

**MARLBORO COUNTY, SOUTH CAROLINA
ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2020**

**MARLBORO COUNTY, SOUTH CAROLINA
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2020**

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December 11, 2020

INDEPENDENT AUDITOR'S REPORT

Honorable Members of the County Council
Marlboro County
Bennettsville, South Carolina

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 statement 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 evaluation the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information for the General Fund on pages 4 through 11 and 64, and the schedule of employer contributions, schedule of County's proportionate share of net pension liability, schedule of the County's contributions and schedule of the County's proportionate share of the Net OPEB liability on pages 65-67 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 Marlboro County, South Carolina's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2020, on our consideration of Marlboro County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Marlboro County, South Carolina's internal control over financial reporting and compliance.

Sheheen, Hancock & Godwin, LLP

Sheheen, Hancock and Godwin, LLP
Camden, South Carolina

**MARLBORO COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2020**

This section presents our discussion and analysis of Marlboro County, South Carolina's financial performance during the fiscal year that ended June 30, 2020. The intent of this discussion and analysis is to look at the County's financial performance as a whole. Please read it in conjunction with the basic financial statements and notes, which follow this section.

FINANCIAL HIGHLIGHTS

The assets of Marlboro County exceeded its liabilities at the close of the most recent fiscal year by \$14,696,473. Of this amount, \$1,380,052 was restricted, \$14,833,061 was net investment in capital assets, and the remaining resulted in a negative unrestricted net position in the amount of \$1,516,640. As of the close of the fiscal year, Marlboro County's governmental funds reported ending fund balances of \$12,252,162. At the end of the fiscal year, the unassigned fund balance was \$5,310,519.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of five parts – management's discussion and analysis (this section), the basic financial statements, required supplemental information, an optional section that presents combining statements for non-major governmental funds, and a compliance section. The basic financial statements include two kinds of statements that present different views of the County:

The government-wide financial statements provide both long-term and short-term information about the County's overall financial status.

The fund financial statements focus on individual parts of the County's government. These statements report the County's operations in more detail than the government-wide statements. The General Fund statements show how general government services such as public safety was financed in the short term as well as what remains for future spending. The Proprietary Fund statements offer short and long-term financial information about the activities the government operates like businesses, such as EMS and Solid Waste. The Fiduciary Fund statements provide information about financial relationships such as the revenues and expenditures of the solicitor's fund where the County acts solely as a trustee or agent for those to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of supplemental schedules that further explains and supports the information in the financial statements.

Table 1 summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this section explains the structure and contents of each of the statements.

**MARLBORO COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2020
(Continued)**

Table 1. Major Features of Marlboro County's Government-wide and Fund Financial Statements

Scope	Government-wide	Fund Statements		
	<u>Statements</u>	<u>Government Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
Entire County Government (except fiduciary funds)	Entire County Government (except fiduciary funds)	The activities of the County that are not proprietary or fiduciary	Activities the County operates similar to private businesses: EMS and Solid Waste	Instances in which the County is the trustee or agent for someone else's resources
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net position Statement of revenues, expenses, and changes in net position Statement of cash flows	Statement of fiduciary net position, Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter.	All assets and liabilities, both financial and capital, and short and long-term	All assets and liabilities, both short and long-term
Type of inflow/outflow information	All revenue and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

**MARLBORO COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2020
(Continued)**

Government-Wide Statements

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

The Statement of Net Position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the County's net position are an indicator of whether its financial position is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the fiscal year. The cause of such change may be the result of many factors including financial and non-financial.

The government-wide financial statements of the County consist of governmental and business-type activities. Most of the County's basic services are included here, such as public safety, parks and recreation, and general administration. Property taxes and state and federal grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant funds, not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law or bond covenants. Also, the County may establish other funds to control and manage money for particular purposes or to show that it is properly using certain taxes or grants (like aid from the U.S. Department of Housing and Urban Development).

The County has three kinds of funds:

Governmental funds: Most of the County's basic services are included in governmental funds. These funds focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

Proprietary funds: Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. In fact, the County's enterprise fund (one type of proprietary fund) is the same as its business-type activities, but provide more detail and additional information, such as cash flows.

Fiduciary funds: The County is the trustee, or fiduciary, for the Solicitor's fund. It is also responsible for other assets that because of a trust arrangement can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position and a

**MARLBORO COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2020
(Continued)**

statement of changes in fiduciary net position. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net Position: The County's net position at the end of the current fiscal year was \$14,696,473 as summarized and compared to fiscal year 2019 in Table 2 below. Looking at the net position and net expenses of governmental and business-type activities separately reflects that net position from governmental activities make up 90.8% of total net position. Table 3, on the following page summarizes the County's changes in net position for fiscal year 2020 compared to fiscal year 2019.

Table 2. Marlboro County's Net Position

	<u>2020</u>	<u>2019</u>	<u>Change</u>
Assets			
Current and Other Assets	\$ 15,167,104	\$ 13,635,439	\$ 1,531,665
Capital Assets	<u>17,687,099</u>	<u>18,461,438</u>	<u>(774,339)</u>
Total Assets	<u>32,854,203</u>	<u>32,096,877</u>	<u>757,326</u>
Deferred Outflows			
OPEB Cost	157,029	109,075	47,954
Pension Cost	<u>2,458,869</u>	<u>2,439,273</u>	<u>19,596</u>
Total Deferred Outflows	<u>2,615,898</u>	<u>2,548,348</u>	<u>67,550</u>
Liabilities			
Other Liabilities	1,081,730	1,051,479	30,251
Long-Term Debt Outstanding	<u>18,443,771</u>	<u>18,273,329</u>	<u>170,442</u>
Total Liabilities	<u>19,525,501</u>	<u>19,324,808</u>	<u>200,693</u>
Deferred Inflows			
Property Tax Credits	627,975	615,858	12,117
OPEB Cost	40,341	49,002	(8,661)
Pension Cost	237,828	292,460	(54,632)
Grants	<u>341,983</u>	<u>257,884</u>	<u>84,099</u>
Total Deferred Inflows	<u>1,248,127</u>	<u>1,215,204</u>	<u>32,923</u>
Net Position			
Net Investment in Capital Assets	14,833,062	15,208,650	(375,588)
Restricted	1,380,052	1,385,471	(5,419)
Unrestricted	<u>(1,516,641)</u>	<u>(2,488,908)</u>	<u>972,267</u>
Total Net Position	<u>\$ 14,696,473</u>	<u>\$ 14,105,213</u>	<u>\$ 591,260</u>

The net position of the County increased by less than 5 percent during the year (\$14.11 million compared to \$14.70 million). Unrestricted net position decreased from negative \$2.5 million at the beginning of the year to negative \$1.5 million at the end of the year.

**MARLBORO COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2020
(Continued)**

Table 3. Marlboro County's Changes in Net Position

	<u>2020</u>	<u>2019</u>	<u>Change</u>
Program Services:			
Charges for Services	\$ 4,078,360	\$ 2,199,971	\$ 1,878,389
Operating Grants	1,153,185	423,167	730,018
Capital Grants	<u>625,614</u>	<u>573,756</u>	<u>51,858</u>
Total Program Services	<u>5,857,159</u>	<u>3,196,894</u>	<u>2,660,265</u>
General Revenues:			
Taxes	11,585,720	10,668,919	916,801
Miscellaneous	607,499	538,644	68,855
Intergovernmental Revenue	1,579,132	1,662,571	(83,439)
Investment Earnings	28,493	17,982	10,511
Transfers	-	-	-
Gain on Disposition of Capital Assets	<u>93,705</u>	<u>31,101</u>	<u>62,604</u>
Total General Revenues	<u>13,894,549</u>	<u>12,919,217</u>	<u>975,332</u>
Total Revenues	<u>19,751,708</u>	<u>16,116,111</u>	<u>3,635,597</u>
Expenses:			
General Government	7,565,507	5,747,194	1,818,313
Public Safety	8,048,566	4,844,957	3,203,609
Public Services	1,900,183	1,821,934	78,249
Culture and Recreation	593,934	611,532	(17,598)
Health and Environment	238,036	1,318,990	(1,080,954)
Economic Development	370,882	347,629	23,253
Capital Outlay	307,536	469,160	(161,624)
Interest and Other Charges	<u>135,802</u>	<u>62,162</u>	<u>73,640</u>
Total Expenses	<u>19,160,446</u>	<u>15,223,558</u>	<u>3,936,888</u>
Change in Net Position	591,262	892,553	(301,291)
Net Position, Beginning of Year, as Restated	<u>14,105,211</u>	<u>13,212,660</u>	<u>892,551</u>
Net Position, End of Year	<u>\$ 14,696,473</u>	<u>\$ 14,105,213</u>	<u>\$ 591,260</u>

**MARLBORO COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2020
(Continued)**

Governmental Activities

Governmental activities decreased the County's net position by \$173,459. This decrease is due in part to the County's decrease in revenues for the year, includes funds that have a restricted use, and a reduction in expenditures.

Business-type Activities

Business-type activities had a net position increase of \$764,721. The increase in net position is attributable to the County EMS and Solid Waste being implemented during the fiscal year.

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: As of the end of the fiscal year, governmental funds had a fund balance of \$12,252,162 which is an increase of \$1,287,371 over last year. Of this balance, the general fund makes up \$6,203,149 or roughly 51%. The general fund is the main operating fund for the County. Special revenue funds make up \$6,049,013 of the governmental fund balance. The special revenue funds are funds that are setup to account for specific revenues that are legally restricted or assigned to expenditures for a particular purpose.

Proprietary Funds: The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position for the County Emergency Medical System and Solid Waste at the end of the year was \$11,621, and \$416,967, respectively. Other factors regarding these funds was addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

The budget presented in the financial statements is the original budget adopted by County Council. There were two amendments to the original budget during the current year, which explains the large variances for both the revenues and expenditures.

Actual revenues were \$2,176,716 over the budgeted amount. Actual expenses for the general fund were \$588,464 over budget, and other financing sources were \$1,012,355 under budget. The change in fund balance is an increase of \$575,897.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At year-end, Marlboro County had invested \$17,687,098 (net of accumulated depreciation) in a broad range of capital assets, including police and fire equipment, buildings, land and park facilities. More detailed information about the County's capital assets is presented in Note 6 to the financial statements.

**MARLBORO COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2020
(Continued)**

This year's major capital asset additions included various equipment purchases and infrastructure improvements that were begun and not completed during the year.

The County's capital assets as summarized in Table 4 below are purchased through a variety of sources including general obligation debt, lease purchases and property taxes.

Table 4. Marlboro County's Capital Assets

	Governmental Activities 2020	Business-Type Activities 2020	Total 2020
Land	\$ 1,872,494	\$ 42,461	\$ 1,914,955
Buildings and Improvements	26,602,012	1,189,518	27,791,530
Infrastructure	8,448,080	-	8,448,080
Equipment	5,549,543	2,253,934	7,803,477
Accumulated Depreciation	<u>(26,325,991)</u>	<u>(1,998,371)</u>	<u>(28,324,362)</u>
 Total Net Capital Assets	 <u>\$ 16,199,557</u>	 <u>\$ 1,487,542</u>	 <u>\$ 17,687,099</u>

Long-term Debt

At year-end, the County had \$18,386,821 in bonds, capital leases, compensated absences, net OPEB obligation outstanding, post-closure cost and Net Pension Liability - as shown in Table 5 below. More detailed information about the County's long-term liabilities is presented in Note 8 to the financial statements. All of the \$2,461,461 in general obligation bond debt is backed by the full faith and credit of the County.

Limitations on Debt

The state limits the amount of general obligation debt the County can issue at an amount not to exceed (8) eight percent of the assessed value of all taxable property within the County. The current debt limitation for the County is \$5,638,806, which means that the County was \$3,503,421 under the debt ceiling.

**MARLBORO COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2020
(Continued)**

Table 5. Marlboro County's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds	\$ 2,135,385	\$ 2,461,461	\$ -	\$ -	\$ 2,135,385	\$ 2,461,461
Capital Leases	150,817	260,338	689,931	850,000	840,748	1,110,338
Compensated Absences	386,256	360,886	15,136	976	401,392	361,862
Post-Closure Costs	11,000	22,000	-	-	11,000	22,000
Net OPEB Obligation	880,693	891,546	-	-	880,693	891,546
Net Pension Liability	<u>14,117,603</u>	<u>13,426,122</u>	<u>-</u>	<u>-</u>	<u>14,117,603</u>	<u>13,426,122</u>
 Total	 <u>\$ 17,681,754</u>	 <u>\$ 17,422,353</u>	 <u>\$ 705,067</u>	 <u>\$ 850,976</u>	 <u>\$ 18,386,821</u>	 <u>\$ 18,273,329</u>

NEXT YEAR'S BUDGETS

The 2020-2021 budget for Marlboro County's expenditures is \$12,038,883. This budget contains a provision that would require an appropriation from the available fund balance of \$465,845.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Marlboro County Finance Office, Post Office Box 419, Bennettsville, South Carolina 29512.

MARLBORO COUNTY, SOUTH CAROLINA
STATEMENT NET POSITION
June 30, 2020

	Governmental Activities	Business-Type Activities	Total	Component Unit - Library Board
Assets				
Cash and Cash Equivalents	\$ 9,741,330	\$ 2,913,801	\$ 12,655,131	\$ 65,547
Taxes Receivable, Net	283,671	49,291	332,962	-
Other Receivables	1,530,533	11,578	1,542,111	-
Internal Balances	2,826,117	(2,283,417)	542,700	-
Prepaid Expenses	94,200	-	94,200	-
Capital Assets:				
Land	1,872,494	42,461	1,914,955	-
Construction in Progress	53,419	-	53,419	-
Buildings and Improvements	26,602,012	1,189,518	27,791,530	-
Equipment	5,549,543	2,253,934	7,803,477	-
Infrastructure	8,448,080	-	8,448,080	-
Less: Accumulated Depreciation	<u>(26,325,991)</u>	<u>(1,998,371)</u>	<u>(28,324,362)</u>	<u>-</u>
Total Capital Assets, Net of Depreciation	<u>16,199,557</u>	<u>1,487,542</u>	<u>17,687,099</u>	<u>-</u>
Deferred Outflows of Resources				
Prepaid OPEB Cost	157,029	-	157,029	-
Prepaid Pension Cost	<u>2,495,092</u>	<u>(36,223)</u>	<u>2,458,869</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>2,652,121</u>	<u>(36,223)</u>	<u>2,615,898</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>33,327,529</u>	<u>2,142,572</u>	<u>35,470,101</u>	<u>\$ 65,547</u>
Liabilities				
Accounts Payable and Accrued Liabilities	392,817	53,264	446,081	\$ -
Accrued Interest Payable	18,580	3,461	22,041	-
Due to Other Governments	613,608	-	613,608	-
Long-Term Liabilities:				
Due Within One Year:				
General Obligation Bonds	333,718	-	333,718	-
Capital Lease	111,978	164,887	276,865	-
Compensated Absences	27,473	15,136	42,609	-
Due in More Than One Year:				
General Obligation Bonds	1,801,667	-	1,801,667	-
Capital Lease	38,839	525,044	563,883	-
Compensated Absences	358,783	-	358,783	-
Net Pension Liability	14,117,603	56,950	14,174,553	-
Net OPEB Obligation	880,693	-	880,693	-
Closure and Post Closure Costs	<u>11,000</u>	<u>-</u>	<u>11,000</u>	<u>-</u>
Total Liabilities	<u>18,706,759</u>	<u>818,742</u>	<u>19,525,501</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable Revenues - Property Tax Credit	627,975	-	627,975	-
Unavailable Revenues - OPEB	40,341	-	40,341	-
Unavailable Revenues - Pension	262,292	(24,464)	237,828	-
Unavailable Revenues - Grant	<u>341,983</u>	<u>-</u>	<u>341,983</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>1,272,591</u>	<u>(24,464)</u>	<u>1,248,127</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>19,979,350</u>	<u>794,278</u>	<u>20,773,628</u>	<u>-</u>
Net Position				
Net Investment in Capital Assets	13,913,355	919,707	14,833,062	-
Restricted for:				
Debt Service	501,731	-	501,731	-
Capital Projects	152,210	-	152,210	-
Special Projects	688,910	-	688,910	-
Victims Assistance	37,201	-	37,201	-
Unrestricted	<u>(1,945,228)</u>	<u>428,587</u>	<u>(1,516,641)</u>	<u>65,547</u>
Total Net Position	<u>\$ 13,348,179</u>	<u>\$ 1,348,294</u>	<u>\$ 14,696,473</u>	<u>\$ 65,547</u>

The notes to the financial statements are an integral part of these statements.

