. Net position's net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Outstanding debt, which has not been spent, is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Restricted Sources

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

Accounting Estimates

The preparation of the basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain amounts presented in prior year data have been reclassified in order to be consistent with the current year's presentation.

Interfund Transactions

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective fund's operating statements.

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds" in the fund financial statements.

**UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018**

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

An annual budget is adopted on a basis consistent with U.S. generally accepted accounting principles for the General Fund. Each year, all County departments submit requests for appropriations to the county finance director. After the department requests are submitted, the finance director prepares a draft budget. The proposed budget is presented to County Council for review and approval. County Council holds public hearings and adopts the budget no later than June 30.

The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control is the departmental level.

Excess of Expenditures over Appropriations

The following departments presented in the budgetary comparison schedule had excess expenditures over appropriations:

Solicitor's office	\$	17,577
Delinquent tax office	\$	13,694
Building superintendent	\$	8,880
Code enforcement	\$	1,826
Detention center	\$	12,811
Veteran's affairs	\$	2,436
Landfill	\$	39,014

Deficit Fund Balance

The following funds had a deficit fund balance as of June 30, 2018:

School Resource Officer	\$	30,326
Workforce Development Coordinator	\$	832
Sheriff's Department	\$	13,217
Tourism Director	\$	13,702
Lockhart Trail Phase II	\$	69,994
Bonham Fire District	\$	319,123

NOTE 3 – POOLED CASH AND INVESTMENTS

Pooled Cash

The County does not have a formal deposit policy for custodial credit risk, which is the risk that in the event of bank failure, the deposits may not be returned to the County.

As of June 30, 2018, the County had the following deposits:

	Carrying Amount	Bank Balance
Demand deposits	\$ 16,000,909	\$ 15,490,963

UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018

NOTE 3 – POOLED CASH AND INVESTMENTS - CONTINUED

Investments

The County's investments are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. Although the County does not have a formal investment policy, the County minimizes interest rate risk by investing operating funds in money market funds or similar investment pools and limiting the average maturity in accordance with the County's cash requirements.

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a nationally recognized statistical rating organization. The County's policy is to invest only in those securities allowed by state statute and that are highly rated. Custodial credit risk for an investment is the risk that, in the event in the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County minimizes credit risk by limiting investments to the types of securities allowed by state statute.

Concentration of credit risk is the risk of loss attributable to the magnitude of the County's investment in a single issuer. The risk is mitigated by diversifying the investment portfolio so that the impact of potential losses from any one type of security or investor will be minimized. The County places no limits on the amount that may be invested in any one issuer.

Reconciliation of pooled cash and investments to the Government-wide Statement of Net Position:

Pooled cash and investments held by the County	\$ 14,595,901
Agency fund cash (not included in government-wide statement)	3,056,113
Less: Investments held within pooled cash and investments	(1,649,030)
Less: Petty cash	<u>(2,075)</u>
	<u><u>\$ 16,000,909</u></u>

Investments in Local Government Investment Pool

South Carolina Pooled Investment Fund ("SC Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The SC Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. The SC Pool is a 2a 7-like pool, which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a 7 of the Investment Company Act of 1940. Investments are carried at fair value and determined annually based upon quoted market prices in active markets for identical assets. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00.

As of June 30, 2018, the County's investments in the Local Government Investment Pool were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Rating</u>	<u>Fair Value Hierarchy</u>
State Treasurer's Investment Pool	\$ 1,649,030	<60 days	Not Rated	N/A

UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018

NOTE 4 – CAPITAL ASSETS AND DEPRECIATION

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

	Beginning Balance 6/30/2017	Additions	Deletions	Transfers	Ending Balance 6/30/2018
Governmental Activities:					
<i>Capital Assets Not Being Depreciated:</i>					
Land	\$ 3,797,081	\$ 439,635	\$ -	\$ -	\$ 4,236,716
Land - library	23,305	-	-	-	23,305
Construction in progress	685,916	2,048,441	-	(2,211,132)	523,225
Construction in progress - library	50,448	1,162,272	-	-	1,212,720
	<u>4,556,750</u>	<u>3,650,348</u>	<u>-</u>	<u>(2,211,132)</u>	<u>5,995,966</u>
<i>Capital Assets Being Depreciated:</i>					
Budilings and improvements	19,754,814	112,544	-	2,211,132	22,078,490
Budilings and improvements - library	536,284	-	-	-	536,284
Vehicles	4,148,542	81,708	(62,097)	-	4,168,153
Furniture, fixtures and equipment	6,503,758	204,035	-	-	6,707,793
Furniture and equipment - library	294,883	-	-	-	294,883
Infrastructure	1,891,048	-	-	-	1,891,048
Landfill	2,528,787	-	-	-	2,528,787
	<u>35,658,116</u>	<u>398,287</u>	<u>(62,097)</u>	<u>2,211,132</u>	<u>38,205,438</u>
<i>Accumulated Depreciation:</i>					
Budilings and improvements	7,832,774	657,392	-	-	8,490,166
Budilings and improvements - library	536,284	-	-	-	536,284
Vehicles	3,317,799	230,359	(62,097)	-	3,486,061
Furniture, fixtures and equipment	3,088,239	279,577	-	-	3,367,816
Furniture and equipment - library	125,863	33,212	-	-	159,075
Infrastructure	780,010	77,073	-	-	857,083
Landfill	2,415,148	26,126	-	-	2,441,274
	<u>18,096,117</u>	<u>1,303,739</u>	<u>(62,097)</u>	<u>-</u>	<u>19,337,759</u>
Net Assets Being Depreciated	<u>17,561,999</u>	<u>(905,452)</u>	<u>-</u>	<u>2,211,132</u>	<u>18,867,679</u>
Net Capital Assets - Governmental Activities	<u>\$ 22,118,749</u>	<u>\$ 2,744,896</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,863,645</u>

Depreciation was charged to functions/programs as follows:

Governmental Activities:	
General government	\$ 105,459
Public safety	415,398
Public works	646,871
Health, education and welfare	79,997
Culture and recreation	55,878
	<u>\$ 1,303,603</u>

UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018

NOTE 5 – LONG-TERM OBLIGATIONS

The following is a summary of long-term debt of the County for the year ended June 30, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental Activities:					
Debt Obligations					
General obligation bonds	\$ 5,200,874	\$ -	\$ 495,582	\$ 4,705,292	\$ 529,365
Capital leases	764,108	150,000	286,660	627,448	106,443
Compensated absences	442,738	47,602	-	490,340	-
Landfill post-closure costs	405,020	-	28,930	376,090	28,930
Total Non-Current Liabilities for Governmental Activities	<u>\$ 6,812,740</u>	<u>\$ 197,602</u>	<u>\$ 811,172</u>	<u>\$ 6,199,170</u>	<u>\$ 664,738</u>

General Obligation Bonds

The County issues general obligation bonds to provide funds for the acquisition, construction, and major improvement to its buildings and other facilities. The original amount of general obligation bonds issued in prior years was \$2,549,114. General obligation bonds are direct obligations and pledged with the full faith and credit of the County. These bonds are issued as multi-year serial bonds with varying amounts of principal maturing each year. Payments on general obligation bonds are made by the debt service fund.

General obligations bonds currently outstanding are:

Description	Amount Issued	Interest Rates	Maturity Date	Annual Principal Payments	Amount Outstanding
General Obligation Bonds, Series 2014	\$ 275,000	3.00%	4/1/2034	\$10,886 to \$18,705	\$ 241,292
General Obligation Refunding Bonds, Series 2016A	\$1,458,000	1.90%	4/1/2027	\$41,000 to \$170,000	1,417,000
General Obligation Bonds, Series 2016B	\$2,540,000	1.90%	4/1/2027	\$43,000 to \$220,000	2,497,000
General Obligation Bonds, Series 2017	\$ 550,000	2.75%	4/1/2037	\$22,430 to \$36,500	550,000
					<u>\$4,705,292</u>

UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018

NOTE 5 – LONG-TERM OBLIGATIONS - CONTINUED

Annual debt service requirements to maturity for general obligations bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2019	\$ 529,365	\$ 96,830	\$ 626,195
2020	540,325	86,464	626,789
2021	551,352	75,843	627,195
2022	561,388	65,021	626,409
2023	399,455	53,999	453,454
2024-2028	1,723,339	147,424	1,870,763
2029-2033	240,975	32,357	273,332
2034-2038	159,093	9,781	168,874
	<u>\$ 4,705,292</u>	<u>\$ 567,719</u>	<u>\$ 5,273,011</u>

Capital Leases

The county has entered into various lease agreements as lessee in order to finance acquisition of sanitation vehicles, ambulances and office equipment. These lease agreements include a bargain purchase options and qualify as capital leases for accounting purposes. Buildings, vehicles and equipment have been purchased with proceeds from capital lease obligations and depreciation has been recorded on those assets. For the year ended June 30, 2018, total assets and accumulated depreciation from capital leases were as follows:

Assets	Governmental Activities
Equipment	\$ 608,832
Less: Accumulated Depreciation	<u>(306,377)</u>
	<u>\$ 302,455</u>

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2018 were as follows:

Year Ended June 30,	Amount
2019	\$ 106,443
2020	107,652
2021	110,075
2022	77,695
2023	40,930
2024 - 2028	156,315
2029 - 2033	<u>28,338</u>
Total minimum lease payments	627,448
Less, amount representing interest	<u>(68,464)</u>
Present value of minimum lease payments	<u>\$ 558,984</u>

**UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018**

NOTE 5 – LONG-TERM OBLIGATIONS - CONTINUED

Payments for lease purchase agreements are made by the general fund, special revenue funds, capital project funds, and debt service fund.

Landfill Closure and Post Closure Care Costs

The South Carolina Department of Health and Environmental Control (DHEC) requires landfill operators to provide for the inspection and maintenance of the physical characteristics of the site, as well as monitoring and maintenance of the groundwater and gas monitoring systems and the leachate collection and treatment system for a period of thirty years following the closing of the landfill. DHEC also requires that operators cover the landfill with a minimum cover of certain permeability. The County's liability for closure and post-closure care costs is based on landfill capacity used to date. The County's landfill has been closed and is considered to be at 100 percent of capacity. Estimated remaining post-closure care costs are \$376,090 and the long-term liabilities in the statement of net position include that amount. Post-closure care costs are based on engineering estimates and are subject to change due to inflation, deflation, technology, and/or applicable laws and regulations and are reported in the General Fund.

Debt Service Payments

Payments on general obligation bonds are made by the debt service fund. Governmental activities lease purchase agreements are paid for by the general fund, special revenue funds, capital project funds, and debt service fund. Compensated absences are liquidated by the general fund.

UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018

NOTE 6 – PENSION PLANS

A. South Carolina Retirement System

Plan Description

The County as the employer, participates in the South Carolina Retirement System (SCRS) Plan - a cost-sharing multiple-employer defined benefit pension plan, 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 to employees of the state, its public school districts and political subdivisions. The plan is administered by the South Carolina Public Employee Benefit Authority (PEBA), a division of the primary government of the state of South Carolina, and managed by PEBA's Retirement Division. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR that is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

Benefits Provided/Membership

SCRS provides retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws, and PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current year salary.

This plan covers general employees, teachers and individuals newly elected to the South Carolina General Assembly beginning with 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. A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit.

An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years.

Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018

NOTE 6 – PENSION PLANS

A. South Carolina Retirement System

As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Program (State ORP), which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not part of the retirement systems' trust funds for financial statement purposes.