**MARLBORO COUNTY, SOUTH CAROLINA
STATEMENT ACTIVITIES
For the Fiscal Year Ended June 30, 2020**

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
		Fees, Fines & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total	Component Unit - Library Board
Governmental Activities								
General Government	\$ 7,565,507	\$ 722,408	\$ 1,072,376	\$ 224,209	\$ (5,546,514)	\$ -	\$ (5,546,514)	\$ -
Public Safety	4,964,978	84,628	71,301	22,377	(4,786,672)	-	(4,786,672)	-
Public Services	899,987	1,085,471	9,508	-	194,992	-	194,992	-
Culture and Recreation	593,934	2,295	-	-	(591,639)	-	(591,639)	-
Health and Environment	238,036	-	-	-	(238,036)	-	(238,036)	-
Economic Development	370,882	-	-	-	(370,882)	-	(370,882)	-
Capital Outlay	307,536	-	-	-	(307,536)	-	(307,536)	-
Interest and Other Charges	135,802	-	-	-	(135,802)	-	(135,802)	-
Total Governmental Activities	15,076,662	1,894,802	1,153,185	246,586	(11,782,089)	-	(11,782,089)	-
Business-Type Activities								
Solid Waste	1,000,196	1,219,019	-	-	-	218,823	218,823	-
Emergency Medical Services	3,083,588	964,539	-	379,028	-	(1,740,021)	(1,740,021)	-
Total Business-Type Activities	4,083,784	2,183,558	-	379,028	-	(1,521,198)	(1,521,198)	-
Total Primary Government	\$ 19,160,446	\$ 4,078,360	\$ 1,153,185	\$ 625,614	(11,782,089)	(1,521,198)	(13,303,287)	-
Total Component Unit	\$ 710	\$ -	\$ -	\$ -	-	-	-	(710)
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes					4,416,767	786,264	5,203,031	-
Property Taxes, Levied for Debt Service					274,354	-	274,354	-
Public Service Taxes					1,168,725	354,240	1,522,965	-
Sales and Use Tax					1,810,593	-	1,810,593	-
Payments in Lieu of Taxes					2,497,809	276,968	2,774,777	-
Miscellaneous					607,499	-	607,499	4,567
Unrestricted Investment Earnings					27,666	827	28,493	-
Intergovernmental Revenues					1,579,132	-	1,579,132	-
Transfers - Proprietary Fund					(867,620)	867,620	-	-
Gain on Disposition of Capital Assets					93,705	-	93,705	-
Total General Revenues					11,608,630	2,285,919	13,894,549	4,567
Change in Net Position					(173,459)	764,721	591,262	3,857
Net Position, Beginning of Year, as Restated					13,521,638	583,573	14,105,211	61,690
Net Position, End of Year					\$ 13,348,179	\$ 1,348,294	\$ 14,696,473	\$ 65,547

The notes to the financial statements are an integral part of these statements.

MARLBORO COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	General Fund	Economic Development Fund	Railroad Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents	\$ 4,465,947	\$ 1,940,805	\$ 1,456,592	\$ 1,877,986	\$ 9,741,330
Receivables:					
Property Taxes, Net	232,394	-	-	51,277	283,671
Intergovernmental	1,303,936	-	-	-	1,303,936
Other	98,328	-	-	-	98,328
Prepaid Expenses	94,200	-	-	-	94,200
Due From Other Funds	2,959,465	150,000	677,585	35,085	3,822,135
Due From Governments	128,269	-	-	-	128,269
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 9,282,539</u>	<u>\$ 2,090,805</u>	<u>\$ 2,134,177</u>	<u>\$ 1,964,348</u>	<u>\$ 15,471,869</u>
Liabilities					
Accounts Payable and Accrued Liabilities	\$ 386,476	\$ -	\$ -	\$ 6,341	\$ 392,817
Compensated Absences	27,473	-	-	-	27,473
Due to Other Governments	613,608	-	-	-	613,608
Due to Other Funds	902,484	-	-	93,534	996,018
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>1,930,041</u>	<u>-</u>	<u>-</u>	<u>99,875</u>	<u>2,029,916</u>
Deferred Inflows					
Unavailable Revenues - Property Tax Credit	627,975	-	-	-	627,975
Unavailable Revenues - Property Taxes	179,391	-	-	40,442	219,833
Unavailable Revenues - Grants	341,983	-	-	-	341,983
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows	<u>1,149,349</u>	<u>-</u>	<u>-</u>	<u>40,442</u>	<u>1,189,791</u>
Fund Balances					
Nonspendable for Prepays	94,200	-	-	-	94,200
Restricted for:					
Debt Service	109,520	-	-	392,211	501,731
Capital Projects	-	-	-	152,210	152,210
Special Projects	688,910	-	-	-	688,910
Victims Assistance	-	-	-	39,455	39,455
Assigned	-	2,090,805	2,134,177	1,240,155	5,465,137
Unassigned	5,310,519	-	-	-	5,310,519
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>6,203,149</u>	<u>2,090,805</u>	<u>2,134,177</u>	<u>1,824,031</u>	<u>12,252,162</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 9,282,539</u>	<u>\$ 2,090,805</u>	<u>\$ 2,134,177</u>	<u>\$ 1,964,348</u>	<u>\$ 15,471,869</u>

The notes to the financial statements are an integral part of these statements.

MARLBORO COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT
OF NET POSITION
June 30, 2020

Total Fund Balances - Governmental Funds (Exhibit C) \$ 12,252,162

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

Receivables will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.

Property Taxes 219,833

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The cost of the assets are \$42,525,548 and the accumulated depreciation is \$26,325,991

16,199,557

The County's Net Other Post-Employment Benefit ("OPEB") Obligation resulting from underfunded annual required contributions to its OPEB Plan is not reported as a liability in the governmental funds.

(880,693)

Accrued interest on bonds in governmental accounting was not due and payable in the current period and, therefore, has not been reported as a liability in the funds.

(18,580)

Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Pension liability (14,117,603)

Deferred outflows and inflows or resources related to pension are applicable to future periods and therefore, are not reported in the funds

Deferred outflows of resources related to pensions (from pension schedule)	2,495,092
Deferred outflows of resources related to OPEB	157,029
Deferred inflows of resources related to pensions (from pension schedule)	(262,292)
Deferred inflows of resources related to OPEB	(40,341)

Long-term liabilities, including debt premiums and deferred refunding charges, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

General Obligation Bonds	(1,801,667)
General Obligation Bonds- Current	(333,718)
Capital Lease	(38,839)
Capital Lease - Current	(111,978)
Compensated Absences	(358,783)
Closure and Post Closure Costs	<u>(11,000)</u>

Total Net Position - Governmental Activities (Exhibit A) \$ 13,348,179

The notes to the financial statements are an integral part of these statements.

MARLBORO COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2020

	General Fund	Economic Development Fund	Railroad Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 8,184,462	\$ 543,145	\$ -	\$ 1,460,219	\$ 10,187,826
Licenses, Permits and Fees	1,414,906	-	-	3,355	1,418,261
Intergovernmental Revenues	1,391,953	-	-	187,178	1,579,131
Charges for Services	2,295	-	-	-	2,295
Fines and Forfeits	-	-	-	20,825	20,825
Miscellaneous	<u>2,043,400</u>	<u>39,094</u>	<u>431,387</u>	<u>59,321</u>	<u>2,573,202</u>
Total Revenues	<u>13,037,016</u>	<u>582,239</u>	<u>431,387</u>	<u>1,730,898</u>	<u>15,781,540</u>
Expenditures					
Current:					
General Government	6,542,591	-	-	209,339	6,751,930
Public Safety	3,921,200	-	-	640,860	4,562,060
Public Services	905,678	-	41,706	-	947,384
Culture and Recreation	405,810	-	-	-	405,810
Health and Environment	200,402	-	-	-	200,402
Economic Development	66,950	223,684	-	-	290,634
Capital Outlay	148,375	85,663	2,287	313,163	549,488
Debt Service:					
Principal	176,239	-	-	344,640	520,879
Interest and Other Charges	<u>4,139</u>	<u>-</u>	<u>-</u>	<u>50,801</u>	<u>54,940</u>
Total Expenditures	<u>12,371,384</u>	<u>309,347</u>	<u>43,993</u>	<u>1,558,803</u>	<u>14,283,527</u>
Excess of Revenues Over Expenditures	<u>665,632</u>	<u>272,892</u>	<u>387,394</u>	<u>172,095</u>	<u>1,498,013</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	8,862	-	-	-	8,862
Transfer Out	(248,859)	-	(70,907)	(50,000)	(369,766)
Transfer In	<u>150,262</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,262</u>
Total Other Financing Sources (Uses)	<u>(89,735)</u>	<u>-</u>	<u>(70,907)</u>	<u>(50,000)</u>	<u>(210,642)</u>
Net Change in Fund Balances	575,897	272,892	316,487	122,095	1,287,371
Fund Balances, Beginning of Year, as Restated	<u>5,627,252</u>	<u>1,817,913</u>	<u>1,817,690</u>	<u>1,701,936</u>	<u>10,964,791</u>
Fund Balances, End of Year	<u>\$ 6,203,149</u>	<u>\$ 2,090,805</u>	<u>\$ 2,134,177</u>	<u>\$ 1,824,031</u>	<u>\$ 12,252,162</u>

The notes to the financial statements are an integral part of these statements.

MARLBORO 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 Fiscal Year Ended June 30, 2020

Total Net Change In Fund Balances - Governmental Funds (Exhibit E)	\$	1,287,371
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
Capital outlays are reported in the governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over the estimated useful lives as depreciation expense. This is the amount by which depreciation expense of \$919,166 exceeds capital outlay of \$241,952		(677,214)
The transfer of capital assets has been included in the Statement of Activities, whereas in the governmental funds, transfers of capital assets are not financial resources. Thus, the change in net position differs from the change in fund balance by the carrying amount of the assets transferred.		(648,116)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		326,076
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		109,521
Because some revenues will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenue decreased in the current year.		(19,579)
In the Statement of Activities, certain operating expenses - compensated absences- are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, the amount of vacation earned exceeded the vacation used.		(28,913)
In the Statement of Activities, an amount is expensed for closure and post-closure costs. Such costs are not accrued in the governmental funds.		11,000
The County's Net Other Post-Employment Benefit ("OPEB") Obligation resulting from underfunded annual required contributions to its OPEB Plan, is not reported as a liability in the governmental funds. This amount represents the net change in this liability during the current year.		67,468
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due. Accrued interest decreased in the current year.		4,420
Governmental funds report town pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
County pension contributions	\$	1,203,086
Cost of benefits earned net of employee contributions (pension expense from SCRS benefit schedule)		(605,493)
		<u>(1,808,579)</u>
Change in Net Position of Governmental Activities (Exhibit B)	\$	<u>(173,459)</u>

The notes to the financial statements are an integral part of these statements.

MARLBORO COUNTY, SOUTH CAROLINA
COMBINED STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2020

	<u>Emergency Management Systems</u>	<u>Solid Waste</u>	<u>Total</u>
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 1,775,495	\$ 1,138,306	\$ 2,913,801
Receivables:			
Property Taxes, Net	49,291	-	49,291
Due From Governments	<u>11,578</u>	<u>-</u>	<u>11,578</u>
Total Current Assets	<u>1,836,364</u>	<u>1,138,306</u>	<u>2,974,670</u>
Non-Current Assets:			
Capital Assets:			
Land	16,026	26,435	42,461
Buildings	36,116	1,153,402	1,189,518
Vehicles	701,246	589,186	1,290,432
Furniture, Fixture and Equipment	283,819	679,683	963,502
Less: Accumulated Depreciation	<u>(231,879)</u>	<u>(1,766,492)</u>	<u>(1,998,371)</u>
Total Non-Current Assets	<u>805,328</u>	<u>682,214</u>	<u>1,487,542</u>
Deferred Outflows of Resources			
Prepaid Pension Cost	<u>(38,465)</u>	<u>2,242</u>	<u>(36,223)</u>
Total Deferred Outflows of Resources	<u>(38,465)</u>	<u>2,242</u>	<u>(36,223)</u>
Total Assets and Deferred Outflows of Resources	<u><u>2,603,227</u></u>	<u><u>1,822,762</u></u>	<u><u>4,425,989</u></u>
Liabilities			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	50,867	2,397	53,264
Accrued Interest	3,461	-	3,461
Due to Other Funds	1,567,154	716,263	2,283,417
Compensated Absences	10,313	4,823	15,136
Current Portion of Capital Lease Payable	<u>164,887</u>	<u>-</u>	<u>164,887</u>
Total Current Liabilities	1,796,682	723,483	2,520,165
Long-term Liabilities:			
Capital Lease Payable	525,044	-	525,044
Net Pension Liability	<u>44,212</u>	<u>12,738</u>	<u>56,950</u>
Total Liabilities	<u>2,365,938</u>	<u>736,221</u>	<u>3,102,159</u>
Deferred Inflows			
Unavailable Revenues - Pension	<u>(24,562)</u>	<u>98</u>	<u>(24,464)</u>
Total Deferred Inflows	<u>(24,562)</u>	<u>98</u>	<u>(24,464)</u>
Net Position			
Net Investment in Capital Assets	250,231	669,476	919,707
Unrestricted	<u>11,620</u>	<u>416,967</u>	<u>428,587</u>
Total Net Position	<u><u>\$ 261,851</u></u>	<u><u>\$ 1,086,443</u></u>	<u><u>\$ 1,348,294</u></u>

The notes to the financial statements are an integral part of these statements.

MARLBORO COUNTY, SOUTH CAROLINA
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION – PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2020

	Emergency Management Systems	Solid Waste	Total
Operating Revenues			
Taxes			
Property Taxes - Net	\$ 684,820	-	\$ 684,820
Vehicle Taxes - Net	162,826	-	162,826
Delinquent Taxes - Net	101,444	-	101,444
Fee In Lieu of Taxes	276,968	-	276,968
Homestead Exemption	80,628	-	80,628
Manufacturer Reimbursement	100,463	-	100,463
Inventory Replacement	10,323	-	10,323
Charges for Services	<u>964,539</u>	<u>1,219,019</u>	<u>2,183,558</u>
Total Revenues	<u>2,382,011</u>	<u>1,219,019</u>	<u>3,601,030</u>
Operating Expenses			
Salaries	1,440,049	78,394	1,518,443
Employee Expenses	541,159	39,483	580,642
Office Supplies	4,532	944	5,476
Uniform Supplies	36,285	1,974	38,259
Medical Supplies	105,934	-	105,934
Fuel	55,268	1,088	56,356
Professional Services	200,774	514,789	715,563
Telephone	18,377	2,273	20,650
Training, Travel and Meals	17,301	35	17,336
Advertising	2,284	1,460	3,744
Repairs and Maintenance	55,593	863	56,456
Insurance	19,097	-	19,097
Dues and Subscriptions	2,461	-	2,461
Equipment Expense	1,986	-	1,986
Workers Compensation	166,590	-	166,590
Depreciation	198,190	209,776	407,966
General Expense	189,450	143,570	333,020
Utilities	<u>3,476</u>	<u>5,547</u>	<u>9,023</u>
Total Operating Expenses	<u>3,058,806</u>	<u>1,000,196</u>	<u>4,059,002</u>
Operating Income (Loss)	<u>(676,795)</u>	<u>218,823</u>	<u>(457,972)</u>
Non-Operating Revenues (Expenses)			
Interest Expense	(24,782)	-	(24,782)
Interest Income	<u>827</u>	<u>-</u>	<u>827</u>
Total Non-Operating Revenues (Expenses)	<u>(23,955)</u>	<u>-</u>	<u>(23,955)</u>
Income (Loss) Before Contributions and Transfers	<u>(700,750)</u>	<u>218,823</u>	<u>(481,927)</u>
Transfer from Other Funds	<u>-</u>	<u>219,504</u>	<u>219,504</u>
Capital Contributions	<u>379,028</u>	<u>648,116</u>	<u>1,027,144</u>
Change in Net Position	(321,722)	1,086,443	764,721
Total Net Position, Beginning of Year, as Restated	<u>583,573</u>	<u>-</u>	<u>583,573</u>
Total Net Position, End of Year	<u>\$ 261,851</u>	<u>\$ 1,086,443</u>	<u>\$ 1,348,294</u>

The notes to the financial statements are an integral part of these statements.

**MARLBORO COUNTY, SOUTH CAROLINA
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2020**

	Emergency Management Systems	Solid Waste
Cash Flows from Operating Activities		
Cash Received from Customers	\$ 2,324,049	\$ 1,219,019
Cash Paid to Suppliers	(883,080)	(672,543)
Cash Paid for Salaries and Employee Benefits	<u>(1,864,996)</u>	<u>(100,063)</u>
Net Cash Provided (Used) by Operating Activities	<u>(424,027)</u>	<u>446,413</u>
Cash Flows from Non-Capital Financing Activities		
Interest Income	827	-
Operating Transfer from Other Funds	-	219,504
Increase in Due to Other Funds	<u>646,978</u>	<u>716,263</u>
Net Cash Provided by Non-Capital Financing Activities	<u>647,805</u>	<u>935,767</u>
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(66,967)	(243,874)
Principal Paid on Capital Lease	(160,069)	-
Interest Paid	(25,585)	-
Capital Contribution	<u>379,028</u>	<u>-</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>126,407</u>	<u>(243,874)</u>
Net Change in Cash and Cash Equivalents	350,185	1,138,306
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>1,425,310</u>	<u>-</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,775,495</u>	<u>\$ 1,138,306</u>

The notes to the financial statements are an integral part of these statements.

**MARLBORO COUNTY, SOUTH CAROLINA
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Fiscal Year Ended June 30, 2020

(Continued)

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH
(USED) BY OPERATING ACTIVITIES**

	Emergency Management <u>Systems</u>	Solid Waste <u>Waste</u>
Operating Income (Loss)	\$ (676,795)	\$ 218,823
Adjustments to Reconcile Operating Income to Net Cash Provided (Used)		
By Operating Activities:		
Depreciation	198,190	209,776
Decrease in Accounts Receivable	1,418	-
(Decrease) in Accounts Payable	(3,672)	-
Increase in Accrued Salaries	24,198	2,397
(Increase) Decrease in Deferred Outflows	38,465	(2,242)
Increase (Decrease) in Deferred Inflows	(59,380)	98
Increase in Net Pension Liability	44,212	12,738
Increase in Compensated Absences	<u>9,337</u>	<u>4,823</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (424,027)</u>	<u>\$ 446,413</u>

The notes to the financial statements are an integral part of these statements.

MARLBORO COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION – FIDUCIARY FUND
June 30, 2020

	<u>Agency Funds</u>	<u>Trust Funds</u>
Assets		
Cash and Cash Equivalents	\$ 11,426,338	\$ 1,754,342
Taxes Receivable, Net	<u>798,174</u>	<u>-</u>
Total Assets	<u><u>\$ 12,224,512</u></u>	<u><u>\$ 1,754,342</u></u>
Liabilities		
Due to Other Taxing Authorities	\$ 11,426,338	\$ -
Due to General Fund	-	542,702
Accounts Payable	<u>-</u>	<u>-</u>
Total Liabilities	<u>11,426,338</u>	<u>542,702</u>
Deferred Inflows of Resources		
Unavailable Revenue - Property Taxes	<u>798,174</u>	<u>-</u>
Net Position		
Held in Trust	<u>-</u>	<u>1,211,640</u>
Total Net Position	<u><u>\$ 12,224,512</u></u>	<u><u>\$ 1,754,342</u></u>

The notes to the financial statements are an integral part of these statements.

MARLBORO COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
TRUST FUNDS
For the Fiscal Year Ended June 30, 2020

	<u>Solicitors</u>	<u>County Treasurer</u>	<u>Detention Center</u>	<u>Land Sale</u>	<u>Magistrate</u>	<u>Clerk/Family Court</u>	<u>Sheriff Drug Trust</u>	<u>Total</u>
Additions								
Inmate Deposits	\$ -	\$ -	\$ 135,022	\$ -	\$ -	\$ -	\$ -	\$ 135,022
Bonds, Fines and Fees	-	1,979,282	-	-	338,368	617,225	-	2,934,875
Escrow Funds	-	-	-	758,061	-	-	-	758,061
Solicitors Allocation	<u>2,009,998</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,009,998</u>
Total Additions	<u>2,009,998</u>	<u>1,979,282</u>	<u>135,022</u>	<u>758,061</u>	<u>338,368</u>	<u>617,225</u>	<u>-</u>	<u>5,837,956</u>
Deductions								
Inmate Withdrawals	-	-	125,442	-	-	-	-	125,442
Disbursement of Sales Proceeds	-	-	-	864,381	-	-	-	864,381
Disbursement of Bonds, Fines and Fees	-	1,979,819	-	-	359,659	589,245	-	2,928,723
Disbursement of Escrow Funds	-	-	-	-	-	-	905	905
Solicitors Salaries and Fringe	<u>2,000,097</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000,097</u>
Total Deductions	<u>2,000,097</u>	<u>1,979,819</u>	<u>125,442</u>	<u>864,381</u>	<u>359,659</u>	<u>589,245</u>	<u>905</u>	<u>5,919,548</u>
Change to Fiduciary Net Position	9,901	(537)	9,580	(106,320)	(21,291)	27,980	(905)	(81,592)
Net Position, Beginning of Year	<u>(20,719)</u>	<u>1,832</u>	<u>54,493</u>	<u>948,744</u>	<u>76,394</u>	<u>210,605</u>	<u>21,883</u>	<u>1,293,232</u>
Net Position, End of Year	<u>\$ (10,818)</u>	<u>\$ 1,295</u>	<u>\$ 64,073</u>	<u>\$ 842,424</u>	<u>\$ 55,103</u>	<u>\$ 238,585</u>	<u>\$ 20,978</u>	<u>\$ 1,211,640</u>

The notes to the financial statements are an integral part of these statements.

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 1. Summary of Significant Accounting Policies

Marlboro County, South Carolina, operates under the Council Administrator form of government as provided by the Home Rule Act of 1975. The County provides the following services: general administrative services, public safety, health and social services, planning and zoning, culture and recreation, unpaved road maintenance and public improvements.

The financial statements of Marlboro County have been prepared in conformity with accounting principles generally accepted in the United States of America, (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Following are the more significant of the County's accounting policies.

A. Reporting Entity

In evaluating how to define Marlboro County, South Carolina, for financial reporting purposes, management has considered all potential component units. The criteria for including organizations as component units within the County's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the County holds the corporate powers of the organization
- the County appoints voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is a fiscal dependency by the organization on the County

Based on the aforementioned criteria Marlboro County has one component unit.

Discretely Presented Component Unit: The Library Board Foundation is a discretely presented component unit. The Library Board is a non-profit private foundation that raises money on behalf of the County Library. Because the nature and significance of the relationship between the County and the Library Board is such that the exclusion of the Library Board would cause the County's basic financial statements to be incomplete, therefore the financial statements of the Library board are included in these of the County. Separate financial statements for the Library Board are not issued.

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation

The County's basic 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.

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 County, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Program revenues include charges paid by the recipients of goods or services offered by the program and grant and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. Business-type activities are financed in whole or in part by fees charged to the external parties for goods or services.

The statement of activities presents a comparison between direct and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not allocate indirect cost.

Fund Financial Statements

Fund financial statements of the County are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its asset, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category of type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined

The funds of the County are described below

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Governmental Funds

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The General Fund, Railroad Fund, and Economic Development Fund are the County's major governmental funds.

General Fund

The *General Fund*, a major fund, is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in the General Fund. Operational expenditures for General Government, Public Safety, Public Service, Culture and Recreation and other departments of the County are paid through the General Fund.

Special Revenue Funds

The *Special Revenue Funds* are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Fund

The *Debt Service Fund* is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest and related cost of the County.

Capital Projects Fund

The *Capital Projects Fund* is used to account for resources for the acquisition or construction of specific capital projects or items.

Proprietary Fund

Proprietary Fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The following is the County's Proprietary Fund:

Enterprise Fund

The *Enterprise Fund* is used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on the net income measurement similar to the private sector.

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

The Emergency Medical Services Fund is used to account for the financial transactions related to the emergency medical services provided to the residents of the County. The Emergency Medical Services Fund is a major fund.

The Solid Waste Fund is used to account for the financial transactions related to solid waste services provided to the residents of the County. The Solid Waste Fund is a major fund.

Fiduciary Funds

Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds consist of Agency Funds and Trust Funds.

Agency Funds

Agency Funds are used to account for assets held by the County in a trustee capacity by the County and do not involve measurement of results of operations. The County has one Agency Fund as follows:

Municipal Fund. The Municipal Fund accounts for the property taxes that the County collects for the various Towns and other governmental organizations within the County.

Trust Funds

Trust Funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are not available to support the County's own programs. The County utilizes the following Trust Funds:

Detention Center. The Detention Center Trust Fund is used to account for the financial resources held by the County for inmates of the Marlboro County Detention Center.

Land Sale. The Land Sale Trust Fund is used to account for the financial resources held by the County that may be claimed by certain members of the public as a result of the Treasurer's tax sale activities.

Magistrate. The Magistrate Trust Fund is used to account for the financial resources held by the County that may be claimed by certain members of the public based on Magistrate Court activities.

Clerk of Court/Family Court. The Clerk of Court/Family Court Trust Fund is used to account for the financial resources held by the County that may be claimed by certain members of the public based on activities of the court.

Probate Court. The Probate Court Trust Fund is used to account for the financial resources held by the County that may be claimed by certain members of the public based on activities of the Probate Judge.

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Sheriff Drug Trust. The Sheriff Drug Trust Fund is used to account for drug seizure money held by the County until the cases are heard and a determination is made if the money belongs to an individual or the County.

Solicitor's Fund. The Solicitor's Fund accounts for the operational activities of the regional Solicitor for Marlboro County.

County Treasurer. The County Treasurer Trust Fund is used to account for the financial resources held by the County that may be claimed by certain members of the public based on activities of the various courts in the County.

C. Measurement Focus and Basis of Accounting

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and liabilities associated with the operation of the County are included on the statement of net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reflect 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 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 fund financial statements for governmental funds.

Like the government-wide financial statements, the Proprietary Funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases and decreases in total net position. The statement of cash flows reflects how the County finances and meets the cash flow of its Proprietary Funds.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used, 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. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Items such as property taxes are considered to be susceptible to accrual. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for the general obligation bond principal and interest which are reported when due.

All Proprietary Funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

D. Cash, Cash Equivalents and Investments

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and amounts in demand deposits.

Investments

Investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for Investment Pools*. Investment policies of the County must operate within existing state statutes of the State of South Carolina, which authorizes what the County may and may not invest in.

E. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include property taxes, franchise fees, state shared revenue and grants. Property taxes receivables are carried at cost less an allowance for uncollectible.

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

E. Receivables (continued)

Business-type activities report property taxes, medical services and solid waste as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as franchise fees, state shared revenue and grants if they are both measurable and available. Non-exchange transactions collectible but not available, such as property taxes, are deferred in the fund financial statements in accordance with modified accrual basis, but not deferred in the government wide financial statements in accordance with the accrual basis. All trade and property tax receivables are recorded net of any allowances for uncollectible.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature of normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation.

G. Prepaid Items

Prepaid items consist of payments made to vendors for services that will benefit periods beyond June 30, 2020.

H. Capital Assets

The accounting treatment over property, plant and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are reported at their estimated fair value at the date of donation. The County maintains a capitalization policy of \$5,000 for its capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	25-50 years
Improvements	5-50 years
Furniture and Equipment	5-15 years
Infrastructure	40-50 years

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

H. Capital Assets (continued)

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in the Proprietary Fund operations are accounted for the same as in the government-wide statements.

I. Short-term Inter-fund Receivables/Payable

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the fund financial balance sheet. Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position.

J. Compensated Absences

The County reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. The County’s policies regarding vacation and sick leave are based on years of service, with a total of 30 days of vacation and 90 days of sick leave per year accumulated by each employee. However, employees are not paid for the accumulated sick leave upon retirement or other termination and, therefore, no liability has been accrued in the financial statements for accumulated sick leave. Each employee may accumulate a maximum of 30 days for vacation. The entire compensated absence liability for unused vacation is reported on the government-wide financial statements.

In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources. For the Proprietary Fund, the entire amount of compensated absences is reported as a fund liability.

K. Deferred Outflows of Resources

In addition to assets, The County reports deferred outflows of resources in a separate section of its government wide fund statements. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period. The County has two deferred outflows: the first is prepaid cost related to the GASB 68 pension liability. The second item is prepaid cost related to the GASB 75 OPEB liability.

L. Deferred Inflows of Resources

In addition to liabilities, The County reports deferred inflows of resources in a separate section of its government wide fund statements. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period.

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

L. Deferred Inflows of Resources (continued)

The County has three types of items which occur because governmental fund revenues are not recognized until available (collected no later than 60 days after the end of the County's fiscal year) under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, deferred property taxes and grant revenue are reported in the governmental fund balance sheet. The second item is future pension revenues related to the GASB 68 pension liability. The last item is future OPEB revenues related to the GASB 75 OPEB liability.

M. Long-term Obligations

The accounting treatment of long-term debt depends on whether the assets are used in Governmental Fund operations or Proprietary Fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as a liability in the government-wide statements. Bond issuance costs are expensed in the fund, in the year incurred. The long-term debt consists primarily of bonds payable, capital leases, accrued compensated absences, post-closure costs, OPEB and pension liability.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for Proprietary Funds is the same in the fund statements as it is in the government-wide statements.

N. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

a. Net Investment in capital assets. This consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, capital leases or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

b. Restricted net position. This consists of net position with constraints placed on the use by either external groups such as creditors, grantors, contributors, or laws or regulations of other governments or law through constitutional provisions or enabling legislation.

c. Unrestricted net position. All other net position that do not meet the definition of "restricted" or "net investment in capital assets" are classified as unrestricted.