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the percentage rate in the employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and total employer contribution rate that exceeds 2.9% of earnable compensation. An increase in the contribution rates adopted by the Board may not provide for an increase of more than 0.5% 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 30-year amortization schedule of the unfunded liability of the plan, the

Board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the 30-year amortization period; and this increase is not limited to 0.5% per year. Employees and employers (both Class II and III) are required to contribute 9.0% and 13.41%, respectively, of earnable compensation for the year ended June 30, 2018. Employers also contribute an additional .15% of earnable compensation, if participating in the death benefit program.

Employee and employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution (9.0%) and a portion of the employer contribution (5%). A direct remittance is also required to SCRS for the remaining portion of the employer contribution (8.41%) and an incidental death benefit contribution (.15%), if applicable, which is retained by SCRS. Contributions to the Plan from the County were \$594,504.

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

At June 30, 2018, the County reported a net pension liability of \$10,977,786 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability, net pension liability and sensitivity information are based on an actuarial valuation performed as of July 1, 2016. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end June 30, 2017, using generally accepted actuarial principles. The allocation of the County's proportionate share of the collective net pension liability and pension expense were calculated on the basis of the County's contributions actually remitted to the plan relative to the total contributions remitted to the plan for all participating employers, less employer contributions that are not representative of future contribution efforts, as of June 30, 2017. Based upon this information, the County's proportion of the collective net pension liability is 0.048765%, a decrease of 0.00268% since June 30, 2016, the prior measurement date.

UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018

NOTE 6 – PENSION PLANS – CONTINUED

A. South Carolina Retirement System – Continued

For the year ended June 30, 2018, the County recognized pension expense of \$1,576,481. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 48,939	\$ 6,085
Changes in assumptions	642,631	-
Net difference between projected and actual earnings on pension plan investments	306,448	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,246,397	175,274
District contributions subsequent to the measurement date	<u>594,504</u>	<u>-</u>
Total	<u><u>\$ 2,838,919</u></u>	<u><u>\$ 181,359</u></u>

Deferred outflows of resources of \$594,504 related to pensions resulted from County contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2019	\$ 763,983
2020	986,744
2021	395,383
2022	<u>(83,054)</u>
	<u><u>\$ 2,063,056</u></u>

**UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018**

NOTE 6 – PENSION PLANS – CONTINUED

A. South Carolina Retirement System – Continued

Actuarial Assumptions

The June 30, 2018 total pension liability, net pension liability, and sensitivity information determined by the July 1, 2017 valuation, which used the following actuarial assumptions and methods:

Actuarial cost method	Entry age normal
Inflation	2.25%
Salary increases	3.0% to 12.5% (varies by service and includes 2.25% inflation)
Benefit adjustments	lesser of 1% or \$500 annually
Investment rate of return	7.25%

The Retirement System Funding and Administration Act of 2017 was signed into law April 25, 2017, which included a provision to reduce the assumed rate of return from 7.50% to 7.25% effective July 1, 2017. As a result of this legislation, the actuaries made an adjustment to the calculation of the roll-forward total pension liability for this assumption change as of the measurement date of June 30, 2017.

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

Actuarial assumptions and methods used in the July 1, 2016 valuation were based on the results of an actuarial experience study, as required to be completed at least once in each five-year period by S.C. state statute. An experience report on the System was most recently issued as of July 1, 2015.

The long-term expected rate of return on pension plan investments is based upon the 30 year capital market assumptions. The long-term expected rates of return 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. Expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation, and is summarized in the following table. For actuarial purposes, the 7.25% assumed annual investment rate of return used in the calculation of the total pension liability includes 5.00% real rate of return and a 2.25% inflation component.

**UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018**

NOTE 6 – PENSION PLANS – CONTINUED

A. South Carolina Retirement System – Continued

Actuarial Assumptions - continued

Asset Class	Target Allocation	Long-term Expected Portfolio Real Rate of Return
Global Equity	45%	3.23%
Real Assets	8%	0.41%
Opportunistic	17%	0.69%
Diversified Credit	18%	0.80%
Conservative Fixed Income	12%	0.18%
Total Expected Real Return	100%	5.31%
Inflation for Actuarial Purposes		2.25%
Total Expected Nominal Return		7.56%

Discount Rate

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

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

The following table presents the County's proportionate share of the collective net pension liability calculated using the discount rate of 7.25%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the collective net pension liability	\$ 14,148,858	\$ 10,977,786	\$ 9,053,690

Pension Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the plan, administered by PEBA, is available in the Systems' audited financial statements for the fiscal year ended June 30, 2017 (including the unmodified opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of Jun 30, 2017. The additional information is publicly available on PEBA's Retirement Benefits' website at www.peba.sc.gov.

**UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018**

NOTE 6 – PENSION PLANS – CONTINUED

B. South Carolina Police Officers Retirement System

Plan Description

The County as the employer, participates in the South Carolina Police Officers Retirement System (PORS) Plan - a cost-sharing multiple-employer defined benefit pension plan established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions. The plan is administered by the South Carolina Public Employee Benefit Authority (PEBA), a division of the primary government of the state of South Carolina, and managed by PEBA's Retirement Division. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

Benefits Provided/Membership

PORS provides retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty. Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws, and PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws.

To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary.

An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. 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. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member. 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.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

**UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018**

NOTE 6 – PENSION PLANS – CONTINUED

B. South Carolina Police Officers Retirement System - Continued

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the percentage rate in the employer and employee contribution rates on the basis of actuarial valuations, but any such increase may not result in a differential between the employee and total employer contribution rate that exceeds 5.0% of earnable compensation. An increase in the contributions rates adopted by the Board may not provide for an increase of more than 0.5% 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 30-year amortization schedule of the unfunded liability of the plan, the Board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the 30-year amortization period; and this increase is not limited to 0.5% per year. Employees and employers (both Class II and III) are required to contribute 9.75% and 15.84%, respectively, of earnable compensation for the year ended June 30, 2018. Employers also contribute an additional .20% of earnable compensation for the accidental death program and an additional .20% of earnable compensation, if participating in the incidental and/or accidental death benefit program, respectively. Contributions to the Plan from the County were \$412,394.

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

At June 30, 2018, the County reported a net pension liability of \$5,631,797 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability, net pension liability and sensitivity information are based on an actuarial valuation performed as of July 1, 2017. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end June 30, 2017, using generally accepted actuarial principles. The allocation of the County's proportional share of the collective net pension liability and pension expense were calculated on the basis of the County's contributions actually remitted to the plan relative to the total contributions remitted to the plan for all participating employers, less employer contributions that are not representative of future contribution efforts, as of June 30, 2017. Based upon this information, the County's proportion of the collective net pension liability is 0.232520%, an increase of 0.02695% since June 30, 2016, the prior measurement date.

UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018

NOTE 6 – PENSION PLANS – CONTINUED

B. South Carolina Police Officers Retirement System - Continued

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

For the year ended June 30, 2018, the County recognized pension expense of \$412,394. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 50,220	\$ -
Changes in assumptions	534,509	-
Net difference between projected and actual earnings on pension plan investments	200,684	-
Changes in proportion and differences between District contributions and proportionate share of contributions	3,361	174,578
District contributions subsequent to the measurement date	<u>412,394</u>	<u>-</u>
Total	<u><u>\$ 1,201,168</u></u>	<u><u>\$ 174,578</u></u>

Deferred outflows of resources of \$412,394 related to pensions resulted from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2019	\$ 158,848
2020	253,234
2021	185,958
2022	<u>16,156</u>
	<u><u>\$ 614,196</u></u>

**UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018**

NOTE 6 – PENSION PLANS – CONTINUED

B. South Carolina Police Officers Retirement System - Continued

Actuarial Assumptions

The June 30, 2017 total pension liability, net pension liability, and sensitivity information is determined by the July 1, 2016 valuation, which used the following actuarial assumptions and methods:

Actuarial cost method	Entry age normal
Inflation	2.25%
Salary increases	3.5% to 9.5% (varies by service and includes 2.25% inflation)
Benefit adjustments	lesser of 1% or \$500 annually
Investment rate of return	7.25%

The Retirement System Funding and Administration Act of 2017 was signed into law April 25, 2017, which included a provision to reduce the assumed rate of return from 7.50% to 7.25% effective July 1, 2017. As a result of this legislation, the actuaries made an adjustment to the calculation of the roll-forward total pension liability for this assumption change as of the measurement date of June 30, 2017.

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

Actuarial assumptions and methods used in the July 1, 2016 valuation were based on the results of an actuarial experience study, as required to be completed at least once in each five-year period by S.C. state statute. An experience report on the System was most recently issued as of July 1, 2015.

The long-term expected rate of return on pension plan investments is based upon the 30 year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectation and market based inputs. Expected returns are net of investment fees. Expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation, and is summarized in the following table. For actuarial purposes, the 7.25% assumed annual investment rate of return used in the calculation of the total pension liability includes 5.00% real rate of return and a 2.25% inflation component.

Asset Class	Target Allocation	Long-term Expected Portfolio Real Rate of Return
Global Equity	45%	3.23%
Real Assets	8%	0.41%
Opportunistic	17%	0.69%
Diversified Credit	18%	0.80%
Conservative Fixed Income	12%	0.18%
Total Expected Real Return	100%	5.31%
Inflation for Actuarial Purposes		2.25%
Total Expected Nominal Return		7.56%

**UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018**

NOTE 6 – PENSION PLANS – CONTINUED

B. South Carolina Police Officers Retirement System - Continued

Discount Rate

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

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

The following table presents the County's proportionate share of the collective net pension liability calculated using the discount rate of 7.25%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the collective net pension liability	\$ 7,603,998	\$ 5,631,797	\$ 4,078,321

Pension Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the plan, administered by PEBA, is available in the Systems' audited financial statements for the fiscal year ended June 30, 2017 (including the unmodified opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2017. The additional information is publically available through PEBA's Retirement Benefits' website at www.peba.sc.gov.

C. Reconciliation to Government-wide Financial Statements

Deferred Inflows/Outflows of Resources and Net Pension Liability, as reported in the aggregate on the Statement of Net Position, combining the South Carolina Retirement System and the Police Officers' Retirement System amounts. The amounts, as reported, can be disaggregated as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Pension Liability
South Carolina Retirement System	\$ 2,838,919	\$ 181,359	\$ 10,977,786
Police Officers Retirement System	1,201,168	174,578	5,631,797
Totals as Reported on Statement of Net Position	<u>\$ 4,040,087</u>	<u>\$ 355,937</u>	<u>\$ 16,609,583</u>

**UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018**

NOTE 7 – POST RETIREMENT HEALTHCARE BENEFITS

Plan Description

Union County maintains a group defined benefit plan to provide certain post-retirement healthcare benefits, in accordance with County ordinances. Employees must meet one or more of the SCRS eligibility requirements, such as age, length of service being over 15 years, and hire date. Benefits are effective at the date of retirement or when the employee is eligible for retirement benefits. The County does not issue separate audited financial statements for this plan.

Benefits Provided/Funding Policy

The County currently pays up to 100% of employer's share of premiums towards eligible retirees' health insurance premiums to the State of South Carolina Insurance Benefits Program. The County has chosen to fund the healthcare benefits on a pay-as-you-go basis through an annual appropriation. For the year ended June 30, 2018, the County paid \$16,440 to provide these benefits to eligible retirees. Membership in the plan as of June 30, 2017, the date of the last actuarial valuation was:

Inactive plan members or beneficiaries receiving benefits	7
Active plan members	173
Total plan members	<u>180</u>

Total OPEB Liability

The County's total OPEB liability of \$2,596,600 was measured as of June 30, 2017, and was determined by an actuarial valuation as of June 30, 2017.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods including the measurement date, unless otherwise specified:

Actuarial Cost Method:	Individual Entry-Age
Discount Rate:	3.56%, as of June 30, 2017 from the Municipal GO AA 20-year curve
Inflation:	2.25%
Salary Increases:	3.00%
Healthcare Costs Trends:	7.5% for fiscal year ended 2018, decreasing 0.25% per year to an ultimate rate of 5.00% excess tax
Mortality:	PR2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2017
Retirees' Share of Benefit	
Related Costs:	Pay as you go system with County paying all benefits

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study. The data for active employees, retirees and covered spouses were provided by the plan administrator. No audit was performed of the actuarial valuation but the number of employees in various categories were analyzed for obvious errors or important inconsistencies, which there were none.

UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018

NOTE 7 – POST RETIREMENT HEALTHCARE BENEFITS - CONTINUED

Changes in the Total OPEB Liability

Balance as of June 30, 2017	\$ 2,414,400
Changes During the Year:	
Service Cost	155,800
Interest on Total OPEB Liability	90,400
Benefit Payments	<u>(64,000)</u>
Balance as of June 30, 2018	<u>\$ 2,596,600</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate of 1% lower (2.56%) or 1% higher (4.56%) than the current discount rate:

	1% Decrease 2.56%	Current Discount Rate Assumption 3.56%	1% Increase 4.56%
Total OPEB Liability	\$ 2,874,572	\$ 2,596,600	\$ 2,345,158

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a healthcare cost trend rates of 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Trend Rate
Total OPEB Liability	\$ 2,268,759	\$ 2,596,600	\$ 2,988,374

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

For the year ended June 30, 2018, the County recognized OPEB expense of \$241,200. At June 30, 2018, the County's contributions subsequent to the measurement date of \$19,921 are reported as deferred outflows of resources, and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2019. The County reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
County contributions subsequent to the measurement date	\$ 19,921	\$ -
Total	<u>\$ 19,921</u>	<u>\$ -</u>

UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The following is a summary of interfund receivables and payables at June 30, 2018:

Receivable Fund	Payable Fund	Amount
General Fund	School Resource Officer	\$ 29,541
General Fund	Poll Workers	18,136
General Fund	Transit Feasibility Study	17,130
General Fund	Sheriff's Department	14,570
General Fund	E911 Services	4,889
General Fund	Tourism Director	13,108
General Fund	Lockhart Trial Phase II	69,994
General Fund	2011 General Obligation Bonds	15,876
General Fund	Bonham Fire District	49,107
Economic Development Dev.	Bonham Fire District	339,933
		<u>\$ 572,284</u>

The following is a summary of interfund transfers for the year ended June 30, 2018:

Transfer From	Transfer To	Amount
Hospitality Tax	General Fund	\$ 260,000
Quick Jobs Center	General Fund	129,115
Public Safety Fees	General Fund	576
Road User Fees	General Fund	40,418
Title IV-D	General Fund	92,359
Hwy 18 Project	General Fund	21,861
Bonham Fire District	General Fund	9,500
RIF Grant	General Fund	63,848
Insurance Claims	General Fund	4,981
Fines and Assessments	General Fund	60
General Fund	Forestry Funds County Roads	41,067
Economic Development Board	Tuition Assistance Program	65,000
Economic Development Board	Workforce Development Coordinator	2,867
1991 General Obligation Debt	2007 County & 2016A Refunding Bonds	5
1992 General Obligation Debt	2007 County & 2016A Refunding Bonds	7
2001 County Bonds	2007 County & 2016A Refunding Bonds	40
Sports Complex	2007 County & 2016A Refunding Bonds	297,860
Sports Complex	2016B General Obligation Debt	339,146
Multicounty Industrial Park	Union County Facilities Corp	1,000,000
Multicounty Industrial Park	Lockhart Water/Sewer System	66,000
2016 Bond Proceeds Projects	Stadium Renovations - GO Bond Proceeds	1,300,000
2016 Bond Proceeds Projects	EMS Renovations	1,085,203
Economic Development Infrastructure	Cudd Property Purchase	119,635
		<u>\$ 4,939,548</u>

**UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018**

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - CONTINUED

During the year, transfers were used to 1) move funds for capital projects as needed to their specific funds, 2) for routine transfers of funds to and from other funds, such as covering of certain expenditures from special revenue grants.

NOTE 9 – TAX ABATEMENTS

As an economic development tool, Union County engages in two programs to attract business and industry to the County, as well as to maintain and care for the existing manufacturers and jobs that currently exist. The two programs that the County utilizes, under South Carolina law, are the Fee in Lieu of Tax Agreements (FILOT) and the Special Source Revenue Credits (SSRC). These two mechanisms allow the County to reduce the amount of ad valorem property tax that will be paid on new business investments, that have not been previously taxed in this state. With the location and resources available in Union County, these two programs allow the County to somewhat level the playing field with competing towns or counties throughout the state or country and make it more appealing for companies to invest here. These two programs are the only ones that incorporate the abatement of taxes as incentives in Union County.

Fee in Lieu of Tax (FILOT)

Under South Carolina law, the County, through passage of an ordinance, may choose to reduce the taxes paid by the company if certain investment and job creation thresholds are met as statutorily required and agreed upon by the County and the company. All with different types of thresholds that must be met, there are four types of FILOT agreements that may be entered into and they are as follows: **Simple Fee** – authorized by Chapter 44 of Title 12 of S.C. Code of Laws. Minimum new investment to qualify for incentives is \$2.5 million, subject to other conditions. **Little Fee** – authorized by Chapter 12 of Title 4 of S.C. Code of Laws. Minimum new investment to qualify for incentives is \$2.5 million, subject to other conditions. **Big Fee** – authorized by S.C. Code § 4-29-67. Minimum new investment to qualify for incentives is \$45 million, subject to other conditions. **Enhanced Fee** – authorized by Chapter 44 of Title 12 of S.C. Code of Laws. Minimum new investment to qualify for incentives is \$400 million or \$150 million with at least 125 new full-time jobs.

FILOT agreements typically reduce the assessment ratio of property from 10.5 to 6%, determine the millage rate, investment period, minimum investment amount, job creation levels, and in some cases determine the amount to be paid by the company on an equalized basis. For FY 2018, County taxes abated under FILOT agreements totaled \$3,725,468. This includes the proportionate values for all County operating levies and County-set levies to include fire service areas.

The failure of the company to meet the required investment and job creation thresholds could result in the discontinuation of the FILOT agreement. Depending on the terms of the agreement, a failure may also result in the payment of additional taxes for prior years. The terms of the agreement also provide whether the SSRC is reduced and if so, by how much if investment levels are not met.

Special Source Revenue Credits (SSRC)

S.C. Code § 4-1-175 and § 4-29-68 allow the County, as part of its economic development program, to offer property tax reductions through a SSRC provided, however, that the property is located within a multi-county industrial park. The statutes authorize the County to offer credit to the company against annual park FILOT payments as identified by either a specified percentage or dollar amount for a specified number of years contingent on certain investment and/or job creation conditions. The amount of the SSRC is limited by statute to the amount of money spent by the company on infrastructure related on the project. For FY 2018, County taxes abated under SSRCs totaled \$1,715,547. This includes the proportionate values for all County operating levies and County-set levies to include fire service areas.

**UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018**

NOTE 10 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Grants

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

Litigation

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

Outstanding Commitments on Construction Contracts

Total contractual commitments of the County as of June 30, 2018 are as follows:

<u>Projects</u>	<u>Contract Amount</u>	<u>Job to Date Expenditures</u>	<u>Outstanding Commitments</u>
EMS Renovations	\$ 1,009,898	\$ 159,342	\$ 850,556
Union County Stadium Renovations	1,300,000	282,143	1,017,857
Timken Sports Complex	81,740	81,740	-
Union County Carnegie Library	1,212,720	1,212,720	-
	<u>\$ 3,604,358</u>	<u>\$ 1,735,945</u>	<u>\$ 1,868,413</u>

NOTE 12 – CUMMULATIVE CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2018, the County implemented Governmental Accounting Standards Board (GASB) Statements No. 75 and 85 related to the reporting of Other Post-Employment Benefits related to health insurance. This statement requires that any entity paying for post-employment benefits for health insurance place their respective portion of the Net OPEB Liability and related deferred inflows and outflows on their Statement of Net Position to more realistically represent the complete impact of OPEB obligations on the County.

**UNION COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2018**

NOTE 13 – RESTATEMENT OF BEGINNING NET POSITION

The County implemented GASB Statement No 75 during the fiscal year ended June 30, 2018. Beginning net position was restated as follows:

	Governmental Activities
Net Position at beginning of year, as previously reported	\$ 18,222,077
Implementation of GASB Statement No. 75:	
Increase to Net OPEB Liability	(1,567,600)
Deferred Outflows of Resources	61,600
Net Position at beginning of year, as restated	<u>\$ 16,716,077</u>

NOTE 14 - PRIOR PERIOD ADJUSTMENT

For the year ended June 30, 2018, the Union County Carnegie Library reported adjustments resulting from a restatement of the general fund and governmental funds as of June 30, 2017 related to accrued payroll and property tax revenues. The explanation for, and resulting change, can be found in the audited financial statements of the Union County Carnegie Library audited by other auditors and included at 100 percent in the audit of Union County, South Carolina.

NOTE 15 – SUBSEQUENT EVENTS

On September 28, 2018, the County entered into a lease-purchase agreement with a local bank for \$1,395,000 with a stated interest rate of 2.50% and a maturity date of April 1, 2033. The proceeds were to be used for the purchase of equipment.

On September 28, 2018, the County issued and sold a General Obligation Bond, Series 2018 for the Kelly-Kelton Fire District in the amount of \$172,045. The bond has a stated interest rate of 3% and a maturity date of April 1, 2028. The bond proceeds were to be used for the purchase of a fire truck.

Management has evaluated subsequent events through May 3, 2019, the date the financial statements were available to be issued.

SCHEDULE 1

UNION COUNTY, SOUTH CAROLINA
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE
OF THE COLLECTIVE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM
LAST TEN FISCAL YEARS*

	2018	2017	2016	2015
County's Proportion of the Collective Net Pension Liability	0.048765%	0.048252%	0.034882%	0.036404%
County's Proportionate Share of the Collective Net Pension Liability	\$ 10,977,786	\$ 10,306,556	\$ 6,615,539	\$ 5,792,481
County's Covered Payroll	\$ 4,880,023	\$ 4,519,875	\$ 3,264,418	\$ 3,304,980
County's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered-Employee Payroll	224.95%	228.03%	202.66%	175.27%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.30%	52.90%	57.00%	59.90%

Note to Schedule:

June 30, 2015 was the first year of GASB 68 implementation, therefore 10-year data is not available yet.

* The amounts presented were determined as of the prior fiscal year ending June 30.