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

N. Equity Classifications (continued)

The County classifies governmental fund balances as follows:

- Non-spendable—Includes amounts that inherently cannot be spent either because they are not in a spendable form (i.e., prepaids, inventories, long-term loan receivables, etc.) or because they are legally or contractually required to be maintained intact (i.e., principal on an endowment, etc.).
- Restricted—Includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.
- Committed—Includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action made by County Council, which is the highest level of decision-making authority, before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- Assigned—Includes amounts that are intended to be used for specific purposes that are neither considered restricted nor committed, designated by Council before the end of the reporting period.
- Unassigned—Includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Proprietary fund equity is classified the same as in the government-wide statements.

The County generally uses restricted amounts first when both restricted and unrestricted (committed, assigned and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the County would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

O. Operating and Non-Operating Revenues and Expenses

Proprietary Fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values.

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

O. Operating and Non-Operating Revenues and Expenses (continued)

Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Operating expenses for the Proprietary Funds include costs of sales, administrative expenses and depreciation of capital assets. All other expenses are reported as non-operating expenses.

P. Capital Contributions

Contributions of capital on government-wide and enterprise fund financial statements arise from outside contributions of capital assets, contributions from other funds or from grants or outside contributions of resources restricted to capital acquisition and construction.

Q. Inter-fund Transactions

Transactions between governmental activities and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in the governmental funds and non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

R. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the County's management to make estimates and assumptions. The estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

S. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and additions to/deductions from SCRS's fiduciary net position have been determined on the same basis as they are reported by SCRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

T. Statement of Cash Flows

For purposes of the statement of cash flows, the County’s Proprietary Funds considers cash and cash equivalents. Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents include certificate of deposits, treasury bills and money market funds.

Note 2. Deposits and Investments

Deposits – Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the County’s deposits may not be recovered. The County’s policy requires deposits to be 100 percent secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. Deposits of the County’s reporting entity are insured or collateralized with securities held by the County, its agent, or by the pledging financial institutions trust department or agent in the name of the County. As of June 30, 2020, \$14,031,375 of the County’s bank balance of \$26,980,692, which has a carrying value of \$26,618,472 was exposed to custodial credit risk as follows:

Uninsured by FDIC, but collateral held by pledging bank not in the County’s name	<u>\$ 14,031,375</u>
-------------------------------------------------------------------------------------	----------------------

Investments

As of June 30, 2020, the County had the following investment and maturity, which is included in cash and cash equivalents:

	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturity Less Than 1 Yr.</u>
SC Pooled Investment Fund	Unrated	\$13,227,047	\$13,277,047

South Carolina Pooled Investment Fund – The South Carolina Pooled Investment Fund (the “Pool”) are invested with the South Carolina State Treasurer’s Office, which established the Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city/county treasurer or any governing body of a political subdivision of the State, may be deposited. The Pool is a 2a-7 like pool which is not registered with the Securities and Exchange Commission (“SEC”) as an investment company, but has a policy that it will operate in a manner consistent with the SEC’s rule 2a-7 of the Investment company Act of 1940. In accordance with GASB Statement No. 31, “*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*”, investments are carried at fair value determined annually based upon quoted market prices. 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.

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 2. Deposits and Investments (continued)

Interest Rate Risk – The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk for Investments- Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have a deposit policy for custodial credit risk, but follows the investment policy statutes of the State of South Carolina. As of June 30, 2020, none of the County’s investments were exposed to custodial credit risk.

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

Note 3. Property Taxes

The County assesses and levies property taxes in accordance with applicable laws of the State of South Carolina. Real property and personal property of every description owned and used in the County, except that which is exempt from taxation under the Constitution and Laws of the State, is subject to taxation. An annual ordinance establishing the millage rate associated with the levy is adopted each year as a part of the budget adoption process.

Real property and all personal property other than vehicles are assessed for property tax purposes on January 1 of each year. All taxable property is assessed in proportion to its value on that date. The basis for value of taxable property within the County is taken from the records of the Marlboro County Auditor. Taxes are levied in October and are due and payable at that time. Property taxes are due by January 15, and penalties are imposed as follows: 3% prior to February 1, an additional 7% prior to March 15, and an additional 5% after March 15.

A summary of outstanding property taxes at June 30, 2020, is presented below.

	<u>Governmental Fund Type</u>			<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	
	General	Special Revenue	Debt Service	EMS	Agency	
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
Taxes Receivable	\$ 415,189	\$ 60,969	\$ 30,641	\$ 88,062	\$ 1,425,999	\$ 2,020,860
Less: Allowance for Doubtful Accounts	(182,795)	(26,843)	(13,490)	(38,771)	(627,825)	(889,724)
Net Taxes Receivable	<u>\$ 232,394</u>	<u>\$ 34,126</u>	<u>\$ 17,151</u>	<u>\$ 49,291</u>	<u>\$ 798,174</u>	<u>\$ 1,131,136</u>

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 4. Other Receivables

Other governmental receivables at June 30, 2020, consist of intergovernmental revenues, grant revenues and franchise fees. Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Note 5. Inter-fund Receivables and Payables

Inter-fund balances at June 30, 2020, (all of which are expected to be received or paid within one year), consisted of the following individual fund receivables and payables:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 2,959,465	\$ 902,482
Special Revenue Funds	851,580	93,534
Debt Service Fund	11,090	-
Proprietary Fund	-	2,283,417
Trust Funds	-	542,702
	<hr/>	<hr/>
Totals	<u>\$ 3,822,135</u>	<u>\$ 3,822,135</u>

The General Fund receivable is a result of various payroll operating transactions for the solicitor Trust Fund.

The Special Revenue Fund receivable is a result of various operating transactions for the Proprietary Fund.

The Debt Service receivable is a result of various transactions for the General Fund and Special Revenue Fund.

Transfers from (to) other funds for the year ended June 30, 2020, consist of the following:

<i>General Fund</i>	
Transfer from Railroad Special Revenue Fund	\$ 70,907
Transfer from Rural Fire Special Revenue Fund	50,000
Transfer to Solid Waste Proprietary Fund	(219,505)
 <i>Special Revenue Fund</i>	
Transfer to General Fund	(120,907)
 <i>Proprietary Fund</i>	
Transfer from General Fund	<u>219,505</u>
Net Total Transfers between Funds	<u><u>\$ -</u></u>

The transfer from the Railroad and Rural Fire Funds were for operating activities reimbursed back to the General Fund.

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 6. Capital Assets

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

Governmental Activities

Non-depreciable Assets:	<u>Beginning</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Ending</u>
Land and Land Improvements	\$ 1,898,929	\$ -	\$ -	\$ (26,435)	\$ 1,872,494
Construction in Progress	-	53,419	-	-	53,419
Depreciable Assets:					
Buildings and Improvements	27,755,414	-	-	(1,153,402)	26,602,012
Equipment	6,414,192	160,346	-	(1,024,995)	5,549,543
Infrastructure	<u>8,419,893</u>	<u>28,187</u>	<u>-</u>	<u>-</u>	<u>8,448,080</u>
Totals	<u>44,488,428</u>	<u>241,952</u>	<u>-</u>	<u>(2,204,832)</u>	<u>42,525,548</u>
Less: Accumulated Depreciation					
Buildings and Improvements	(19,462,756)	(461,268)	-	991,328	(18,932,696)
Equipment	(5,458,498)	(241,229)	-	560,519	(5,139,208)
Land Improvements	(23,741)	(10,853)	-	4,869	(29,725)
Infrastructure	<u>(2,018,546)</u>	<u>(205,816)</u>	<u>-</u>	<u>-</u>	<u>(2,224,362)</u>
Totals	<u>(26,963,541)</u>	<u>(919,166)</u>	<u>-</u>	<u>1,556,716</u>	<u>(26,325,991)</u>
Governmental Activities					
Capital Assets,					
Net	<u>\$ 17,524,887</u>	<u>\$ (677,214)</u>	<u>\$ -</u>	<u>\$ (648,116)</u>	<u>\$ 16,199,557</u>

Business-type Activities

Non-depreciable Assets:	<u>Beginning</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Ending</u>
Land and Land Improvements	\$ 16,026	\$ -	\$ -	\$ 26,435	\$ 42,461
Depreciable Assets:					
Buildings and Improvements	36,116	-	-	1,153,402	1,189,518
Vehicles	653,246	210,246	-	426,940	1,290,432
Equipment	<u>264,852</u>	<u>100,595</u>	<u>-</u>	<u>598,055</u>	<u>963,502</u>
Totals	<u>970,240</u>	<u>310,841</u>	<u>-</u>	<u>2,204,832</u>	<u>3,485,913</u>
Less: Accumulated Depreciation					
Buildings and Improvements	(232)	(23,465)	-	(991,328)	(1,015,025)
Vehicles	(28,291)	(217,190)	-	(244,848)	(490,329)
Land Improvements	-	(2,644)	-	(4,869)	(7,513)
Equipment	<u>(5,166)</u>	<u>(164,667)</u>	<u>-</u>	<u>(315,671)</u>	<u>(485,504)</u>
Totals	<u>(33,689)</u>	<u>(407,966)</u>	<u>-</u>	<u>(1,556,716)</u>	<u>(1,998,371)</u>
Business-Type Activities					
Capital Assets,					
Net	<u>\$ 936,551</u>	<u>\$ (97,125)</u>	<u>\$ -</u>	<u>\$ 648,116</u>	<u>\$ 1,487,542</u>

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 6. Capital Assets (continued)

Depreciation expense was charged to governmental activities as follows:

General Government	\$	334,290
Public Safety		281,064
Culture and Recreation		190,019
Economic Development		83,032
Health and Environment		<u>30,761</u>
Total Depreciation Expense	\$	<u><u>919,166</u></u>

Note 7. Accounts Payable and Accrued Expenses

The significant components of accounts payable and accrued expenses for governmental activities at June 30, 2020, are as follows:

Accounts Payable	\$	173,163
Accrued Payroll, Withholdings, Fringe and Benefits		<u>219,654</u>
Total Accounts Payable and Accrued Expenses - Governmental Activities	\$	<u><u>392,817</u></u>

Note 8. Long-term Debt

Governmental Activities:

As of June 30, 2020, the governmental long-term debt consisted of general obligation bonds, capital leases, post-closure costs and compensated absences.

General Obligation Bonds

On October 19, 2016, the County issued Series 2016 General Obligation Advanced Refunding Bond totaling \$2,516,000 with principal and interest payments due on April 1st of each year. The bond maturity date is April 2027. The interest rate of the bond is 1.85%. The outstanding balance of the bond as of June 30, 2020, was \$684,000. This bond is applicable to the County's 8% debt limit.

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 8. Long-term Debt (continued)

On August 30, 2017, the County issued Series 2017 General Obligation Bonds totaling \$770,000 with principal and interest payments due on April 1st of each year. The bond maturity date is April 2024. The interest rate of the bond is 2.49%. The outstanding balance of the bond as of June 30, 2020, was \$451,385. This bond is applicable to the County's 8% debt limit.

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

Year Ending	<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		
2021	\$	333,718	\$	42,393	\$	376,111
2022		341,425		35,524		376,949
2023		348,199		28,494		376,693
2024		355,043		21,322		376,365
2025		247,000		14,004		261,004
2026-2027		<u>510,000</u>		<u>14,227</u>		<u>524,227</u>
Totals	\$	<u>2,135,385</u>	\$	<u>155,964</u>	\$	<u>2,291,349</u>

Capital Lease Payable

On September 21, 2012, the County entered into a capital lease arrangement with Branch Banking and Trust Company ("BB&T") to purchase a fire truck in the amount of \$180,000. The lease is payable in yearly installments beginning September 21, 2013, including interest at a rate of 2.21%. As of June 30, 2020, the County had an outstanding balance of \$57,813.

On August 12, 2015, the County entered into a capital lease arrangement with First Citizens Bank and Trust Company to purchase various equipment and vehicles in the amount of \$445,000. The lease is payable in monthly installments beginning August 12, 2016, including interest at a rate of 2.25%. As of June 30, 2020, the County had an outstanding balance of \$93,004.

The following is a schedule of the future minimum lease payments under capital lease, and the present value of the net minimum lease payments at June 30, 2020.

Year Ending June 30,	
2021	\$ 115,356
2022	20,260
2023	<u>19,885</u>
Total minimum lease payments	155,501
Less: Amounts representing interest	<u>(4,684)</u>
Present value of future minimum lease payments	<u>\$ 150,817</u>

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 8. Long-term Debt (continued)

Business-type Activities:

Capital Lease Payable

On March 12, 2019, the County entered into a capital lease arrangement with First Citizens Bank and Trust Company to purchase land, building, various equipment and vehicles in the amount of \$850,000. The lease is payable in yearly installments beginning April 10, 2020, including interest at a rate of 3.01%. As of June 30, 2020, the County had an outstanding balance of \$689,931.

The following is a schedule of the future minimum lease payments under capital lease, and the present value of the net minimum lease payments at June 30, 2020.

Year Ending June 30,	
2021	\$ 185,654
2022	185,654
2023	185,654
2024	<u>185,656</u>
Total minimum lease payments	742,618
Less: Amounts representing interest	<u>(52,687)</u>
Present value of future minimum lease payments	<u><u>\$ 689,931</u></u>

Note 9. Changes in Long-term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2020.

	Balance <u>7/1/2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>6/30/2020</u>	Due Within <u>One Year</u>
<i>Governmental Activities:</i>					
G.O. Bond 2016	\$ 1,904,000	\$ -	\$ (220,000)	\$ 1,684,000	\$ 225,000
G.O. Bond 2017	557,461	-	(106,076)	451,385	108,718
Capital Lease	260,338	-	(109,521)	150,817	111,978
Compensated Absences	360,886	386,256	(360,886)	386,256	27,473
Net OPEB Obligation	891,546	880,693	(891,546)	880,693	-
Net Pension Liability	13,426,122	691,481	-	14,117,603	-
Post-closure Costs	<u>22,000</u>	<u>-</u>	<u>(11,000)</u>	<u>11,000</u>	<u>-</u>
Total	<u>\$ 17,422,353</u>	<u>\$ 1,958,430</u>	<u>\$ (1,699,029)</u>	<u>\$ 17,681,754</u>	<u>\$ 473,169</u>
<i>Business-type Activities:</i>					
Capital Lease	\$ 850,000	\$ -	\$ 160,069	\$ 689,931	\$ 164,887
Net Pension Liability	-	56,950	-	56,950	-
Compensated Absences	<u>976</u>	<u>15,136</u>	<u>(976)</u>	<u>15,136</u>	<u>15,136</u>
Total	<u>\$ 850,976</u>	<u>\$ 72,086</u>	<u>\$ 159,093</u>	<u>\$ 762,017</u>	<u>\$ 180,023</u>

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 10. Debt Limitations

The amount of legal debt margin as of June 30, 2020, is computed as follows:

Total Assessed Value	\$	<u>70,485,080</u>
Debt Limit 8% of Assessed Value	\$	5,638,806
Amount of Debt Applicable to Limit		<u>(2,135,385)</u>
Legal Debt Margin	\$	<u>3,503,421</u>

Note 11. Employee Retirement Plans

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

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

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

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 11. Employee Retirement Plans (continued)

Plan Description- The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for teachers and employees of the state, and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government, and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired state agencies, institutions of higher education, public school districts, and individuals first elected to the General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

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

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

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

State ORP - 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 ORP. 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 ORP service provider for the employee contribution and a portion of the employer contribution (5 percent).

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 11. Employee Retirement Plans (continued)

A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

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

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

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

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

PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively.