SCHEDULE 2

UNION COUNTY, SOUTH CAROLINA
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	2018	2017	2016	2015
Statutorially Required Contributions	\$ 594,504	\$ 549,385	\$ 499,898	\$ 355,821
Contributions in Relation to the Statutorially Required Contributions	594,504	549,385	499,898	355,821
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
County's Covered-Employee Payroll	\$ 4,723,781	\$ 4,752,466	\$ 4,519,875	\$ 3,264,418
Contributions as a Percentage of Covered-Employee Payroll	12.59%	11.56%	11.06%	10.90%

Note to Schedule:

June 30, 2015 was the first year of GASB 68 implementation, therefore 10-year data is not available yet.

SCHEDULE 3

**UNION COUNTY, SOUTH CAROLINA
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE
OF THE COLLECTIVE NET PENSION LIABILITY
SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM
LAST TEN FISCAL YEARS***

	2018	2017	2016	2015
County's Proportion of the Collective Net Pension Liability	0.205570%	0.205360%	0.216570%	0.221550%
County's Proportionate Share of the Collective Net Pension Liability	\$ 5,631,797	\$ 5,208,904	\$ 4,720,157	\$ 4,241,510
County's Covered Payroll	\$ 2,788,167	\$ 2,600,532	\$ 2,679,762	\$ 2,664,740
County's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered-Employee Payroll	201.99%	200.30%	176.14%	159.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.90%	60.40%	64.60%	67.50%

Note to Schedule:

June 30, 2015 was the first year of GASB 68 implementation, therefore 10-year data is not available yet.

* The amounts presented were determined as of the prior fiscal year ending June 30.

SCHEDULE 4

UNION COUNTY, SOUTH CAROLINA
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	2018	2017	2016	2015
Statutorially Required Contributions	\$ 412,394	\$ 397,035	\$ 357,312	\$ 359,355
Contributions in Relation to the Statutorially Required Contributions	412,394	397,035	357,312	359,355
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
County's Covered-Employee Payroll	\$ 2,705,150	\$ 2,788,167	\$ 2,600,532	\$ 2,679,762
Contributions as a Percentage of Covered-Employee Payroll	15.24%	14.24%	13.74%	13.41%

Note to Schedule:

June 30, 2015 was the first year of GASB 68 implementation, therefore 10-year data is not available yet.

**UNION COUNTY, SOUTH CAROLINA
SCHEDULE OF CHANGES IN THE COUNTY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
JUNE 30, 2018**

	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 155,800
Interest on total OPEB liability	90,400
Changes in benefit terms	-
Effect of economic/demographic gains or (losses)	-
Effect of assumption changes or inputs	-
Benefit payments	<u>(64,000)</u>
Net Change in Total OPEB Liability	182,200
Total OPEB Liability - Beginning of Year	<u>2,414,400</u>
Total OPEB Liability - End of Year	<u><u>\$ 2,596,600</u></u>
Covered Payroll	\$ 6,263,373
Total OPEB Liability as a % of Covered Payroll	41.457%

Note to Schedule:

There are no assets accumulated in a trust to pay the related benefits.

June 30, 2018 was the first year of GASB 75 implementation, therefore 10-year data is not available yet.

**UNION COUNTY, SOUTH CAROLINA
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
JUNE 30, 2018**

	<u>2018</u>
Statutorially Required Contributions	\$ 19,921
Contributions in Relation to the Statutorially Required Contributions	<u>19,921</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
County's Covered-Employee Payroll	\$ 7,428,931
Contributions as a Percentage of Covered-Employee Payroll	0.27%

Notes to Schedule:

The employer has elected to make annual contributions equal to the benefit payments. The employer share of net benefits is the difference between the expected benefit payments and the retiree contributions. It is sometimes referred to as "pay-as-you-go".

The expected benefit payments are actuarially determined to reflect age difference between overall covered group and the retiree group.

There are no assets accumulated in a trust to pay the related benefits.

June 30, 2018 was the first year of GASB 75 implementation, therefore 10-year data is not available yet.

**UNION COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Property taxes	\$ 9,171,000	\$ 9,171,000	\$ 9,030,772	\$ (140,228)
Local option sales tax	210,000	210,000	1,120,726	910,726
Other miscellaneous taxes	192,794	192,794	211,706	18,912
Fees and fines	372,900	372,900	365,894	(7,006)
Licenses and permits	100,000	100,000	109,645	9,645
Intergovernmental	1,425,176	1,425,176	1,370,295	(54,881)
Charges for services	1,203,000	1,203,000	1,099,873	(103,127)
Investment earnings	30,000	30,000	58,838	28,838
Miscellaneous	2,251,934	2,251,934	2,497,202	245,268
Grants	40,000	40,000	80,000	40,000
Contributions	-	-	2,228	2,228
Total Revenues	14,996,804	14,996,804	15,947,179	950,375
Expenditures				
Supervisor & council	394,692	394,692	393,918	774
Information technology	168,232	168,232	167,426	806
Magistrage	342,322	342,322	333,859	8,463
Probate judge	161,498	161,498	158,820	2,678
Circuit court	135,812	135,812	120,105	15,707
Public defender	114,115	114,115	114,115	-
Solicitor's office	240,652	240,652	258,229	(17,577)
Clerk of court	423,411	423,411	417,621	5,790
Voter registration/election commission	94,715	94,715	91,201	3,514
County attorney	35,235	35,235	34,980	255
Building inspector	72,500	72,500	59,298	13,202
Tax assessor	251,936	251,936	175,194	76,742
Delinquent tax office	84,366	84,366	98,060	(13,694)
Treasurer's office	168,467	168,467	146,459	22,008
Auditor's office	124,336	124,336	123,832	504
Building superintendent	178,891	178,891	187,771	(8,880)
Non-departmental	3,021,367	3,021,367	2,892,198	129,169
Sheriff's office	2,102,261	2,102,261	2,074,580	27,681
Code enforcement	137,110	137,110	138,936	(1,826)
Animal Control	114,906	114,906	112,677	2,229
Coroner	111,497	111,497	82,516	28,981
Jail operations	1,176,862	1,176,862	1,021,186	155,676
Detention center	799,607	799,607	812,418	(12,811)
E-911 & communications	213,960	213,960	209,658	4,302
Emergency services	674,692	674,692	645,478	29,214
County maintenance	413,055	413,055	357,313	55,742
Equipment shop	393,815	393,815	350,411	43,404
Health department	34,700	34,700	24,599	10,101
Department of Social Services	42,000	42,000	40,206	1,794
Veteran's affairs	60,131	60,131	62,567	(2,436)
Victims advocate	2,000	2,000	166	1,834
Recreation department	273,258	273,258	246,474	26,784
Stadium	74,797	74,797	70,775	4,022

**UNION COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures - continued				
Recycling	506,101	506,101	445,190	60,911
Airport	151,797	151,797	111,616	40,181
Timken sports complex	406,973	406,973	387,902	19,071
Emergency medical services	2,307,910	2,307,910	2,096,928	210,982
Landfill	-	-	39,014	(39,014)
Total Expenditures	<u>16,009,979</u>	<u>16,009,979</u>	<u>15,103,696</u>	<u>906,283</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>(1,013,175)</u>	 <u>(1,013,175)</u>	 <u>843,483</u>	 <u>1,856,658</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	8,640	8,640
Transfers in	260,000	260,000	1,123,269	863,269
Transfers out	-	-	(541,617)	(541,617)
Total Financing Sources (Uses)	<u>260,000</u>	<u>260,000</u>	<u>590,292</u>	<u>330,292</u>
 Net Change in Fund Balance	 <u>\$ (753,175)</u>	 <u>\$ (753,175)</u>	 <u>1,433,775</u>	 <u>\$ 2,186,950</u>
 Fund Balance - Beginning of Year			 <u>4,980,825</u>	
 Fund Balance - End of Year			 <u>\$ 6,414,600</u>	

Note: The budget is prepared and monitored on a generally accepted accounting principles (GAAP basis of accounting).

UNION COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2018

	Fireman's Insurance Fund	Economic Development Infrastructure Comm Dev.	Spec Building RIF Grant	School Resource Officer	Union SRT	Unclaimed Funds	Sex Offender Registry
Assets:							
Pooled cash and investments	\$ 2,062	\$ 824,449	\$ -	\$ -	392	\$ 971	\$ 5,263
Interfund receivable	-	339,933	-	-	-	-	-
Taxes receivable - net	-	225,241	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Total Assets	\$ 2,062	\$ 1,389,623	\$ -	\$ -	392	\$ 971	\$ 5,263
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	785	-	-	-
Interfund payable	-	-	-	29,541	-	-	-
Due to other governments	-	-	-	-	-	-	-
Total Liabilities	-	-	-	30,326	-	-	-
Deferred inflows of resource							
Unavailable revenues - property taxes	-	19,399	-	-	-	-	-
Total Deferred Inflows of Resources	-	19,399	-	-	-	-	-
Fund balances:							
Restricted							
Public safety and public works	-	-	-	-	-	-	-
Economic development	-	1,370,223	-	-	-	-	-
Committed							
Public safety and public works	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Assigned							
Public safety and public works	2,062	-	-	-	392	-	5,263
Judicial administration	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	971	-
Debt service	-	-	-	-	-	-	-
Health, education and welfare	-	-	-	-	-	-	-
Unassigned							
	-	-	-	(30,326)	-	-	-
Total Fund Balance	2,062	1,370,223	-	(30,326)	392	971	5,263
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,062	\$ 1,389,622	\$ -	\$ -	392	\$ 971	\$ 5,263

UNION COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET - CONTINUED
SPECIAL REVENUE FUNDS
JUNE 30, 2018

	Hospitality Tax	Emergency Medical Services	Sports Complex	Quick Jobs Center	Duke Energy Emergency Services	Public Safety Fees	Road User Fees
Assets:							
Pooled cash and investments	\$ 30,586	\$ -	\$ -	\$ 3,099	\$ 26,213	\$ -	\$ -
Interfund receivable	-	-	-	-	-	-	-
Taxes receivable - net	-	123,140	18,049	25,158	-	-	-
Due from other governments	-	-	-	-	4,915	-	-
Other receivables	-	-	-	-	-	-	-
Total Assets	\$ 30,586	\$ 123,140	\$ 18,049	\$ 28,257	\$ 31,128	\$ -	\$ -
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-
Deferred inflows of resource							
Unavailable revenues - property taxes	-	11,954	2,425	2,890	-	-	-
Total Deferred Inflows of Resources	-	11,954	2,425	2,890	-	-	-
Fund balances:							
Restricted							
Public safety and public works	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Committed							
Public safety and public works	-	-	-	-	31,128	-	-
Economic development	-	-	-	-	-	-	-
Assigned							
Public safety and public works	-	111,186	-	-	-	-	-
Judicial administration	-	-	-	-	-	-	-
Culture and recreation	30,586	-	15,624	-	-	-	-
Debt service	-	-	-	-	-	-	-
Health, education and welfare	-	-	-	25,367	-	-	-
Unassigned							
Total Fund Balance	\$ 30,586	\$ 111,186	\$ 15,624	\$ 25,367	\$ 31,128	\$ -	\$ -
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 30,586	\$ 123,140	\$ 18,049	\$ 28,257	\$ 31,128	\$ -	\$ -