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 11. Employee Retirement Plans (continued)

An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

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

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

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

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

SCRS	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2019</u>
Employee Class Two	9.0 % of earnable compensation	9.0 % of earnable compensation
Employee Class Three	9.0 % of earnable compensation	9.0 % of earnable compensation
PORS	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2019</u>
Employee Class Two	9.75 % of earnable compensation	9.75 % of earnable compensation
Employee Class Three	9.75 % of earnable compensation	9.75 % of earnable compensation

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 11. Employee Retirement Plans (continued)

Required employer contribution rates for fiscal year 2019-2020 are as follows:

SCRS	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2019</u>
Employer Class Two	15.41 % of earnable compensation	14.41 % of earnable compensation
Employer Class Three	15.41 % of earnable compensation	14.41 % of earnable compensation
Employer Incidental Death Benefit	0.15 % of earnable compensation	0.15 % of earnable compensation
PORS	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2019</u>
Employee Class Two	17.84 % of earnable compensation	16.84 % of earnable compensation
Employee Class Three	17.84 % of earnable compensation	16.84 % of earnable compensation
Employer Accidental Death Program	0.20 % of earnable compensation	0.20 % of earnable compensation
Employer Incidental Death Benefit	0.20 % of earnable compensation	0.20 % of earnable compensation

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

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

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2019, for SCRS and PORS.

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

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

Assumptions used in the determination of the June 30, 2019, TPL are as follows.

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 11. Employee Retirement Plans (continued)

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

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

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net</u>	<u>Employers' Net Pension</u>	<u>Plan Fiduciary Net Position as of Percentage of</u>
SCRS	\$ 50,073,060,256	\$ 27,238,916,138	\$ 22,834,144,118	54.4%
PORS	7,681,749,768	4,815,808,554	2,865,941,214	62.7%

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

Long term expected rate of return- The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2019 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 11. Employee Retirement Plans (continued)

Allocation / Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity	51.0%		
Global Public Equity ^{1,2}	35.0%	7.29%	2.55%
Private Equity ^{2,3}	9.0%	7.67%	0.69%
Equity Options Strategies ¹	7.0%	5.23%	0.37%
Real Assets	12.0%		
Real Estate (Private) ^{2,3}	8.0%	5.59%	0.45%
Real Estate (REITs) ²	1.0%	8.16%	0.08%
Infrastructure (Private) ^{2,3}	2.0%	5.03%	0.10%
Infrastructure (Public) ²	1.0%	6.12%	0.06%
Opportunistic	8.0%		
Global Tactical Asset Allocation ¹	7.0%	3.09%	0.22%
Other Opportunistic Strategies	1.0%	3.82%	0.04%
Credit	15.0%		
High Yield Bonds/ Bank Loans ^{1,2}	4.0%	3.14%	0.13%
Emerging Markets Debt	4.0%	3.31%	0.13%
Private Debt ^{2,3}	7.0%	5.49%	0.38%
Rate Sensitive	14.0%		
Core Fixed Income ¹	13.0%	1.62%	0.21%
Cash and Short Duration (Net)	1.0%	0.31%	0.00%
Total Expected Return ⁴	100.0%		5.41%
Inflation for Actuarial Purposes			2.25%
			<u>7.66%</u>

Discount rate- The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws will remain unchanged in future years. 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 TPL.

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

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 11. Employee Retirement Plans (continued)

	1% Decrease <u>(6.25%)</u>	Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
System			
SCRS	\$ 13,217,229	\$ 10,491,606	\$ 8,216,917
PORS	\$ 4,991,267	\$ 3,682,948	\$ 2,611,103

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions- At June 30, 2020, the County reported a liability of \$14,174,554 for its proportionate share of the NPL. The NPL was measured as of June 30, 2019, and the TPL used to calculate the NPL was determined by an actuarial valuation as of that date. The County's proportion of the NPL was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

For the year ended June 30, 2020, the County recognized pension expense of \$674,204 for its participation in the SCRS and PORS Plans. The expenses amount includes actual employer contributions, changes in deferred outflows and/or inflows of resources related to changes in employers' proportionate share of the collective NPL, and differences between actual employer contributions and proportionate share of total plan employer contributions as reported by PEBA for the year ended June 30, 2019.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 82,941	\$ 102,590
Changes of assumptions	357,468	-
Net difference between projected and actual earnings on pension plan investments	139,583	-
Changes in proportion and differences between County contribution and proportionate share of contributions	518,008	135,238
County contributions subsequent to measurement date	1,360,869	-
Total	<u>\$ 2,458,869</u>	<u>\$ 237,828</u>

The amount of \$1,360,869 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 11. Employee Retirement Plans (continued)

Year Ended June 30:	<u>SCRS</u>	<u>PORS</u>	<u>Combined</u>
2020	\$ 515,214	\$ 110,311	\$ 625,525
2021	42,796	6,707	49,503
2022	113,641	14,952	128,593
2023	38,370	18,181	56,551
Total	<u>\$ 710,021</u>	<u>\$ 150,151</u>	<u>\$ 860,172</u>

Payables to the Pension Plan- The County reported a payable to the SCRS and PORS as of June 30, 2020, in the amount of \$165,200, which is recorded in the financial statements as accrued expenses, and represents the June employer and employee contributions, that were paid in July 2020.

Note 12. Post-Employment Health Care Benefits

Plan Description: The County sponsors a single-employer medical insurance subsidy benefit plan (the “OPEB Plan”) that provides payments on behalf of eligible retirees to be used toward the purchase of subsidization or medical insurance provided under the County’s group plan. in the form of health insurance coverage. Employees become eligible when the employee qualifies for the SCRS or PORS and has ten (10) or more years of service. Information regarding SCRS and PORS eligibility may be found in the Comprehensive Annual Financial Report as identified in Note 11. The OPEB Plan may be changed by County Council at its discretion; the benefit and contribution requirements of the County and plan members are established and amended by County Council. These contributions are neither guaranteed nor mandatory. County Council has retained the right to unilaterally modify its payments toward retiree health care benefits at any time.

As of June 30 2019, the measurement date, there were 160 covered participants; nineteen (19) members are retirees receiving benefits and 141 are active participants and dependents.

Funding Policy: The County pays a maximum of \$300 monthly to age 65, if the employee retires with 30 years of full-time service with Marlboro County, the SCRS or the PORS. Employees retiring with at least 10 years of full-time service with the County or the state of South Carolina may continue existing coverage at their own cost with no County contributions towards their cost. Employees reaching age 65 and obtaining Medicare or other medical coverage can elect to also continue coverage by paying the applicable state premium increased by an implicit subsidy cost of 1.5 times the premium billed by the state. Employees retiring prior to June 30, 2008, were grandfathered to receive subsidized retirement health benefits post Medicare eligibility, are not limited by the \$300 monthly maximum and are not subject to the 30 years of full-time service requirement. Employees retiring after June 30, 2008, must obtain Medicare and are not eligible to continue coverage through the County. Employees hired after June 30, 2008, will not receive any medical retirement benefits.

The County’s annual other postemployment benefits (“OPEB”) cost (expense) is calculated based on the annual required contribution (“ARC”) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 75.

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 12. Post-Employment Health Care Benefits (continued)

Actuarial Methods and Assumptions: Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the OPEB Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive OPEB Plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following table summarizes the key actuarial assumptions and cost method:

Valuation Date:	June 30, 2018
Methods and Assumptions:	
Actuarial Cost Method	Individual Entry-Age Normal
Discount Rate	3.13% as of June 30, 2019
Inflation	2.25%
Salary Increases	3.50% to 9.50% for PORS and 3.00% to 7.00% for SCRS, including inflation
Demographic Assumptions	Based on the experience study covering the five-year period ending June 30, 2015 as conducted for the South Carolina Retirement Systems (SCRS).
Mortality	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projectections based on Scale AA from the year 2016. The following multipliers are applied to the base tables: 100% for male SCRS members, 111% for female SCRS members, 125% for male PORS members, and 111% for female PORS members.
Health Care Trend Rates	Initial rate of 6.40% declining to an ultimate rate of 4.15% after 15 years; Ultimate trend rate includes a 0.15% adjustment for the excise tax.
Participation Rates	It was assumed that 70% of future retirees who are eligible for the County subsidy and 15% of those who are not eligible for the subsidy would choose to receive retiree health care benefits through the County. All retirees were assumed to stop coverage upon reaching age 65.
Other Information:	
Notes	The discount rate changed from 3.62% as of June 30, 2018 to 3.13% as of June 30, 2019.

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 12. Post-Employment Health Care Benefits (continued)

Single Discount Rate: The single discount rate of 3.13% was used to measure the total OPEB liability. The accounting policy is to set the Single Discount Rate equal to the prevailing rate for 20-year tax exempt bond obligation municipal bonds with an average rating of AA or higher.

OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB: The net OPEB liability (“NOL”) is calculated separately and represents the system’s Total OPEB Liability determined in accordance with GASB No. 74 less its fiduciary net position.

NOL totals as of June 30, 2020, measurement date are presented in the following table:

Total OPEB liability – ending		880,693
Covered-employee payroll	\$	6,225,323
Total OPEB liability as a percentage of covered-employee payroll		14.15 %

As of June 30, 2020, the County reported a liability of approximately \$880,693 for the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability was determined based on the most recent actuarial valuation report as of June 30, 2019.

For the year ended June 30, 2020, the County recognized OPEB expense of \$42,895. At June 30, 2020, the County reported deferred outflows of resources (prepaid OPEB cost) and deferred inflows of resources (unavailable revenues-OPEB) related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 19,829	\$ 5,678
Changes in assumptions	26,837	34,663
Contributions subsequent to the measurement date	110,363	
Total	\$ 157,029	\$ 40,341

Collective amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future years as follows:

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 12. Post-Employment Health Care Benefits (continued)

Year Ending June 30	Net Deferred Outflows/(Inflows)
2021	\$ (1,289)
2022	(1,289)
2023	(1,289)
2024	(1,289)
2025	2,417
Thereafter	9,064
Total	\$ 6,325

The following table presents the sensitivity of the County's net OPEB liability to changes in the discount rate, calculated using the discount rate of 3.13%, as well as what the OPEB liability would be if it were calculated using a discount rate of 1% lower or 1% higher:

1% Decrease	Current Discount Rate Assumption	1% Increase
2.13%	3.13%	4.13%
\$ 950,145	\$ 880,693	\$ 819,508

Sensitivity of the OPEB Liability to Changes in Healthcare cost Trend Rate: The following table presents the total OPEB liability as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than current healthcare trend cost rates:

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
\$ 801,442	\$ 880,693	\$ 971,995

Note 13. Commitments and Contingencies

The County receives state and federal grants for specific purposes that are subject to review and audit by state and federal agencies. Such audits could result in a request for reimbursement by the state and federal agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of County management, such disallowances, if any, will not be significant.

Various claims and lawsuits are pending against the County. As of the issuance of the financial statements, it is not known whether any unfavorable outcomes are likely, however, it appears that should there be any unfavorable outcomes, some cause of action may not be covered by insurance.

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 14. Insurance and Risk Management

The County is exposed to various risks of loss related to torts, theft, damage, destruction of assets, errors and omissions, injuries to employees and natural disasters. The County maintains insurance covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured loss to the County.

Settled claims have not exceeded this coverage in any of the past three years. There are no significant reductions in insurance coverage in the prior year.

The County paid insurance premiums to the South Carolina Counties Property and Liability Trust totaling \$249,659 to cover risks that may occur in normal operations. These risks include loss of real property and contents, motor vehicles, errors and omissions, general liability and theft and dishonesty.

The County paid insurance premiums to the South Carolina Counties Workers' Compensation Trust totaling \$358,625 for workers' compensation coverage.

Note 15. Closure and Post-closure Care Costs

State and federal environmental laws and regulations require that Marlboro County place a final cover on its landfills when closed and perform certain maintenance and monitoring functions for twenty (20) years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are recognized based on the estimated closure and post-closure care costs. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill used during the year.

The landfill was officially closed in 2001 and the remaining closure period is now nineteen (19) years. The estimated liability for closure and post-closure care costs is \$11,000 as of June 30, 2020, which is based on total post closure-costs for the landfill. The estimated total current cost of the landfill closure and post-closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2020. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in laws and regulations. These estimates also assume that there is no groundwater contamination, methane gas problems, major settling, or other similar problems discovered at these sites. Should any of these problems be found, costs could escalate very rapidly. There are no financial assurance requirements or restricted assets related to the estimated liability.

The current year reduction to closure and post-closure costs was \$11,000.

Note 16. Intergovernmental Revenues

The County receives funds from both the State of South Carolina and the federal government for various grants and projects. The majority of these funds are accounted for in the Special Revenue Funds.

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 17. Operating Lease Commitment

The County has an operating lease with Todd's Computer Sales and Services for computers. The lease term is for 3 years with various start and end dates with each department. Either party may terminate the rental agreement at any time. Rent is payable on a yearly basis in the amount of \$15,660.

Note 18. Fee-In-Lieu Agreements

The County has one/two abatement programs which result in reduced property tax collections from certain taxpayers.

Marlboro County provides property tax reductions through South Carolina's Fee in Lieu of Tax (FILOT) program pursuant to the authority granted by Title 12, Chapter 44 of the Code of Laws of South Carolina, 1976, as amended in order to reduce the property tax burden on businesses thereby inducing such businesses to invest in the county. South Carolina has a property tax structure that compares unfavorably to many other states with whom we compete to attract industry. This program is designed to make Marlboro County a more attractive location for companies making significant capital investment and job creation. As the site selection process for industries has become increasingly more competitive, many companies come to view FILOT agreements as absolutely critical to their decision to locate in South Carolina. This innovative solution is the primary recruitment tool used by county governments in South Carolina to recruit new industry and to encourage our existing industries to remain in operation in Marlboro County.

In order to be eligible for a FILOT, a business must commit to invest at least \$2.5 million over a five-year period. Property subject to a FILOT agreement is exempt from ad valorem property tax and is instead subject to a fee in lieu of tax, equal to the product of the value of the property, a negotiated assessment ratio that is equal to or lower than the normally applicable assessment rates, and a millage rate that is either fixed for the life of the agreement or is adjusted every five years based on a trailing five-year average. In addition, the FILOT payments may be fixed over the life of the FILOT program based on a net present value method.

The majority of the FILOT agreements entered into by Marlboro County provide companies a reduced assessment ratio, usually to the maximum allowed by state statute, 6%, and a fixed millage rate for the life of the agreement which is typically a term of 20-30 years in length.

The FILOT program resulted in property taxes abated of \$976,400 in tax year 2020.

According to South Carolina Department of Revenue reports, capital investment committed to in existing FILOT agreements was \$753,514,864. This investment resulted in FILOT payments of \$5,021,512 to Marlboro County in tax year 2020.

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Note 18. Fee-In-Lieu Agreements (continued)

Multi County Industrial or Business Park

South Carolina Code 4-1-170 provides that a joint industrial or business park (referred to as a multi-county industrial park) can be established by two or more counties pursuant to a written agreement between those counties, as provided in Section 13 of Article VIII of the South Carolina Constitution. The agreement will establish how the counties will share the expenses and revenues generated by the multi-county or business park. Marlboro County has a multi-county industrial park agreement with two/three other South Carolina counties.

In 2020 the total tax revenue shared with other South Carolina counties, and not distributed to Marlboro County taxing entities, per existing multi-county industrial park agreements was \$41,096.

Note 20. Subsequent Events

The County has evaluated subsequent events through December 11, 2020, which is the date the financial statements were available to be issued.

Note 21. Prior Period Adjustments

Governmental

Net Position, beginning of the year, as previously restated:	\$ 14,013,255
Decrease resulting from transfer of EMS Fund to a Proprietary Fund	<u>(491,617)</u>
Net Position, beginning of year, as restated:	<u><u>\$ 13,521,638</u></u>

Special Revenue Fund

Net Position, beginning of the year, as previously restated:	\$ 5,279,317
Decrease resulting from transfer of EMS Fund to a Proprietary Fund	<u>(491,617)</u>
Net Position, beginning of year, as restated:	<u><u>\$ 4,787,700</u></u>

Proprietary Fund

Net Position, beginning of the year, as previously restated:	\$ 91,956
Decrease resulting from transfer of EMS Fund to a Proprietary Fund	<u>491,617</u>
Net Position, beginning of year, as restated:	<u><u>\$ 583,573</u></u>

SUPPLEMENTAL INFORMATION

GENERAL FUND

The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

**MARLBORO COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET TO
ACTUAL
For the Fiscal Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Taxes			
Property Taxes - Net	\$ 2,778,000	\$ 2,336,504	\$ (441,496)
Vehicle Taxes - Net	675,000	603,246	(71,754)
Delinquent Taxes - Net	547,000	864,963	317,963
Fee In Lieu of Taxes	1,492,000	1,613,297	121,297
Local Option Sales Tax	1,347,000	1,810,593	463,593
Homestead Exemption	384,000	402,241	18,241
Manufacturer Reimbursement	117,000	496,580	379,580
Inventory Replacement	<u>58,000</u>	<u>57,038</u>	<u>(962)</u>
 Total Taxes	 <u>7,398,000</u>	 <u>8,184,462</u>	 <u>786,462</u>
Licenses, Fees and Permits			
Planning and Zoning	120,000	78,847	(41,153)
Delinquent Tax Collector	225,000	195,867	(29,133)
Clerk of Court	150,500	154,093	3,593
Probate Court	40,000	44,892	4,892
Magistrate	148,000	142,068	(5,932)
Landfill	10,000	5,295	(4,705)
E-911	-	60,008	60,008
Sheriff	6,000	3,795	(2,205)
Forfeited Land Commission	10,500	7,042	(3,458)
Road Maintenance Fees	625,000	632,335	7,335
Franchise Fees	14,000	14,941	941
Solid Waste Fee	350,000	-	(350,000)
Other	<u>88,600</u>	<u>75,723</u>	<u>(12,877)</u>
 Total Licenses, Fees and Permits	 <u>1,787,600</u>	 <u>1,414,906</u>	 <u>(372,694)</u>
Intergovernmental Revenue			
Aid to Subdivisions	1,100,000	1,172,612	72,612
Unit Cost	5,000	2,937	(2,063)
Veterans Service Offices	4,700	4,798	98
Election Commission	30,000	23,100	(6,900)
Accommodations Tax	118,000	147,656	29,656
Solid Waste Tire Rebate	12,000	19,193	7,193
Salary Supplements - Treasurer, Auditor, etc.	6,300	6,300	-
Other	<u>49,100</u>	<u>15,357</u>	<u>(33,743)</u>
 Total Intergovernmental Revenue	 <u>1,325,100</u>	 <u>1,391,953</u>	 <u>66,853</u>
Charges for Services			
Recreation	<u>1,000</u>	<u>2,295</u>	<u>1,295</u>
 Total Charges for Services	 <u>1,000</u>	 <u>2,295</u>	 <u>1,295</u>

**MARLBORO COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET TO
ACTUAL
For the Fiscal Year Ended June 30, 2020
(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Miscellaneous			
Rental and Leases	\$ 5,000	\$ 8,935	\$ 3,935
Grants	-	1,399,771	1,399,771
Donations	3,000	1,225	(1,775)
Interest	2,500	24,165	21,665
Other	<u>338,100</u>	<u>609,304</u>	<u>271,204</u>
Total Miscellaneous	<u>348,600</u>	<u>2,043,400</u>	<u>1,694,800</u>
Total Revenues	<u>10,860,300</u>	<u>13,037,016</u>	<u>2,176,716</u>
Expenditures			
General Government			
County Council			
Operating	113,500	95,868	17,632
Personnel	<u>152,688</u>	<u>142,082</u>	<u>10,606</u>
Total County Council	<u>266,188</u>	<u>237,950</u>	<u>28,238</u>
County Administrator			
Operating	15,250	8,517	6,733
Personnel	<u>236,312</u>	<u>252,370</u>	<u>(16,058)</u>
Total County Administrator	<u>251,562</u>	<u>260,887</u>	<u>(9,325)</u>
Finance			
Operating	33,085	32,478	607
Personnel	<u>221,694</u>	<u>226,527</u>	<u>(4,833)</u>
Total Finance	<u>254,779</u>	<u>259,005</u>	<u>(4,226)</u>
Human Resources			
Operating	56,515	71,694	(15,179)
Personnel	<u>146,348</u>	<u>149,768</u>	<u>(3,420)</u>
Total Human Resources	<u>202,863</u>	<u>221,462</u>	<u>(18,599)</u>
Non-departmental			
Operating	751,700	757,641	(5,941)
Personnel	<u>193,635</u>	<u>159,362</u>	<u>34,273</u>
Total Non-departmental	<u>945,335</u>	<u>917,003</u>	<u>28,332</u>
County Attorney			
Operating	<u>40,000</u>	<u>20,887</u>	<u>19,113</u>
Total County Attorney	<u>40,000</u>	<u>20,887</u>	<u>19,113</u>

**MARLBORO COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET TO
ACTUAL
For the Fiscal Year Ended June 30, 2020
(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Treasurer			
Operating	\$ 110,500	\$ 108,602	\$ 1,898
Personnel	<u>251,931</u>	<u>243,072</u>	<u>8,859</u>
Total Treasurer	<u>362,431</u>	<u>351,674</u>	<u>10,757</u>
Delinquent Tax Collector			
Operating	99,700	96,656	3,044
Personnel	<u>64,766</u>	<u>54,786</u>	<u>9,980</u>
Total Delinquent Tax Collector	<u>164,466</u>	<u>151,442</u>	<u>13,024</u>
Auditor			
Operating	104,900	98,733	6,167
Personnel	<u>128,812</u>	<u>129,000</u>	<u>(188)</u>
Total Auditor	<u>233,712</u>	<u>227,733</u>	<u>5,979</u>
Assessor			
Operating	45,500	47,490	(1,990)
Personnel	<u>321,846</u>	<u>289,927</u>	<u>31,919</u>
Total Assessor	<u>367,346</u>	<u>337,417</u>	<u>29,929</u>
GIS			
Operating	64,996	10,761	54,235
Personnel	<u>-</u>	<u>51,245</u>	<u>(51,245)</u>
Total GIS	<u>64,996</u>	<u>62,006</u>	<u>2,990</u>
Voter Registration			
Operating	58,050	55,853	2,197
Personnel	<u>133,706</u>	<u>139,670</u>	<u>(5,964)</u>
Total Voter Registration	<u>191,756</u>	<u>195,523</u>	<u>(3,767)</u>
Clerk of Court			
Operating	189,880	119,489	70,391
Personnel	<u>297,562</u>	<u>302,478</u>	<u>(4,916)</u>
Total Clerk of Court	<u>487,442</u>	<u>421,967</u>	<u>65,475</u>
Probate Court			
Operating	27,950	20,131	7,819
Personnel	<u>206,604</u>	<u>198,697</u>	<u>7,907</u>
Total Probate Court	<u>234,554</u>	<u>218,828</u>	<u>15,726</u>
Magistrate			
Operating	29,800	25,597	4,203
Personnel	<u>348,780</u>	<u>319,877</u>	<u>28,903</u>
Total Magistrate	<u>378,580</u>	<u>345,474</u>	<u>33,106</u>

MARLBORO COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET TO
ACTUAL
For the Fiscal Year Ended June 30, 2020
(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Solicitor			
Operating	\$ 99,300	\$ 99,333	\$ (33)
Total Solicitor	<u>99,300</u>	<u>99,333</u>	<u>(33)</u>
Coroner			
Operating	44,400	48,593	(4,193)
Personnel	<u>73,019</u>	<u>71,478</u>	<u>1,541</u>
Total Coroner	<u>117,419</u>	<u>120,071</u>	<u>(2,652)</u>
Public Defender			
Operating	<u>52,290</u>	<u>52,290</u>	<u>-</u>
Total Public Defender	<u>52,290</u>	<u>52,290</u>	<u>-</u>
Planning and Zoning			
Operating	24,500	17,012	7,488
Personnel	<u>107,408</u>	<u>104,332</u>	<u>3,076</u>
Total Planning and Zoning	<u>131,908</u>	<u>121,344</u>	<u>10,564</u>
Building Maintenance			
Operating	131,350	127,881	3,469
Personnel	<u>307,297</u>	<u>304,358</u>	<u>2,939</u>
Total Building Maintenance	<u>438,647</u>	<u>432,239</u>	<u>6,408</u>
Library			
Operating	167,167	217,777	(50,610)
Personnel	<u>285,357</u>	<u>261,303</u>	<u>24,054</u>
Total Library	<u>452,524</u>	<u>479,080</u>	<u>(26,556)</u>
Airport			
Operating	<u>40,000</u>	<u>780,844</u>	<u>(740,844)</u>
Total Airport	<u>40,000</u>	<u>780,844</u>	<u>(740,844)</u>
Other			
Operating	10,500	175,532	(165,032)
Personnel	<u>84,888</u>	<u>52,600</u>	<u>32,288</u>
Total Other	<u>95,388</u>	<u>228,132</u>	<u>(132,744)</u>
Total General Government	<u>5,873,486</u>	<u>6,542,591</u>	<u>(669,105)</u>
Public Safety			
Law Enforcement			
Operating	245,800	256,012	(10,212)
Personnel	<u>1,789,082</u>	<u>1,662,558</u>	<u>126,524</u>
Total Law Enforcement	<u>2,034,882</u>	<u>1,918,570</u>	<u>116,312</u>

**MARLBORO COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET TO
ACTUAL
For the Fiscal Year Ended June 30, 2020
(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Detention Center			
Operating	\$ 377,630	\$ 458,011	\$ (80,381)
Personnel	<u>870,493</u>	<u>808,921</u>	<u>61,572</u>
Total Detention Center	<u>1,248,123</u>	<u>1,266,932</u>	<u>(18,809)</u>
Dispatch			
Operating	-	491	(491)
Personnel	<u>362,895</u>	<u>393,271</u>	<u>(30,376)</u>
Total Dispatch	<u>362,895</u>	<u>393,762</u>	<u>(30,867)</u>
Emergency Preparedness			
Operating	<u>6,050</u>	<u>2,051</u>	<u>3,999</u>
Total Emergency Preparedness	<u>6,050</u>	<u>2,051</u>	<u>3,999</u>
Emergency Preparedness Supplemental Grant			
Operating	<u>-</u>	<u>45,449</u>	<u>(45,449)</u>
Total Emergency Preparedness Supplemental Grant	<u>-</u>	<u>45,449</u>	<u>(45,449)</u>
E-911 Surcharge			
Operating	-	171,646	(171,646)
Personnel	<u>-</u>	<u>122,790</u>	<u>(122,790)</u>
Total E-911 Surcharge	<u>-</u>	<u>294,436</u>	<u>(294,436)</u>
Total Public Safety	<u>3,651,950</u>	<u>3,921,200</u>	<u>(269,250)</u>
Public Service			
Landfill			
Operating	<u>-</u>	<u>29,596</u>	<u>(29,596)</u>
Total Landfill	<u>-</u>	<u>29,596</u>	<u>(29,596)</u>
Road Maintenance			
Operating	208,800	231,606	(22,806)
Personnel	<u>646,461</u>	<u>583,721</u>	<u>62,740</u>
Total Road Maintenance	<u>855,261</u>	<u>815,327</u>	<u>39,934</u>
CTC Funds			
Operating	<u>-</u>	<u>54,406</u>	<u>(54,406)</u>
Total CTC Funds	<u>-</u>	<u>54,406</u>	<u>(54,406)</u>
Solid Waste			
Operating	189,150	6,349	182,801
Personnel	<u>103,658</u>	<u>-</u>	<u>103,658</u>
Total Solid Waste	<u>292,808</u>	<u>6,349</u>	<u>286,459</u>
Total Public Services	<u>1,148,069</u>	<u>905,678</u>	<u>242,391</u>

**MARLBORO COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET TO
ACTUAL
For the Fiscal Year Ended June 30, 2020
(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Culture and Recreation			
Recreation			
Operating	\$ 135,500	\$ 96,532	\$ 38,968
Personnel	<u>263,893</u>	<u>222,966</u>	<u>40,927</u>
Total Recreation	<u>399,393</u>	<u>319,498</u>	<u>79,895</u>
Local Accommodations			
Operating	<u>-</u>	<u>20,926</u>	<u>(20,926)</u>
Total Local Accommodations	<u>-</u>	<u>20,926</u>	<u>(20,926)</u>
Museum			
Operating	16,800	12,517	4,283
Personnel	<u>52,897</u>	<u>52,869</u>	<u>28</u>
Total Museum	<u>69,697</u>	<u>65,386</u>	<u>4,311</u>
Total Culture and Recreation	<u>469,090</u>	<u>405,810</u>	<u>63,280</u>
Health and Environment			
Animal Shelter			
Operating	121,950	121,944	6
Personnel	<u>49,664</u>	<u>30,294</u>	<u>19,370</u>
Total Animal Shelter	<u>171,614</u>	<u>152,238</u>	<u>19,376</u>
Soil Conservation			
Personnel	<u>6,306</u>	<u>6,571</u>	<u>(265)</u>
Total Soil Conservation	<u>6,306</u>	<u>6,571</u>	<u>(265)</u>
Health and Human Services			
Operating	<u>37,449</u>	<u>41,593</u>	<u>(4,144)</u>
Total Health and Human Services	<u>37,449</u>	<u>41,593</u>	<u>(4,144)</u>
Total Health and Environment	<u>215,369</u>	<u>200,402</u>	<u>14,967</u>
Economic Development			
Economic Development			
Operating	122,456	33,859	88,597
Personnel	<u>-</u>	<u>33,091</u>	<u>(33,091)</u>
Total Economic Development	<u>122,456</u>	<u>66,950</u>	<u>55,506</u>

**MARLBORO COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET TO
ACTUAL
For the Fiscal Year Ended June 30, 2020
(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Capital Outlay			
Road Maintenance	\$ -	\$ 27,398	\$ (27,398)
E-911 Surcharge	<u>-</u>	<u>120,977</u>	<u>(120,977)</u>
Total Capital Outlay	<u>2,500</u>	<u>148,375</u>	<u>(145,875)</u>
Debt Service			
Principal	300,000	176,239	123,761
Interest	<u>-</u>	<u>4,139</u>	<u>(4,139)</u>
Total Debt Service	<u>300,000</u>	<u>180,378</u>	<u>119,622</u>
Total Expenditures	<u>11,782,920</u>	<u>12,371,384</u>	<u>(588,464)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(922,620)</u>	<u>665,632</u>	<u>1,588,252</u>
Other Financing Sources (Uses)			
Sale of Capital Assets	4,000	8,862	4,862
Transfer Out	(60,000)	(248,859)	(188,859)
Transfer In	635,000	150,262	(484,738)
Transfer from Reserves	<u>343,620</u>	<u>-</u>	<u>(343,620)</u>
Total Other Financing Sources	<u>922,620</u>	<u>(89,735)</u>	<u>(1,012,355)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>575,897</u>	<u>\$ 575,897</u>
Fund Balance, Beginning of Year		<u>5,627,252</u>	
Fund Balance, End of Year		<u>\$ 6,203,149</u>	