UNION COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET - CONTINUED
SPECIAL REVENUE FUNDS
JUNE 30, 2018

	Work Release Fees	Poll Workers	Tuition Assistance Program	Transit Feasibility Study	Solicitor's Office	Workforce Development Coordinator	Sheriff's Department
Assets:							
Pooled cash and investments	\$ 12,401	\$ -	\$ 52,981	\$ -	\$ 81,626	\$ -	\$ -
Interfund receivable	-	-	-	-	-	-	-
Taxes receivable - net	-	-	-	-	-	-	-
Due from other governments	-	26,534	-	21,169	-	-	1,353
Other receivables	-	-	-	-	-	-	-
Total Assets	\$ 12,401	\$ 26,534	\$ 52,981	\$ 21,169	\$ 81,626	\$ -	\$ 1,353
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ 4,039	\$ -	\$ -	\$ -
Accrued payroll	-	7,935	-	-	-	832	-
Interfund payable	-	18,136	-	17,130	-	-	14,570
Due to other governments	-	-	-	-	-	-	-
Total Liabilities	-	26,071	-	21,169	-	832	14,570
Deferred inflows of resource							
Unavailable revenues - property taxes	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
Fund balances:							
Restricted							
Public safety and public works	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Committed							
Public safety and public works	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Assigned							
Public safety and public works	12,401	-	-	-	-	-	-
Judicial administration	-	463	-	-	81,626	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Health, education and welfare	-	-	52,981	-	-	-	-
Unassigned	-	-	-	-	-	(832)	(13,217)
Total Fund Balance	12,401	463	52,981	-	81,626	(832)	(13,217)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,401	\$ 26,534	\$ 52,981	\$ 21,169	\$ 81,626	\$ -	\$ 1,353

UNION COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET - CONTINUED
SPECIAL REVENUE FUNDS
JUNE 30, 2018

	DMV Renewal Fees	Victim's Advocate	E-911 Services	Emergency Telephone System	Decal Processing Fee	Tax Sales Account	US Forestry Fund
Assets:							
Pooled cash and investments	7,584	\$ 76,402	\$ -	\$ 16,366	\$ 146,174	\$ 192,596	\$ 1,110
Interfund receivable	-	-	-	-	-	-	-
Taxes receivable - net	-	-	-	-	-	-	-
Due from other governments	-	-	28,167	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Total Assets	\$ 7,584	\$ 76,402	\$ 28,167	\$ 16,366	\$ 146,174	\$ 192,596	\$ 1,110
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities:							
Accounts payable	-	\$ -	\$ -	-	\$ -	-	\$ -
Accrued payroll	-	763	2,165	-	-	-	-
Interfund payable	-	-	4,889	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Total Liabilities	-	763	7,054	-	-	-	-
Deferred inflows of resource							
Unavailable revenues - property taxes	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
Fund balances:							
Restricted							
Public safety and public works	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Committed							
Public safety and public works	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Assigned							
Public safety and public works	7,584	75,639	21,113	16,366	146,174	-	1,110
Judicial administration	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	192,596	-
Health, education and welfare	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balance	7,584	75,639	21,113	16,366	146,174	192,596	1,110
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,584	\$ 76,402	\$ 28,167	\$ 16,366	\$ 146,174	\$ 192,596	\$ 1,110

UNION COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET - CONTINUED
SPECIAL REVENUE FUNDS
JUNE 30, 2018

	Title III National Forest Fund	Transportation Commission	Multicounty Industrial Park	Vehicle Tax Credit	Fireman's Broker /Premium Tax	Higher Education	Special Office Supplies
Assets:							
Pooled cash and investments	\$ 33,322	\$ 1,021	\$ 585,138	\$ 51,376	\$ -	\$ 2,683	\$ 5,829
Interfund receivable	-	-	-	-	-	-	-
Taxes receivable - net	-	-	19,892	-	-	21,482	-
Due from other governments	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Total Assets	\$ 33,322	\$ 1,021	\$ 605,030	\$ 51,376	\$ -	\$ 24,165	\$ 5,829
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-
Deferred inflows of resource							
Unavailable revenues - property taxes	-	-	-	-	-	2,201	-
Total Deferred Inflows of Resources	-	-	-	-	-	2,201	-
Fund balances:							
Restricted							
Public safety and public works	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Committed							
Public safety and public works	-	1,021	-	-	-	-	-
Economic development	-	-	605,030	51,376	-	-	-
Assigned							
Public safety and public works	33,322	-	-	-	-	-	-
Judicial administration	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Health, education and welfare	-	-	-	-	-	21,964	5,829
Unassigned	-	-	-	-	-	-	-
Total Fund Balance	33,322	1,021	605,030	51,376	-	21,964	5,829
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 33,322	\$ 1,021	\$ 605,030	\$ 51,376	\$ -	\$ 24,165	\$ 5,829

UNION COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET - CONTINUED
SPECIAL REVENUE FUNDS
JUNE 30, 2018

	Tax Increment District	Title IV-D	Airport Fuel	Jail Commissary	Wildlife Fines	Tourism Director	PARD Grant
Assets:							
Pooled cash and investments	\$ 2,880	\$ 61,061	\$ 23,712	\$ 2,140	\$ -	\$ -	\$ -
Interfund receivable	-	-	-	-	-	-	-
Taxes receivable - net	-	-	-	-	-	-	-
Due from other governments	-	35,894	-	-	-	-	-
Other receivables	-	-	-	-	-	-	22,652
Total Assets	\$ 2,880	\$ 96,955	\$ 23,712	\$ 2,140	\$ -	\$ -	\$ 22,652
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	500	-	-	-	594	-
Interfund payable	-	-	-	-	-	13,108	-
Due to other governments	-	-	-	-	-	-	-
Total Liabilities	-	500	-	-	-	13,702	-
Deferred inflows of resource							
Unavailable revenues - property taxes	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
Fund balances:							
Restricted							
Public safety and public works	-	96,455	-	-	-	-	-
Economic development	-	-	-	-	-	-	22,652
Committed							
Public safety and public works	-	-	-	-	-	-	-
Economic development	2,880	-	-	-	-	-	-
Assigned							
Public safety and public works	-	-	-	2,140	-	-	-
Judicial administration	-	-	-	-	-	-	-
Culture and recreation	-	-	23,712	-	-	-	-
Debt service	-	-	-	-	-	-	-
Health, education and welfare	-	-	-	-	-	-	-
Unassigned							
	-	-	-	-	-	(13,702)	-
Total Fund Balance	2,880	96,455	23,712	2,140	-	(13,702)	22,652
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,880	\$ 96,955	\$ 23,712	\$ 2,140	\$ -	\$ -	\$ 22,652

UNION COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET - CONTINUED
SPECIAL REVENUE FUNDS
JUNE 30, 2018

	Animal Shelter Renovation	Dixie Youth	Electronic Monitoring	FLC Redemption Interest	Hwy 18 Project	Industrial Park Infrastructure	Insurance Claims
Assets:							
Pooled cash and investments	\$ 40	\$ -	\$ 6,948	\$ 13,488	\$ -	\$ 101,961	\$ 56,738
Interfund receivable	-	-	-	-	-	-	-
Taxes receivable - net	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Total Assets	\$ 40	\$ -	\$ 6,948	\$ 13,488	\$ -	\$ 101,961	\$ 56,738
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-
Deferred inflows of resource							
Unavailable revenues - property taxes	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
Fund balances:							
Restricted							
Public safety and public works	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Committed							
Public safety and public works	40	-	-	-	-	-	-
Economic development	-	-	-	-	-	101,961	-
Assigned							
Public safety and public works	-	-	6,948	13,488	-	-	56,738
Judicial administration	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Health, education and welfare	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balance	40	-	6,948	13,488	-	101,961	56,738
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 40	\$ -	\$ 6,948	\$ 13,488	\$ -	\$ 101,961	\$ 56,738

UNION COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET - CONTINUED
SPECIAL REVENUE FUNDS
JUNE 30, 2018

	Litter Enforcement Grant	Palmetto Pride Grant	Solid Waste Tire Fee	Fines and Assessments	Detention Center Canteen	UTC Funds Industrial Site	Lockhart Trail Phase II
Assets:							
Pooled cash and investments	\$ 4,080	\$ 859	\$ 187,187	\$ 31,078	\$ 10,004	\$ 31,402	\$ -
Interfund receivable	-	-	-	-	-	-	-
Taxes receivable - net	-	-	-	-	-	-	-
Due from other governments	-	-	3,841	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Total Assets	\$ 4,080	\$ 859	\$ 191,028	\$ 31,078	\$ 10,004	\$ 31,402	\$ -
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-	69,994
Due to other governments	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	69,994
Deferred inflows of resource							
Unavailable revenues - property taxes	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
Fund balances:							
Restricted							
Public safety and public works	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Committed							
Public safety and public works	-	859	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Assigned							
Public safety and public works	4,080	-	191,028	-	-	-	-
Judicial administration	-	-	-	31,078	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	10,004	31,402	-
Health, education and welfare	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(69,994)
Total Fund Balance	4,080	859	191,028	31,078	10,004	31,402	(69,994)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,080	\$ 859	\$ 191,028	\$ 31,078	\$ 10,004	\$ 31,402	\$ -

UNION COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET - CONTINUED
SPECIAL REVENUE FUNDS
JUNE 30, 2018

	EMS Generator Timken Donation	EMS Grant-in-Aid	Cudd Property Purchase	Union County Facilities Corporation	Total Fire Districts	Special Revenue Funds	Total Funds
Assets:							
Pooled cash and investments	\$ 75,000	\$ -	\$ -	\$ 500,202	\$ 47,114	\$ 3,315,538	
Interfund receivable	-	-	-	-	-	339,933	
Taxes receivable - net	-	-	-	-	94,862	527,824	
Due from other governments	-	-	-	-	-	121,873	
Other receivables	-	-	-	-	-	22,652	
Total Assets	\$ 75,000	\$ -	\$ -	\$ 500,202	\$ 141,976	\$ 4,327,820	
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,039	
Accrued payroll	-	-	-	-	-	13,574	
Interfund payable	-	-	-	-	389,040	556,408	
Due to other governments	-	-	-	-	-	-	
Total Liabilities	-	-	-	-	389,040	574,021	
Deferred inflows of resource							
Unavailable revenues - property taxes	-	-	-	-	15,370	54,239	
Total Deferred Inflows of Resources	-	-	-	-	15,370	54,239	
Fund balances:							
Restricted							
Public safety and public works	-	-	-	-	-	96,455	
Economic development	-	-	-	-	-	1,392,875	
Committed							
Public safety and public works	75,000	-	-	-	56,689	164,737	
Economic development	-	-	-	-	-	761,247	
Assigned							
Public safety and public works	-	-	-	-	-	707,034	
Judicial administration	-	-	-	-	-	113,167	
Culture and recreation	-	-	-	-	-	70,893	
Debt service	-	-	-	500,202	-	734,204	
Health, education and welfare	-	-	-	-	-	106,141	
Unassigned	-	-	-	-	(319,123)	(447,194)	
Total Fund Balance	75,000	-	-	500,202	(262,434)	3,699,559	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 75,000	\$ -	\$ -	\$ 500,202	\$ 141,976	\$ 4,327,819	

UNION COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Fireman's Insurance Fund	Economic Development Infrastructure Comm Dev.	RIF Grants	School Resource Officer	Union SRT	Unclaimed Funds	Sex Offender Registry
Revenues							
Property taxes	-	\$ 138,201	\$ -	\$ -	\$ -	\$ -	-
Local option sales tax	-	9,315	-	-	-	-	-
Other miscellaneous taxes	-	-	-	-	-	-	-
Fees and fines	-	-	-	-	-	-	3,050
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	39,358	457,111	-	57,299	-	-	-
Charges for services	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	1,290	-	-
Grants	-	-	100,000	-	-	-	-
Total Revenue	39,358	604,627	100,000	57,299	1,290	-	3,050
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Economic development	-	173,325	-	-	-	-	-
Public safety	45,326	-	-	59,523	825	-	-
Public works	-	-	-	-	-	-	-
Judicial administration	-	-	-	-	-	-	-
Fire protection	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Health, education and welfare	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital Outlay	-	-	100,000	-	-	-	-
Total Expenditures	45,326	173,325	100,000	59,523	825	-	-
Excess (Deficiency) of Revenues Over Expenditures	(5,968)	431,302	-	(2,224)	465	-	3,050
Other Financing Sources (Uses)							
Proceeds from capital leases	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfer out	-	(119,635)	(63,848)	-	-	-	-
Total Other Financing Sources (Uses)	-	(119,635)	(63,848)	-	-	-	-
Net Change in Fund Balances	(5,968)	311,667	(63,848)	(2,224)	465	-	3,050
Fund Balances - Beginning of Year	8,030	1,058,556	63,848	(28,102)	(73)	971	2,213
Fund Balances - End of Year	\$ 2,062	\$ 1,370,223	\$ -	\$ (30,326)	\$ 392	\$ 971	\$ 5,263

UNION COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - CONTINUED
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Hospitality Tax	Emergency Medical Services	Sports Complex	Quick Jobs Center	Duke Energy Emergency Services	Public Safety Fees	Road User Fees
Revenues							
Property taxes	\$ -	\$ 78,652	\$ 150,638	\$ 214,643	\$ -	\$ -	\$ -
Local option sales tax	-	-	9,702	13,836	-	-	-
Other miscellaneous taxes	290,002	-	-	-	-	-	-
Fees and fines	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	88,176	575	40,325
Investment earnings	-	-	-	-	-	1	93
Miscellaneous	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-
Total Revenue	290,002	78,652	160,340	228,479	88,176	576	40,418
Expenditures							
Current:							
General government	60,600	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Public safety	-	-	-	-	72,119	-	-
Public works	-	-	-	-	-	-	-
Judicial administration	-	-	-	-	-	-	-
Fire protection	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Health, education and welfare	-	-	-	252,095	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	60,600	-	-	252,095	72,119	-	-
Excess (Deficiency) of Revenues Over Expenditures	229,402	78,652	160,340	(23,616)	16,057	576	40,418
Other Financing Sources (Uses)							
Proceeds from capital leases	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfer out	(260,000)	-	(592,310)	(129,116)	-	(576)	(40,418)
Total Other Financing Sources (Uses)	(260,000)	-	(592,310)	(129,116)	-	(576)	(40,418)
Net Change in Fund Balances	(30,598)	78,652	(431,970)	(152,732)	16,057	-	-
Fund Balances - Beginning of Year	61,184	32,534	447,594	178,099	15,071	-	-
Fund Balances - End of Year	\$ 30,586	\$ 111,186	\$ 15,624	\$ 25,367	\$ 31,128	\$ -	\$ -

UNION COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - CONTINUED
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Work Release Fees	Poll Workers	Tuition Assistance Program	Transit Feasibility Study	Solicitor's Office	Workforce Development Coordinator	Sheriff's Department
Revenues							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local option sales tax	-	-	-	-	-	-	-
Other miscellaneous taxes	-	-	-	-	-	-	-
Fees and fines	-	-	-	-	230,156	-	24,603
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	33,138	-	47,488	-	44,574	11,343
Charges for services	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	11
Miscellaneous	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-
Total Revenue	-	33,138	-	47,488	230,156	44,574	35,957
Expenditures							
Current:							
General government	-	26,159	-	-	-	-	-
Economic development	-	-	-	-	-	59,253	-
Public safety	-	-	-	-	-	-	20,555
Public works	-	-	-	39,388	-	-	-
Judicial administration	-	-	-	-	297,693	-	-
Fire protection	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Health, education and welfare	-	-	61,533	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	-	26,159	61,533	39,388	297,693	59,253	20,555
Excess (Deficiency) of Revenues Over Expenditures	-	6,979	(61,533)	8,100	(67,537)	(14,679)	15,402
Other Financing Sources (Uses)							
Proceeds from capital leases	-	-	-	-	-	-	-
Transfers in	-	-	65,000	-	-	2,867	-
Transfer out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	65,000	-	-	2,867	-
Net Change in Fund Balances	-	6,979	3,467	8,100	(67,537)	(11,812)	15,402
Fund Balances - Beginning of Year	12,401	(6,516)	49,514	(8,100)	149,163	10,980	(28,619)
Fund Balances - End of Year	\$ 12,401	\$ 463	\$ 52,981	\$ -	\$ 81,626	\$ (832)	\$ (13,217)

UNION COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - CONTINUED
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	DMV Renewal Fees	Victim's Advocate	E-911 Services	Emergency Telephone System	Decal Processing Fee	Tax Sales Account	US Forestry Fund
Revenues							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local option sales tax	-	-	-	-	-	-	-
Other miscellaneous taxes	-	-	-	-	-	-	-
Fees and fines	-	64,872	-	-	-	-	-
Licenses and permits	366,740	-	-	-	20,237	-	-
Intergovernmental	-	-	-	-	-	-	5,356
Charges for services	-	-	188,993	65,326	-	-	-
Investment earnings	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	98,903	-
Grants	-	-	-	-	-	-	-
Total Revenue	366,740	64,872	188,993	65,326	20,237	98,903	5,356
Expenditures							
Current:							
General government	366,410	-	-	-	5,685	106,553	-
Economic development	-	-	-	-	-	-	-
Public safety	-	-	214,566	64,436	-	-	-
Public works	-	-	-	-	-	-	3,235
Judicial administration	-	62,582	-	-	-	-	-
Fire protection	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Health, education and welfare	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	366,410	62,582	214,566	64,436	5,685	106,553	3,235
Excess (Deficiency) of Revenues Over Expenditures	330	2,290	(25,573)	890	14,552	(7,650)	2,121
Other Financing Sources (Uses)							
Proceeds from capital leases	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
Net Change in Fund Balances	330	2,290	(25,573)	890	14,552	(7,650)	2,121
Fund Balances - Beginning of Year	7,254	73,349	46,686	15,476	131,622	200,246	(1,011)
Fund Balances - End of Year	\$ 7,584	\$ 75,639	\$ 21,113	\$ 16,366	\$ 146,174	\$ 192,596	\$ 1,110

UNION COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - CONTINUED
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Title III		Trapsoration		Multicounty		Vehicle Tax		Fireman's		Higher		Special Office	
	National	Forest Fund	Commission	Industrial Park	Industrial Park	Credit	Premium Tax	Education	Supplies					
Revenues														
Property taxes	-	\$	-	\$	392,269	\$	-	\$	17,163	\$	184,845	\$	-	-
Local option sales tax	-	-	-	-	-	-	-	-	-	-	11,999	-	-	-
Other miscellaneous taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fees and fines	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	2,000	-	-	(13)	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	890
Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	-	-	2,000	-	392,269	(13)	17,163	196,844	890	-	-	-	-	-
Expenditures														
Current:														
General government	-	-	-	-	-	-	-	-	-	-	-	-	-	180
Economic development	-	-	-	-	98,829	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public works	-	-	2,437	-	-	-	-	-	-	-	-	-	-	-
Judicial administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health, education and welfare	-	-	-	-	-	-	-	-	-	-	180,151	-	-	-
Debt Service:														
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	2,437	-	98,829	-	17,163	180,151	180	-	-	-	-	-
Excess (Deficiency) of														
Revenues Over Expenditures	-	-	(437)	293,440	(13)	-	-	16,693	710	-	-	-	-	-
Other Financing Sources (Uses)														
Proceeds from capital leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	(1,066,000)	-	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	(1,066,000)	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(437)	(772,560)	(13)	-	-	16,693	710	-	-	-	-	-
Net Change in Fund Balances	-	-	(437)	(772,560)	(13)	-	-	16,693	710	-	-	-	-	-
Fund Balances - Beginning of Year	33,322	33,322	1,458	1,377,590	51,389	-	-	5,271	5,119	-	-	-	-	-
Fund Balances - End of Year	\$	\$	1,021	\$	605,030	\$	51,376	\$	21,964	\$	5,829	\$	5,829	\$

UNION COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - CONTINUED
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Tax Increment District	Title IV-D	Airport Fuel	Jail Commissary	Wildlife Fines	Tourism Director	PARD Grant
Revenues							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local option sales tax	2,941	-	-	-	-	-	-
Other miscellaneous taxes	64,250	-	-	-	-	-	-
Fees and fines	-	-	-	-	3,557	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	175,491	-	-	-	48,761	-
Charges for services	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-
Miscellaneous	-	-	138,210	34,522	-	-	-
Grants	-	-	-	-	-	-	37,469
Total Revenue	67,191	175,491	138,210	34,522	3,557	48,761	37,469
Expenditures							
Current:							
General government	-	-	159,927	-	14,544	-	-
Economic development	64,469	-	-	-	-	49,311	-
Public safety	-	113,256	-	34,522	-	-	-
Public works	-	-	-	-	-	-	-
Judicial administration	-	-	-	-	-	-	-
Fire protection	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	28,105
Health, education and welfare	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	64,469	113,256	159,927	34,522	14,544	49,311	28,105
Excess (Deficiency) of Revenues Over Expenditures	2,722	62,235	(21,717)	-	(10,987)	(550)	9,364
Other Financing Sources (Uses)							
Proceeds from capital leases	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfer out	-	(92,359)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(92,359)	-	-	-	-	-
Net Change in Fund Balances	2,722	(30,124)	(21,717)	-	(10,987)	(550)	9,364
Fund Balances - Beginning of Year	158	126,579	45,429	2,140	10,987	(13,152)	13,288
Fund Balances - End of Year	\$ 2,880	\$ 96,455	\$ 23,712	\$ 2,140	\$ -	\$ (13,702)	\$ 22,652

UNION COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - CONTINUED
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Animal Shelter Renovation	Dixie Youth	Electronic Monitoring	FLC Redemption Interest	Hwy 18 Project	Industrial Park Infrastructure	Insurance Claims
Revenues							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local option sales tax	-	-	-	-	-	-	-
Other miscellaneous taxes	-	-	-	-	-	-	-
Fees and fines	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	1,540	-	-	-
Charges for services	-	13,922	25,695	-	-	-	-
Investment earnings	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	1,419
Grants	-	-	-	-	-	-	-
Total Revenue	-	13,922	25,695	1,540	-	-	1,419
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Public safety	-	-	21,593	588	-	-	-
Public works	-	-	-	-	-	-	-
Judicial administration	-	-	-	-	-	-	-
Fire protection	-	-	-	-	-	-	-
Culture and recreation	-	13,922	-	-	-	-	-
Health, education and welfare	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	-	13,922	21,593	588	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	4,102	952	-	-	1,419
Other Financing Sources (Uses)							
Proceeds from capital leases	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfer out	-	-	-	-	(21,861)	-	(4,981)
Total Other Financing Sources (Uses)	-	-	-	-	(21,861)	-	(4,981)
Net Change in Fund Balances	-	-	4,102	952	(21,861)	-	(3,562)
Fund Balances - Beginning of Year	40	-	2,846	12,536	21,861	101,961	60,300
Fund Balances - End of Year	\$ 40	\$ -	\$ 6,948	\$ 13,488	\$ -	\$ 101,961	\$ 56,738