**MARLBORO COUNTY, SOUTH CAROLINA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2020**

	Budgeted Amounts			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)
Revenues				
Taxes	\$ 7,398,000	\$ 7,398,000	\$ 8,184,462	\$ 786,462
Licenses, Fees and Permits	1,787,600	1,787,600	1,414,906	(372,694)
Intergovernmental	1,325,100	1,325,100	1,391,953	66,853
Charges for Services	1,000	1,000	2,295	1,295
Miscellaneous	<u>348,600</u>	<u>348,600</u>	<u>2,043,400</u>	<u>1,694,800</u>
 Total Revenues	 <u>10,860,300</u>	 <u>10,860,300</u>	 <u>13,037,016</u>	 <u>2,176,716</u>
Expenditures				
Current:				
General Government	5,873,486	5,873,486	6,542,591	(669,105)
Public Safety	3,651,950	3,651,950	3,921,200	(269,250)
Public Service	1,148,069	1,148,069	905,678	242,391
Culture and Recreation	469,090	469,090	405,810	63,280
Health and Environment	215,369	215,369	200,402	14,967
Economic Development	122,456	122,456	66,950	55,506
Capital Outlay	2,500	2,500	148,375	(145,875)
Debt Service				
Principal	300,000	300,000	176,239	123,761
Interest	<u>-</u>	<u>-</u>	<u>4,139</u>	<u>(4,139)</u>
 Total Expenditures	 <u>11,782,920</u>	 <u>11,782,920</u>	 <u>12,371,384</u>	 <u>(588,464)</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(922,620)</u>	<u>(922,620)</u>	<u>665,632</u>	<u>1,588,252</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	4,000	4,000	8,862	4,862
Transfer Out	(60,000)	(60,000)	(248,859)	(188,859)
Transfer In	635,000	635,000	150,262	(484,738)
Transfer from Reserves	<u>343,620</u>	<u>343,620</u>	<u>-</u>	<u>(343,620)</u>
 Total Other Financing Sources	 <u>922,620</u>	 <u>922,620</u>	 <u>(89,735)</u>	 <u>(1,012,355)</u>
 Net Change in Fund Balance	 <u>-</u>	 <u>-</u>	 <u>575,897</u>	 <u>575,897</u>
 Fund Balance, Beginning of Year	 <u>5,627,252</u>	 <u>5,627,252</u>	 <u>5,627,252</u>	 <u>-</u>
 Fund Balance, End of Year	 <u>\$ 5,627,252</u>	 <u>\$ 5,627,252</u>	 <u>\$ 6,203,149</u>	 <u>\$ 575,897</u>

**MARLBORO COUNTY, SOUTH CAROLINA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
For the Fiscal Year Ended June 30, 2020**

	<u>2020</u>		<u>2019</u>		<u>2018</u>		<u>2017</u>
County's proportion of the net OPEB liability	100%		100%		100%		100%
County's proportionate share of the net OPEB liability	\$ 880,693	\$	891,546	\$	907,867	\$	971,187
County's covered-employee payroll	\$ 6,225,323	\$	6,215,473	\$	6,133,175	\$	4,532,941
County's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	14.15%		14.34%		14.80%		21.43%
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	6.60%		6.36%		6.87%		6.64%

Note: GASB Statement No. 75 requires ten years of information to be presented in this table, however until a full 10-year trend is compiled, The County will present information for those years.

**MARLBORO COUNTY, SOUTH CAROLINA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
For the Fiscal Year Ended June 30, 2020**

	<u>2020</u>		<u>2019</u>		<u>2018</u>		<u>2017</u>
Contractually required contribution	\$ 87,398	\$	98,251	\$	66,344	\$	89,029
Contributions in relation to contractually required contribution	<u>87,398</u>		<u>98,251</u>		<u>66,344</u>		<u>63,705</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>25,324</u>
County's covered-employee payroll	6,225,323		6,215,473		6,133,175		4,532,941
Contributions as a percentage of covered-employee payroll	1.40%		1.58%		1.08%		1.41%

Note: GASB Statement No. 75 requires ten years of information to be presented in this table, However until a full 10-year trend is compiled, The County will present information for those years.

**MARLBORO COUNTY, SOUTH CAROLINA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
For the Fiscal Year Ended June 30, 2020**

SCRS	<u>2020</u>		<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>
County's proportion of the net pension liability (asset)	0.043962%		0.043962%		0.043546%		0.0413040%		0.0413350%		0.0429000%
County's proportionate share of the net pension liability (asset)	\$ 10,491,606	\$	9,850,382	\$	9,802,905	\$	8,822,473	\$	7,839,382	\$	7,378,727
County's covered employee payroll	\$ 6,669,551	\$	4,854,592	\$	4,555,229	\$	4,392,619	\$	3,998,946	\$	3,890,936
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	157.31%		202.91%		215.20%		200.85%		196.04%		189.64%
Plan fiduciary net position as a percentage of total pension liability	71.39%		70.29%		74.19%		62.25%		53.46%		47.67%
 PORS											
County's proportion of the net pension liability (asset)	0.126193%		0.126193%		0.13254%		0.138250%		0.141890%		0.144200%
County's proportionate share of the net pension liability (asset)	\$ 3,682,948	\$	3,575,740	\$	3,631,041	\$	3,506,752	\$	3,092,509	\$	2,760,375
County's covered employee payroll	\$ 1,867,103	\$	1,863,950	\$	1,746,703	\$	1,784,898	\$	1,762,543	\$	1,734,219
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	197.25%		191.84%		207.88%		196.47%		175.46%		159.17%
Plan fiduciary net position as a percentage of total pension liability	25.06%		25.52%		27.48%		24.74%		21.09%		17.83%

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

**MARLBORO COUNTY, SOUTH CAROLINA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
For the Fiscal Year Ended June 30, 2020**

SCRS	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,027,778	\$ 699,547	\$ 610,856	\$ 507,787	\$ 436,285	\$ 422,529	\$ 422,444
Contributions in relation to contractually required contribution	<u>1,027,778</u>	<u>699,547</u>	<u>610,856</u>	<u>507,787</u>	<u>436,285</u>	<u>422,529</u>	<u>422,444</u>
 County's covered-employee payroll	 \$ 6,669,551	 \$ 4,854,592	 \$ 4,555,229	 \$ 4,392,619	 \$ 3,988,946	 \$ 3,875,634	 \$ 3,890,936
Contributions as a percentage of covered-employee payroll	15.41%	14.41%	13.41%	11.56%	10.94%	10.90%	10.86%
 PORS	 <u>2020</u>	 <u>2019</u>	 <u>2018</u>	 <u>2017</u>	 <u>2016</u>	 <u>2015</u>	 <u>2014</u>
Contractually required contribution	\$ 333,091	\$ 313,889	\$ 276,678	\$ 254,169	\$ 235,123	\$ 235,726	\$ 222,675
Contributions in relation to contractually required contribution	<u>333,091</u>	<u>313,889</u>	<u>276,678</u>	<u>254,169</u>	<u>235,123</u>	<u>235,726</u>	<u>222,675</u>
 County's covered-employee payroll	 \$ 1,867,103	 \$ 1,863,950	 \$ 1,746,703	 \$ 1,784,898	 \$ 1,762,543	 \$ 1,757,836	 \$ 1,734,219
Contributions as a percentage of covered-employee payroll	17.84%	16.84%	15.84%	14.24%	13.34%	13.41%	12.84%

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

MARLBORO COUNTY, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
June 30, 2020

Note 1. Budgets and Budgetary Accounting

Budgets, except for the Special Revenue Fund, are adopted on a basis consistent with generally accepted accounting principles. The accounting system provides for appropriate budgetary control. Budgetary comparisons are included in the supplemental schedules for the General Fund. Unused appropriations for all annually budgeted funds lapse at the end of the year.

Note 2. Legal Compliance – Budgets

The County Administrator submits a proposed operating budget for the fiscal year to the County Council. The operating budget includes proposed expenditures and the means of financing them. Prior to July 1st, the budget is legally enacted through passage of an ordinance. The County Administrator is authorized to transfer budgeted amounts within departments as necessary to achieve the goals of the budget. Any revisions that alter the total expenditures of any fund must be approved by County Council. Budgeted amounts reflected in the accompanying financial statements are the final authorized amounts as revised during the year.

The County has not presented budget information for the Special Revenue Fund, since budgetary control is maintained on an individual grant basis. Since grant periods may differ from the County's fiscal year, a comparison of budgetary information for the total Special Revenue Fund would not be meaningful and has not been presented in the accompanying financial statements.

The general government, public safety, and capital outlay have excess expenditures over appropriations in the amount of \$669,105, \$269,250, and \$145,875 respectively.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. Below is a list of special revenue funds held by the County:

Railroad Fund

Family Court IV-D Funds

Victims Advocacy Fund

Law Library Fund

Forfeited Land Commission Fund

Wallace Water Palmetto Brick Fund

Family Court Incentive Fund

Marshall Street Housing Rehab Fund

Rural Fire Fund

Economic Development Fund

Sheriff Drug Forfeiture Fund

MARLBORO COUNTY, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2020

	<u>Railroad Fund</u>	<u>Family Court IV- D Fund</u>	<u>Victims Advocacy Fund</u>	<u>Law Library Fund</u>	<u>Emergency Medical Services</u>	<u>Forfeited Land Commission Fund</u>
Assets						
Cash and Cash Equivalents	\$ 1,456,592	\$ 206,542	\$ 53,834	\$ 92,430	\$ -	\$ 62,836
Receivables						
Property Taxes, Net	-	-	-	-	-	-
Due from Other Funds	<u>677,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 2,134,177</u>	<u>\$ 206,542</u>	<u>\$ 53,834</u>	<u>\$ 92,430</u>	<u>\$ -</u>	<u>\$ 62,836</u>
Liabilities, Deferred Inflows of Resources and Fund Balance						
Liabilities						
Accounts Payable and Accrued Liabilities	\$ -	\$ 3,381	37	\$ -	\$ -	\$ -
Due to Other Funds	<u>-</u>	<u>31,487</u>	<u>14,342</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>34,868</u>	<u>14,379</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows						
Unavailable Revenue - Property Taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance						
Assigned	<u>2,134,177</u>	<u>171,674</u>	<u>39,455</u>	<u>92,430</u>	<u>-</u>	<u>62,836</u>
Total Fund Balance	<u>2,134,177</u>	<u>171,674</u>	<u>39,455</u>	<u>92,430</u>	<u>-</u>	<u>62,836</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 2,134,177</u>	<u>\$ 206,542</u>	<u>\$ 53,834</u>	<u>\$ 92,430</u>	<u>\$ -</u>	<u>\$ 62,836</u>

**MARLBORO COUNTY, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2020
(Continued)**

	Family Court Incentive Fund	Marshall Street Housing Rehab Fund	Rural Fire Fund	Economic Development Fund	Sheriff Drug Forfeiture	Totals
Assets						
Cash and Cash Equivalents	\$ 162,778	\$ 38,138	\$ 696,715	\$ 1,940,805	\$ 35,635	\$ 4,746,305
Receivables						
Property Taxes, Net	-	-	34,126	-	-	34,126
Due from Other Funds	-	-	23,995	150,000	-	851,580
Total Assets	<u>\$ 162,778</u>	<u>\$ 38,138</u>	<u>\$ 754,836</u>	<u>\$ 2,090,805</u>	<u>\$ 35,635</u>	<u>\$ 5,632,011</u>
Liabilities, Deferred Inflows of Resources and Fund Balance						
Liabilities						
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 2,923	\$ -	\$ -	\$ 6,341
Due to Other Funds	-	-	47,705	-	-	93,534
Total Liabilities	<u>-</u>	<u>-</u>	<u>50,628</u>	<u>-</u>	<u>-</u>	<u>99,875</u>
Deferred Inflows						
Unavailable Revenue - Property Taxes	-	-	27,544	-	-	27,544
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>27,544</u>	<u>-</u>	<u>-</u>	<u>27,544</u>
Fund Balance						
Assigned	162,778	38,138	676,664	2,090,805	35,635	5,504,592
Total Fund Balance	<u>162,778</u>	<u>38,138</u>	<u>676,664</u>	<u>2,090,805</u>	<u>35,635</u>	<u>5,504,592</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 162,778</u>	<u>\$ 38,138</u>	<u>\$ 754,836</u>	<u>\$ 2,090,805</u>	<u>\$ 35,635</u>	<u>\$ 5,632,011</u>

MARLBORO COUNTY, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2020

	Railroad Fund	Family Court IV-D Fund	Victims Advocacy Fund	Law Library Fund	Emergency Medical Services	Forfeited Land Commission Fund	Family Court Incentive Fund	Marshall Street Housing Rehab Fund	Rural Fire Fund	Economic Development Fund	Sheriff Drug Forfeiture	Totals
Revenues												
Taxes												
Property Taxes - Net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 518,107	\$ -	\$ -	\$ 518,107
Vehicle Taxes - Net	-	-	-	-	-	-	-	-	113,525	-	-	113,525
Fee In Lieu of Taxes	-	-	-	-	-	-	-	-	258,918	543,145	-	802,063
Homestead Exemption	-	-	-	-	-	-	-	-	52,062	-	-	52,062
Manufacturer Reimbursement	-	-	-	-	-	-	-	-	92,591	-	-	92,591
Inventory Replacement	-	-	-	-	-	-	-	-	10,997	-	-	10,997
Other	-	-	-	-	-	-	-	-	266	-	-	266
Total Taxes	-	-	-	-	-	-	-	-	1,046,466	543,145	-	1,589,611
Intergovernmental Revenue												
Unit Cost	-	166,982	-	-	-	-	-	-	-	-	-	166,982
Incentive Payments	-	-	-	-	-	-	20,196	-	-	-	-	20,196
Total Intergovernmental Revenue	-	166,982	-	-	-	-	20,196	-	-	-	-	187,178
Fines and Forfeitures												
Victims Advocacy	-	-	20,825	-	-	-	-	-	-	-	-	20,825
Total Fines and Forfeitures	-	-	20,825	-	-	-	-	-	-	-	-	20,825
Miscellaneous												
Rents	430,485	-	-	-	-	-	-	-	-	14,000	-	444,485
Interest	902	119	15	41	-	21	96	6	970	1,330	-	3,500
Other	-	1,046	-	5,235	-	12,147	-	-	-	23,764	39,625	81,817
Total Miscellaneous	431,387	1,165	15	5,276	-	12,168	96	6	970	39,094	39,625	529,802
Total Revenues	431,387	168,147	20,840	5,276	-	12,168	20,292	6	1,047,436	582,239	39,625	2,327,416
Expenditures												
General Government												
Title IV-D Family Court												
Operating	-	58,959	-	-	-	-	-	-	-	-	-	58,959
Personnel	-	114,568	-	-	-	-	-	-	-	-	-	114,568
Total Title IV-D Family Court	-	173,527	-	-	-	-	-	-	-	-	-	173,527
Family Court Incentive Fund												
Operating	-	-	-	-	-	-	25,542	-	-	-	-	25,542
Forfeited Land Commission												
Operating	-	-	-	-	-	10,198	-	-	-	-	-	10,198
Law Library												
Operating	-	-	-	72	-	-	-	-	-	-	-	72
Total General Government	-	173,527	-	72	-	10,198	25,542	-	-	-	-	209,339

MARLBORO COUNTY, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2020
(Continued)