UNION COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - CONTINUED
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Litter Enforcement Grant	Palmetto Pride Grant	Solid Waste Tire Fee	Fines and Assessments	Detention Center Canteen	UTC Funds Industrial Site	Lockhart Trail Phase II
Revenues							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local option sales tax	-	-	-	-	-	-	-
Other miscellaneous taxes	-	-	-	-	-	-	-
Fees and fines	-	-	-	381,764	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	14,316	-	-	-	-
Charges for services	-	-	-	-	10,004	-	-
Investment earnings	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	31,402	-
Grants	-	2,643	-	-	-	-	-
Total Revenue	-	2,643	14,316	381,764	10,004	31,402	-
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	1,790	-	-	-	-	-
Judicial administration	-	-	-	379,609	-	-	-
Fire protection	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	69,994
Health, education and welfare	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	-	1,790	-	379,609	-	-	69,994
Excess (Deficiency) of Revenues Over Expenditures	-	853	14,316	2,155	10,004	31,402	(69,994)
Other Financing Sources (Uses)							
Proceeds from capital leases	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfer out	-	-	-	(60)	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(60)	-	-	-
Net Change in Fund Balances	-	853	14,316	2,095	10,004	31,402	(69,994)
Fund Balances - Beginning of Year	4,080	6	176,712	28,983	-	-	-
Fund Balances - End of Year	\$ 4,080	\$ 859	\$ 191,028	\$ 31,078	\$ 10,004	\$ 31,402	\$ (69,994)

UNION COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - CONTINUED
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	EMS Generator Timken Donation	EMS Grant-in-Aid	Cudd Property Purchase	Union County Facilities Corporation	Total Fire Districts	Special Revenue Funds	Total
Revenues							
Property taxes	-	\$ -	-	\$ -	504,577	\$ -	1,680,988
Local option sales tax	-	-	-	-	-	-	47,793
Other miscellaneous taxes	-	-	-	-	-	-	354,252
Fees and fines	-	-	-	-	-	-	708,002
Licenses and permits	-	-	-	-	-	-	386,977
Intergovernmental	-	-	-	-	260	-	938,022
Charges for services	-	-	-	-	-	-	433,016
Investment earnings	-	-	-	202	-	-	307
Miscellaneous	75,000	-	-	-	-	-	381,636
Grants	-	16,960	300,000	-	-	-	457,072
Total Revenue	75,000	16,960	300,000	202	504,837		5,388,065
Expenditures							
Current:							
General government	-	-	-	-	-	-	740,058
Economic development	-	-	-	500,000	-	-	945,187
Public safety	-	-	-	-	-	-	664,472
Public works	-	-	-	-	-	-	46,850
Judicial administration	-	-	-	-	-	-	739,884
Fire protection	-	16,960	-	-	337,122	-	354,082
Culture and recreation	-	-	-	-	-	-	112,021
Health, education and welfare	-	-	-	-	-	-	493,779
Debt Service:							
Principal	-	-	-	-	37,109	-	37,109
Interest and other charges	-	-	-	-	29,564	-	29,564
Capital Outlay	-	-	419,635	-	1,096,169	-	1,615,804
Total Expenditures	-	16,960	419,635	500,000	1,499,964		5,778,810
Excess (Deficiency) of Revenues Over Expenditures	75,000	-	(119,635)	(499,798)	(995,127)		(390,745)
Other Financing Sources (Uses)							
Proceeds from capital leases	-	-	-	-	150,000	-	150,000
Transfers in	-	-	119,635	1,000,000	-	-	1,187,502
Transfer out	-	-	-	-	(9,500)	-	(2,400,664)
Total Other Financing Sources (Uses)	-	-	119,635	1,000,000	140,500		(1,063,162)
Net Change in Fund Balances	75,000	-	-	500,202	(854,627)		(1,453,907)
Fund Balances - Beginning of Year	-	-	-	-	592,193		5,153,466
Fund Balances - End of Year	\$ 75,000	\$ -	\$ -	\$ 500,202	\$ (262,434)	\$	3,699,559

UNION COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
FIRE DISTRICTS
JUNE 30, 2018

	Bonham Fire District	Buffalo Fire District	Carlisle Fire District	Cross Keys Fire District	Kelly-Kelton Fire District	Phillipi Fire District	Total
Assets							
Pooled cash and investments	\$ -	\$ 14,766	18,319	\$ 4,602	\$ 6,646	\$ 2,781	\$ 47,114
Taxes receivable - net	76,129	10,229	1,553	1,109	4,744	1,098	94,862
Total Assets	<u>\$ 76,129</u>	<u>\$ 24,995</u>	<u>\$ 19,872</u>	<u>\$ 5,711</u>	<u>\$ 11,390</u>	<u>\$ 3,879</u>	<u>\$ 141,976</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities:							
Interfund payable	\$ 389,040	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 389,040
Total Liabilities	<u>389,040</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>389,040</u>
Deferred Inflows of Resources:							
Unavailable revenues - property taxes	6,212	6,135	404	177	2,217	225	15,370
Total Deferred Inflows of Resources	<u>6,212</u>	<u>6,135</u>	<u>404</u>	<u>177</u>	<u>2,217</u>	<u>225</u>	<u>15,370</u>
Fund Balances:							
Committed							
Public safety	-	18,860	19,468	5,534	9,173	3,654	56,689
Unassigned	<u>(319,123)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(319,123)</u>
Total Fund Balance	<u>(319,123)</u>	<u>18,860</u>	<u>19,468</u>	<u>5,534</u>	<u>9,173</u>	<u>3,654</u>	<u>(262,434)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 76,129</u>	<u>\$ 24,995</u>	<u>\$ 19,872</u>	<u>\$ 5,711</u>	<u>\$ 11,390</u>	<u>\$ 3,879</u>	<u>\$ 141,976</u>

UNION COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FIRE DISTRICTS
FOR THE YEAR ENDED JUNE 30, 2018

	Bonham Fire District	Buffalo Fire District	Carlisle Fire District	Cross Keys Fire District	Kelly-Kelton Fire District	Phillipi Fire District	Total
Revenues							
Property taxes	\$ 185,176	\$ 159,759	\$ 61,665	\$ 32,502	\$ 48,656	\$ 16,819	\$ 504,577
Intergovernmental	260	-	-	-	-	-	260
Total Revenues	<u>185,436</u>	<u>159,759</u>	<u>61,665</u>	<u>32,502</u>	<u>48,656</u>	<u>16,819</u>	<u>504,837</u>
Expenditures							
Fire protection	77,074	128,559	39,855	30,107	46,175	15,352	337,122
Debt Service:							
Principal	-	25,527	11,582	-	-	-	37,109
Interest and other charges	15,125	6,747	7,692	-	-	-	29,564
Capital Outlay	946,169	-	150,000	-	-	-	1,096,169
Total Expenditures	<u>1,038,368</u>	<u>160,833</u>	<u>209,129</u>	<u>30,107</u>	<u>46,175</u>	<u>15,352</u>	<u>1,499,964</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(852,932)</u>	<u>(1,074)</u>	<u>(147,464)</u>	<u>2,395</u>	<u>2,481</u>	<u>1,467</u>	<u>(995,127)</u>
Other Financing Sources (Uses)							
Proceeds from capital leases	-	-	150,000	-	-	-	150,000
Transfers out	(9,500)	-	-	-	-	-	(9,500)
Total Other Financing Sources (Uses)	<u>(9,500)</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,500</u>
Net Change in Fund Balances	<u>(862,432)</u>	<u>(1,074)</u>	<u>2,536</u>	<u>2,395</u>	<u>2,481</u>	<u>1,467</u>	<u>(854,627)</u>
Fund Balances - Beginning of Year	\$ 543,309	\$ 19,934	\$ 16,932	\$ 3,139	\$ 6,692	\$ 2,187	\$ 592,193
Fund Balances - End of Year	<u>\$ (319,123)</u>	<u>\$ 18,860</u>	<u>\$ 19,468</u>	<u>\$ 5,534</u>	<u>\$ 9,173</u>	<u>\$ 3,654</u>	<u>\$ (262,434)</u>

UNION COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
JUNE 30, 2018

	1991 General	1992 General	2001 County	2011 General	2007 County &	2016B General	Special Note,	Carlisle Fire	Total Debt
	Obligation	Obligation	Bonds	Obligation	2016A	Obligation	Bonds and	Department	Service Funds
	Debt	Debt		Bonds	Refunding	Bonds	Interest	Bond	
					Bonds				
Assets:									
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 174,280	\$ 226,762	\$ 2,688	\$ 15,596	\$ 419,326
Taxes receivable - net	-	-	-	50,782	-	-	-	400	51,182
Total Assets	\$ -	\$ -	\$ -	\$ 50,782	\$ 174,280	\$ 226,762	\$ 2,688	\$ 15,996	\$ 470,508
Liabilities, Deferred Inflows of Resources, and Fund Balances									
Liabilities:									
Interfund payables	\$ -	\$ -	\$ -	\$ 15,876	\$ -	\$ -	\$ -	\$ -	\$ 15,876
Total Liabilities	\$ -	\$ -	\$ -	\$ 15,876	\$ -	\$ -	\$ -	\$ -	\$ 15,876
Deferred Inflows of Resources									
Unavailable revenues - property taxes	-	-	-	4,817	-	-	-	99	4,916
Total Deferred Inflows of Resources	-	-	-	4,817	-	-	-	99	4,916
Fund balances:									
Assigned									
Debt service	-	-	-	30,089	174,280	226,762	2,688	15,897	449,716
Total Fund Balance	-	-	-	30,089	174,280	226,762	2,688	15,897	449,716
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ -	\$ -	\$ 50,782	\$ 174,280	\$ 226,762	\$ 2,688	\$ 15,996	\$ 470,508

UNION COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	2007 County &							Total Debt Service Funds	
	1991 General Obligation Debt	1992 General Obligation Debt	2001 County Bonds	2011 General Obligation Bonds	2016A Refunding Bonds	2016B General Obligation Debt	Special Note, Bonds and Interest	Carlisle Fire Department Bond	
Revenues									
Property taxes	\$ 1	\$ 1	\$ 4	\$ 442,656	\$ -	\$ -	\$ -	\$ 15,897	\$ 458,559
Local option sales tax	-	-	-	28,657	-	-	-	-	28,657
Total Revenue	1	1	4	471,313	-	-	-	15,897	487,216
Expenditures									
Debt Service:									
Principal	-	-	-	400,000	41,000	43,000	-	-	484,000
Interest and other charges	-	-	-	9,535	28,702	48,260	-	-	86,497
Total Expenditures	-	-	-	409,535	69,702	91,260	-	-	570,497
Excess (Deficiency) of Revenues Over Expenditures	1	1	4	61,778	(69,702)	(91,260)	-	15,897	(83,281)
Other Financing Sources (Uses)									
Transfers in	-	-	-	-	297,912	339,146	-	-	637,058
Transfers out	(5)	(7)	(40)	-	(44,696)	-	-	-	(44,748)
Total Other Financing Sources Uses	(5)	(7)	(40)	-	253,216	339,146	-	-	592,310
Net Change in Fund Balances	(4)	(6)	(36)	61,778	183,514	247,886	-	15,897	509,029
Fund Balances - Beginning of Year	4	6	36	(31,689)	(9,234)	(21,124)	2,688	-	(59,313)
Fund Balances - End of Year	\$ -	\$ -	\$ -	\$ 30,089	\$ 174,280	\$ 226,762	\$ 2,688	\$ 15,897	\$ 449,716

UNION COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2018

	C Funds	Economic Development Board	Forestry Funds County Roads	Lockhart Bridge Relocation	Lockhart Water/Sewer System	Stadium Improvements
Assets:						
Pooled cash and investments	\$ -	\$ 253,786	\$ 41,067	\$ 27,051	\$ 22,090	\$ 3,055
Taxes receivable - net	-	16,783	-	-	-	-
Total Assets	\$ -	\$ 270,569	\$ 41,067	\$ 27,051	\$ 22,090	\$ 3,055
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retainage Payable	-	-	-	-	-	-
	-	-	-	-	-	-
Deferred Inflows of Resources						
Unavailable revenues - property taxes	-	1,938	-	-	-	-
Total Deferred Inflows of Resources	-	1,938	-	-	-	-
Fund balances:						
Assigned						
Capital projects	-	268,631	41,067	27,051	22,090	3,055
Total Fund Balance	-	268,631	41,067	27,051	22,090	3,055
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 270,569	\$ 41,067	\$ 27,051	\$ 22,090	\$ 3,055

**UNION COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2018**

	Stadium Renovation School	Stadium Renovations - GO Bond Proceeds	EMS Renovations	2016 Bond Proceeds Projects	Timken Sports Complex Capital Improvements	Total Capital Projects Funds
Assets:						
Pooled cash and investments	\$ 130,000	\$ 1,293,999	\$ 1,047,201	\$ 98,400	\$ 199,882	\$ 3,116,531
Taxes receivable - net	-	-	-	-	-	16,783
Total Assets	\$ 130,000	\$ 1,293,999	\$ 1,047,201	\$ 98,400	\$ 199,882	\$ 3,133,314
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities:						
Accounts payable	\$ -	\$ 248,528	\$ 95,890	\$ -	\$ -	\$ 344,418
Retainage Payable	-	27,614	10,654	-	-	38,268
	-	276,142	106,544	-	-	382,686
Deferred Inflows of Resources						
Unavailable revenues - property taxes	-	-	-	-	-	1,938
Total Deferred Inflows of Resources	-	-	-	-	-	1,938
Fund balances:						
Assigned						
Capital projects	130,000	1,017,857	940,657	98,400	199,882	2,748,690
Total Fund Balance	130,000	1,017,857	940,657	98,400	199,882	2,748,690
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 130,000	\$ 1,293,999	\$ 1,047,201	\$ 98,400	\$ 199,882	\$ 3,133,314

UNION COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 EXPENDITURES, AND CHANGES IN FUND BALANCE
 CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	C Funds	Economic Development Board	Forestry Funds County Roads	Lockhart Bridge Relocation	Lockhart Water/Sewer System	Stadium Improvements
Revenues						
Property taxes	\$ -	\$ 90,612	\$ -	\$ -	\$ -	\$ -
Local option sales tax	-	5,565	-	-	-	-
Intergovernmental	725,861	-	-	-	-	7,573
Total Revenues	725,861	96,177	-	-	-	7,573
Expenditures						
Current:						
Economic development	-	29,716	-	-	-	-
Public works	725,861	-	-	165,099	-	-
Capital Outlay	-	-	-	-	43,910	15,251
Total Expenditures	725,861	29,716	-	165,099	43,910	15,251
Excess (Deficiency) of Revenues Over Expenditures	-	66,461	-	(165,099)	(43,910)	(7,678)
Other Financing Sources (Uses)						
Transfers in	-	-	41,067	-	66,000	-
Transfers out	-	(67,867)	-	-	-	-
Total Other Financing Sources (Uses)	-	(67,867)	41,067	-	66,000	-
Net Change in Fund Balances	-	(1,406)	41,067	(165,099)	22,090	(7,678)
Fund Balances - Beginning of Year	-	270,037	-	192,150	-	10,733
Fund Balances - End of Year	\$ -	\$ 268,631	\$ 41,067	\$ 27,051	\$ 22,090	\$ 3,055

UNION COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Stadium Renovation School	Stadium Renovations - GO Bond Proceeds	EMS Renovations	2016 Bond Proceeds Projects	Timken Sports Complex Capital Improvements	Total Capital Projects Funds
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,612
Local option sales tax						5,565
Intergovernmental	130,000	-	-	-	2,200	865,634
Total Revenues	130,000	-	-	-	2,200	961,811
Expenditures						
Current:						
Economic development	-	-	-	-	-	29,716
Public works	-	-	-	-	-	890,960
Capital Outlay	-	282,143	144,546	-	550,590	1,036,440
Total Expenditures	-	282,143	144,546	-	550,590	1,957,116
Excess (Deficiency) of Revenues Over Expenditures	130,000	(282,143)	(144,546)	-	(548,390)	(995,305)
Other Financing Sources (Uses)						
Transfers in	-	1,300,000	1,085,203	-	-	2,492,270
Transfers out	-	-	-	(2,385,203)	-	(2,453,070)
Total Other Financing Sources (Uses)	-	1,300,000	1,085,203	(2,385,203)	-	39,200
Net Change in Fund Balances	130,000	1,017,857	940,657	(2,385,203)	(548,390)	(956,105)
Fund Balances - Beginning of Year	-	-	-	2,483,603	748,272	3,704,795
Fund Balances - End of Year	\$ 130,000	\$ 1,017,857	\$ 940,657	\$ 98,400	\$ 199,882	\$ 2,748,690

UNION COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2018

	Clerk of Court	Magistrate	Union County School District	Fire Districts	Commission on Alcohol and Drug Abuse	Delinquent Tax
Assets						
Cash and cash equivalents	\$ 217,081	\$ 20,556	\$ 2,276,346	\$ 56,689	\$ 197,724	\$ 199,969
Due from other government	-	-	250,000	-	57,589	-
Property taxes, net	-	-	1,387,904	26,141	-	-
Total Assets	\$ 217,081	\$ 20,556	\$ 3,914,250	\$ 82,830	\$ 255,313	\$ 199,969
Liabilities and Deferred Inflows of Resource:						
Liabilities						
Accrued salaries	\$ -	\$ -	\$ -	\$ -	\$ 4,988	\$ -
Due to other taxing districts	-	-	3,781,661	73,163	250,325	-
Due to other claimants	217,081	20,556	-	-	-	199,969
Total Liabilities	217,081	20,556	3,781,661	73,163	255,313	199,969
Deferred Inflows of Resources						
Unavailable revenues - property taxes	-	-	132,589	9,667	-	-
Total Deferred Inflows of Resources	-	-	132,589	9,667	-	-
Total Liabilities and Deferred Inflows of Resources	\$ 217,081	\$ 20,556	\$ 3,914,250	\$ 82,830	\$ 255,313	\$ 199,969

UNION COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2018

	Hope Hospital	Timken Sports Complex	Veteran's Park	Wallace Thompson Hospital	City of Union FILOT	Total
Assets						
Cash and cash equivalents	\$ 3,185	\$ 8,650	\$ 6,157	\$ 68,122	\$ 1,634	\$ 3,056,113
Due from other government	-	-	-	-	-	307,589
Property taxes, net	-	-	4,181	-	-	1,418,226
Total Assets	\$ 3,185	\$ 8,650	\$ 10,338	\$ 68,122	\$ 1,634	\$ 4,781,928
Liabilities and Deferred Inflows of Resource:						
Liabilities						
Accrued salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,988
Due to other taxing districts	3,185	8,650	9,881	68,122	1,634	4,196,621
Due to other claimants	-	-	-	-	-	437,606
Total Liabilities	3,185	8,650	9,881	68,122	1,634	4,639,215
Deferred Inflows of Resources						
Unavailable revenues - property taxes	-	-	457	-	-	142,713
Total Deferred Inflows of Resources	-	-	457	-	-	142,713
Total Liabilities and Deferred Inflows of Resources	\$ 3,185	\$ 8,650	\$ 10,338	\$ 68,122	\$ 1,634	\$ 4,781,928

UNION COUNTY
SUMMARY SCHEDULE OF COURT FINES, ASSESSMENTS, AND SURCHARGES
FOR THE YEAR ENDED JUNE 30, 2018

	Total Collections	Amount Retained by County Treasurer	Amount Remitted to State Treasurer	Amount Allocated to Victims' Services
Clerk of Court:				
Fines and fees	\$ 185,871	\$ 49,716	\$ 136,155	\$ -
Assessments	6,817	2,342	4,475	2,342
Surcharges	19,580	10,186	9,394	10,186
	<u>\$ 212,268</u>	<u>\$ 62,244</u>	<u>\$ 150,024</u>	<u>\$ 12,528</u>

Magistrates Court:				
Fines and fees	\$ 196,369	\$ 190,650	\$ 5,719	\$ -
Assessments	150,633	13,777	136,856	13,777
Surcharges	80,482	12,406	68,076	12,406
	<u>\$ 427,484</u>	<u>\$ 216,833</u>	<u>\$ 210,651</u>	<u>\$ 26,183</u>

Victim's Advocate

Amount reserved for victim's advocate, beginning of year				\$ 73,349
Plus: Amounts collected and allocated for Victim's Advocate				
Amounts from Clerk of Court and Magistrate			38,711	
Municipal courts			<u>26,161</u>	
Less: Amounts spent for victim's advocate				<u>64,872</u>
from assessments and surcharges:				
Salaries and benefits			\$ 55,095	
Operating expenditures			<u>7,488</u>	
				<u>(62,583)</u>
Amount reserved for victim's advocate, end of year				<u>\$ 75,638</u>

**UNION COUNTY, SOUTH CAROLINA
SC DEPARTMENT OF TRANSPORTATION
CONTRACT #PT-74199-A5
SCHEDULE OF BUDGETED TO ACTUAL COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

DMT Contract #	PT-74199-A5							
Contract Period	1/1/2017-12/30/2018							
	Budget	FTA	Local	FTA	Local	FTA	Local	Variance
Performance Period	01/01/2017-6/30/2018							
		2nd Prior Year		Prior Year		Current Year		
ADMINISTRATION	-	-	-	-	-	-	-	-
Personnel	-	-	-	-	-	-	-	-
Fringe Benefits	-	-	-	-	-	-	-	-
Professional Services	80,000	-	-	-	-	35,449	3,939	40,612
Dues/Subscriptions	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-
Other Services	-	-	-	-	-	-	-	-
TOTAL ADMIN.	80,000	-	-	-	-	35,449	3,939	40,612
OPERATIONS	-	-	-	-	-	-	-	-
Personnel	-	-	-	-	-	-	-	-
Fringe Benefits	-	-	-	-	-	-	-	-
Contract Serv.- Maintenance	-	-	-	-	-	-	-	-
Fuel & Lube	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
TOTAL OPERATIONS	-	-	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-	-	-
Bus	-	-	-	-	-	-	-	-
Van	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Software	-	-	-	-	-	-	-	-
TOTAL CAPITAL	-	-	-	-	-	-	-	-
TOTAL PROGRAM	80,000	-	-	-	-	35,449	3,939	40,612

Approved Budget	80,000
Federal Costs	35,449
State Costs	-
Local Costs	3,939
Total Costs to Date	39,388
Budget Balance	<u>40,612</u>