	Railroad Fund	Family Court IV-D Fund	Victims Advocacy Fund	Law Library Fund	Emergency Medical Services	Forfeited Land Commission Fund	Family Court Incentive Fund	Marshall Street Housing Rehab Fund	Rural Fire Fund	Economic Development Fund	Sheriff Drug Forfeiture	Totals
Public Safety												
Sheriff Operating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,340	\$ 23,340
Rural Fire Services Operating Personnel	-	-	-	-	-	-	-	-	502,087 95,263	-	-	502,087 95,263
Total Rural Fire Services	-	-	-	-	-	-	-	-	597,350	-	-	597,350
Victim's Advocate Operating	-	-	20,170	-	-	-	-	-	-	-	-	20,170
Total Public Safety	-	-	20,170	-	-	-	-	-	597,350	-	23,340	640,860
Public Service												
Railroad Operating	41,706	-	-	-	-	-	-	-	-	-	-	41,706
Total Public Services	41,706	-	-	-	-	-	-	-	-	-	-	41,706
Health and Environment												
Economic Development												
Economic Development Operating	-	-	-	-	-	-	-	-	-	223,684	-	223,684
Total Economic Development	-	-	-	-	-	-	-	-	-	223,684	-	223,684
Capital Outlay												
Rural Fire Economic Development Airport	- 2,287	- -	- -	- -	- -	- -	- -	- -	236,500 -	- 85,663	- 29,319	236,500 85,663 31,606
Total Capital Outlay	2,287	-	-	-	-	-	-	-	236,500	85,663	29,319	353,769
Debt Service												
Principal Interest	- -	- -	- -	- -	- -	- -	- -	- -	18,563 1,696	- -	- -	18,563 1,696
Total Debt Service	-	-	-	-	-	-	-	-	20,259	-	-	20,259
Total Expenditures	43,993	173,527	20,170	72	-	10,198	25,542	-	854,109	309,347	52,659	1,489,617
Excess (Deficiency) of Revenues Over (Under) Expendi	387,394	(5,380)	670	5,204	-	1,970	(5,250)	6	193,327	272,892	(13,034)	837,799
Other Financing Sources (Uses)												
Transfers Out	(70,907)	-	-	-	-	-	-	-	(50,000)	-	-	(120,907)
Total Other Financing Sources (Uses)	(70,907)	-	-	-	-	-	-	-	(50,000)	-	-	(120,907)
Net Change in Fund Balances	316,487	(5,380)	670	5,204	-	1,970	(5,250)	6	143,327	272,892	(13,034)	716,892
Fund Balances, Beginning of Year, as Restated	1,817,690	177,054	38,785	87,226	-	60,866	168,028	38,132	533,337	1,817,913	48,669	4,787,700
Fund Balances, End of Year	\$ 2,134,177	\$ 171,674	\$ 39,455	\$ 92,430	\$ -	\$ 62,836	\$ 162,778	\$ 38,138	\$ 676,664	\$ 2,090,805	\$ 35,635	\$ 5,504,592

**MARLBORO COUNTY, SOUTH CAROLINA
LIBRARY OPERATIONS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2020**

	<u>Beginning Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Balance</u>
Local Sources:				
County Tax Appropriation	\$ -	\$ 418,333	\$ 418,333	\$ -
Fines, Fees and Gifts	<u>27,523</u>	<u>35,874</u>	<u>59,747</u>	<u>3,650</u>
Total	<u>27,523</u>	<u>454,207</u>	<u>478,080</u>	<u>3,650</u>
State Sources:				
Education Lottery	-	-	-	-
State Aid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Total All Sources of Funds	<u>\$ 27,523</u>	<u>\$ 529,207</u>	<u>\$ 553,080</u>	<u>\$ 3,650</u>

**MARLBORO COUNTY, SOUTH CAROLINA
SCHEDULE OF FINES AND ASSESSMENTS
For the Fiscal Year Ended June 30, 2020**

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	<u>General Sessions</u>	<u>Magistrate Court</u>	<u>Municipal Court</u>	<u>Total</u>
Court Fines and Assessments:				
Court fines and assessments collected	80,343	271,672	-	352,015
Court fines and assessments remitted to State Treasurer	61,812	113,261	-	175,073
Total Court Fines and Assessments retained	18,531	158,411	-	176,942
Court Surcharges:				
Court surcharges collected	7,177	56,821	-	63,998
Court surcharges remitted to State Treasurer	2,398	54,300	-	56,698
Total Court Surcharges retained	4,779	2,521	-	7,300
Surcharges and Assessments retained for victim services:	-			
Surcharges collected and retained	4,779	2,521	-	7,300
Assessments retained	528	11,604	-	12,132
Total Surcharges and Assessments retained for victim services	5,307	14,125	-	19,432

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance		45,828	45,828
Victim Service Revenue:			
Victim Service Fines Retained by City/County Treasurer	-	-	-
Victim Service Assessments Retained by City/County Treasurer	-	12,132	12,132
Victim Service Surcharges Retained by City/County Treasurer	-	7,300	7,300
Interest Earned	-	15	15
Grant Funds Received			
Grant from:	-	-	-
General Funds Transferred to Victim Service Fund			
Contribution Received from Victim Service Contracts:			
(1) Town of	-	-	-
(2) Town of	-	-	-
(3) City of	-	-	-
Total Funds Allocated to Victim Service Fund + Beginning Balance	-	65,275	65,275
Expenditures for Victim Service Program:	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	-	-	-
Operating Expenditures	-	20,170	20,170
Victim Service Contract(s):			
(1) Entity's Name	-	-	-
(2) Entity's Name	-	-	-
Victim Service Donation(s):			
(1) Pee Dee Colition:	-	-	-
(2) Rape Crisis Center:	-	-	-
(3) Other local direct crime victims service agency:	-	-	-
Transferred to General Fund	-	-	-
Total Expenditures from Victim Service Fund/Program (B)	-	20,170	20,170
Total Victim Service Funds Retained by Municipal/County Treasurer (A-)	-	45,105	45,105
Less: Prior Year Fund Deficit Repayment	-	-	-
Carryforward Funds – End of Year	-	45,105	45,105

DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

**MARLBORO COUNTY, SOUTH CAROLINA
DEBT SERVICE FUND
BALANCE SHEET
June 30, 2020**

Assets

Cash	\$ 376,868
Property Taxes Receivable, Net	17,151
Due from Other Funds	<u>11,090</u>
Total Assets	<u><u>\$ 405,109</u></u>

Liabilities, Deferred Inflows and Fund Balance

Deferred Inflows

Unavailable Revenue - Property Taxes	<u>\$ 12,898</u>
Total Deferred Inflows	<u>12,898</u>

Fund Balance

Restricted for Debt Service	<u>392,211</u>
Total Fund Balance	<u>392,211</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u><u>\$ 405,109</u></u>

**MARLBORO COUNTY, SOUTH CAROLINA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2020**

Revenues

Taxes

Property Taxes - Net	\$ 201,629
Vehicle Taxes - Net	46,949
Delinquent Taxes - Net	25,776
Fee in Lieu	82,449
Homestead Exemption	23,741
Manufacturer Reimbursement	29,581
Inventory Replacement	3,366
Other	<u>262</u>

Total Taxes	<u>413,753</u>
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Licenses, Fees and Permits

Motor Carrier Fees	<u>3,355</u>
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Total Licenses, Fees and Permits	<u>3,355</u>
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Total Revenues	<u>417,108</u>
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Expenditures

Principal Retirement	326,077
Interest and Other Charges	<u>49,105</u>

Total Expenditures	<u>375,182</u>
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Excess of Revenues Over Expenditures	<u>41,926</u>
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Net Change in Fund Balance	41,926
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Fund Balance, Beginning of Year	<u>350,285</u>
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Fund Balance, End of Year	<u><u>\$ 392,211</u></u>
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CAPITAL PROJECT FUNDS

The capital projects fund is used to account for the acquisition and construction of major capital facilities.

**MARLBORO COUNTY, SOUTH CAROLINA
CAPITAL PROJECTS FUND
BALANCE SHEET
June 30, 2020**

Assets

Cash \$ 152,210

Total Assets **\$ 152,210**

Liabilities and Fund Balances

Liabilities

Fund Balances

Restricted for Capital Projects \$ 152,210

Total Liabilities and Fund Balances **\$ 152,210**

**MARLBORO COUNTY, SOUTH CAROLINA
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2020**

Revenues	\$ <u> -</u>
Expenditures	
Capital Projects	<u> 47,344</u>
Total Expenditures	<u> 47,344</u>
Net Change in Fund Balance	(47,344)
Fund Balance, Beginning of Year	<u> 199,554</u>
Fund Balance, End of Year	<u><u> 152,210</u></u>

MARLBORO COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ALL PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2020

	Emergency Management Systems	Solid Waste	Total
Operating Revenues			
Taxes			
Property Taxes - Net	\$ 684,820	-	\$ 684,820
Vehicle Taxes - Net	162,826	-	162,826
Delinquent Taxes - Net	101,444	-	101,444
Fee In Lieu of Taxes	276,968	-	276,968
Homestead Exemption	80,628	-	80,628
Manufacturer Reimbursement	100,463	-	100,463
Inventory Replacement	10,323	-	10,323
Charges for Services	<u>964,539</u>	<u>1,219,019</u>	<u>2,183,558</u>
Total Revenues	<u>2,382,011</u>	<u>1,219,019</u>	<u>3,601,030</u>
Operating Expenses			
Salaries	1,440,049	78,394	1,518,443
Employee Expenses	541,159	39,483	580,642
Office Supplies	4,532	944	5,476
Uniform Supplies	36,285	1,974	38,259
Medical Supplies	105,934	-	105,934
Fuel	55,268	1,088	56,356
Professional Services	200,774	514,789	715,563
Telephone	18,377	2,273	20,650
Training, Travel and Meals	17,301	35	17,336
Advertising	2,284	1,460	3,744
Repairs and Maintenance	55,593	863	56,456
Insurance	19,097	-	19,097
Dues and Subscriptions	2,461	-	2,461
Equipment Expense	1,986	-	1,986
Workers Compensation	166,590	-	166,590
Depreciation	198,190	209,776	407,966
General Expense	189,450	143,570	333,020
Utilities	<u>3,476</u>	<u>5,547</u>	<u>9,023</u>
Total Operating Expenses	<u>3,058,806</u>	<u>1,000,196</u>	<u>4,059,002</u>
Operating Income (Loss)	<u>(676,795)</u>	<u>218,823</u>	<u>(457,972)</u>
Non-Operating Revenues (Expenses)			
Interest Expense	(24,782)	-	(24,782)
Interest Income	<u>827</u>	<u>-</u>	<u>827</u>
Total Non-Operating Revenues (Expenses)	<u>(23,955)</u>	<u>-</u>	<u>(23,955)</u>
Income (Loss) Before Contributions and Transfers	<u>(700,750)</u>	<u>218,823</u>	<u>(481,927)</u>
Transfer from Other Funds	<u>-</u>	<u>219,504</u>	<u>219,504</u>
Capital Contributions	<u>379,028</u>	<u>648,116</u>	<u>1,027,144</u>
Change in Net Position	(321,722)	1,086,443	764,721
Total Net Position, Beginning of Year, as Restated	<u>583,573</u>	<u>-</u>	<u>583,573</u>
Total Net Position, End of Year	<u>\$ 261,851</u>	<u>\$ 1,086,443</u>	<u>\$ 1,348,294</u>

FIDUCIARY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Trust funds are used to account for assets held by the government in a trustee capacity.

**MARLBORO COUNTY, SOUTH CAROLINA
FIDUCIARY FUNDS
COMBINING BALANCE SHEET
June 30, 2020**

	<u>Agency Funds</u>	<u>Trust Funds</u>
Assets		
Cash and Cash Equivalents	\$ 11,426,338	\$ 1,754,342
Taxes Receivable, Net	<u>798,174</u>	<u>-</u>
Total Assets	<u><u>\$ 12,224,512</u></u>	<u><u>\$ 1,754,342</u></u>
Liabilities		
Due to Other Taxing Authorities	\$ 11,426,338	\$ -
Due to General Fund	-	542,702
Accounts Payable	<u>-</u>	<u>-</u>
Total Liabilities	<u>11,426,338</u>	<u>542,702</u>
Deferred Inflows of Resources		
Unavailable Revenue - Property Taxes	<u>798,174</u>	<u>-</u>
Net Position		
Held in Trust	<u>-</u>	<u>1,211,640</u>
Total Net Position	<u><u>\$ 12,224,512</u></u>	<u><u>\$ 1,754,342</u></u>

MARLBORO COUNTY, SOUTH CAROLINA
SCHEDULE OR CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Assets				
Cash	\$ 13,321,409	\$ 68,842,511	\$ 70,737,582	\$ 11,426,338
Taxes Receivable, Net	<u>734,233</u>	<u>63,941</u>	<u>-</u>	<u>798,174</u>
 Total Assets	 <u>\$ 14,055,642</u>	 <u>\$ 68,906,452</u>	 <u>\$ 70,737,582</u>	 <u>\$ 12,224,512</u>
 Liabilities				
Due to Other Taxing Authorities	<u>\$ 13,321,409</u>	<u>\$ 68,842,511</u>	<u>\$ 70,737,582</u>	<u>\$ 11,426,338</u>
 Total Liabilities	 <u>13,321,409</u>	 <u>68,842,511</u>	 <u>70,737,582</u>	 <u>11,426,338</u>
Deferred Inflows	<u>734,233</u>	<u>63,941</u>	<u>-</u>	<u>798,174</u>
 Total Liabilities and Deferred Inflows	 <u>\$ 14,055,642</u>	 <u>\$ 68,906,452</u>	 <u>\$ 70,737,582</u>	 <u>\$ 12,224,512</u>

**MARLBORO COUNTY, SOUTH CAROLINA
FIDUCIARY FUNDS
COMBINING BALANCE SHEET-ALL TRUST FUNDS
June 30, 2020**

	Solicitors	County Treasurer	Detention Center	Land Sale	Magistrate	Clerk/ Family Court	Sheriff Drug Trust	Total
Assets								
Cash	\$ 533,977	\$ 1,295	\$ 64,073	\$ 842,424	\$ 58,042	\$ 233,553	\$ 20,978	\$ 1,754,342
Total Assets	<u>\$ 533,977</u>	<u>\$ 1,295</u>	<u>\$ 64,073</u>	<u>\$ 842,424</u>	<u>\$ 58,042</u>	<u>\$ 233,553</u>	<u>\$ 20,978</u>	<u>\$ 1,754,342</u>
Liabilities and Net Position								
Due to General Fund	\$ 544,795	\$ -	\$ -	\$ -	\$ 2,939	\$ (5,032)	\$ -	\$ 542,702
Net Position								
Held in Trust	<u>(10,818)</u>	<u>1,295</u>	<u>64,073</u>	<u>842,424</u>	<u>55,103</u>	<u>238,585</u>	<u>20,978</u>	<u>1,211,640</u>
Total Liabilities and Net Position	<u>\$ 533,977</u>	<u>\$ 1,295</u>	<u>\$ 64,073</u>	<u>\$ 842,424</u>	<u>\$ 58,042</u>	<u>\$ 233,553</u>	<u>\$ 20,978</u>	<u>\$ 1,754,342</u>

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December 11, 2020

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

Honorable Members of the County Council
Marlboro County
Bennettsville, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Marlboro County, South Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Marlboro County's basic financial statements and have issued our report thereon dated December 11, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marlboro County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sheheen, Hancock & Godwin, LLP

Sheheen, Hancock and Godwin, LLP
Camden, South Carolina