



**Town of Moncks Corner**  
**South Carolina**  
**Comprehensive Annual Financial Report**  
**Year Ended September 30, 2018**





# TOWN OF MONCK'S CORNER



## *The Lowcountry's Hometown* *South Carolina*

### Comprehensive Annual Financial Report

Year Ended September 30, 2018

Prepared by the  
Town of Moncks Corner Administration Department





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*The Lowcountry's Hometown*

PO Box 700 | Moncks Corner, SC 29461 | 843.719.7900 | [monckscorner.sc.gov](http://monckscorner.sc.gov)

March 18, 2019

To the Honorable Mayor, Members of Town Council, and Citizens of the Town of Moncks Corner:

State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of Moncks Corner for the fiscal year ended September 30, 2018.

This report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The Town's financial statements have been audited by The Baird Audit Group, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended September 30, 2018 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimate made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended September 30, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town of Moncks Corner's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The Town of Moncks Corner, named for landowner Thomas Monck, dates back to 1728. It began as a trading post with a few taverns and stores. The Northeastern Railroad laid its tracks in 1856, and the train depot became the center of Town. The Town of Moncks Corner is the county seat of Berkeley County, located near the center of the county and approximately thirty-three miles from Charleston, South Carolina. Its boundary extends east to the West Branch of the Cooper River, 3 miles south of the outlet of Lake Moultrie. US Route 52 is the main highway through the town, leading south to Charleston and north 80 miles to Florence. US Route 17 Alternate also passes through the town, leading east 49 miles to Georgetown and southwest 16 miles to Summerville. The Town is a total area of 8.7 square miles, of which 4.9 square miles or approximately 56 percent is developed.

The Town of Moncks Corner was incorporated in 1909 and operates under the Mayor-Council form of government; often called the strong mayor form of government because the Mayor is granted by state law the right to exercise legislative as well as executive and administrative authority. Legislative authority is vested in the Mayor and six Councilmembers, who are elected at large to serve staggered four-year terms of office. The Mayor is the presiding officer and serves as chief administrative officer. The Mayor is responsible for preparation, administration and reporting of the budget and financials to council.

The Mayor, with Council's approval, hires an Administrator to assist the Mayor with administrative matters and to oversee the day-to-day operations of the Town. The Administrator is responsible for implementing the policies and ordinances of Town Council. The Administrator is assisted by several staff departments including administration, community development, police, fire, public service, recreation and municipal court.

The Town of Moncks Corner provides a full range of services, including: police and fire protection, sanitation service, building regulation, planning, zoning, code enforcement, and recreational activities.

The Town of Moncks Corner maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by Town Council. Activities of the General Fund, Special Revenue Funds, Capital Projects Fund and Debt Service Funds are included in the annual appropriated budget, which is prepared using GAAP in all material respects. The level of budgetary control, the level at which expenditures cannot legally exceed the appropriated amount, is at the fund level. All appropriations lapse at the end of each year.

## **Local Economy**

The Town of Moncks Corner has grown dramatically since incorporation when there were just 232 residents. According to the US Census Bureau, 2017 population estimates 10,933 residents. A significant portion of growth can be attributed to the annexation of new areas being developed. Within the past ten years, over twelve hundred new homes and at least twenty commercial establishments have been completed. As such, the Town's building permit revenues have tripled.

Management anticipates this growth to remain consistent for several years as Moncks Corner continues to annex and becomes more integrated into the urbanized region.

In addition, commercial development continues to rise in the Town's business district along Highway 52. As such, the service industry has expanded substantially in recent years. With this expansion, the Town's property tax, hospitality tax and business license revenues have increased significantly. Over the past five years, property tax revenue has increased 63%; hospitality tax revenue 35%; and business license revenue 30%. As the population continues to grow and businesses are established, management anticipates further revenue will be generated.

### **Long- Term Financial Planning**

The General Funds fiscal year end unassigned fund balance is 42% of the total general fund expenditures. This represents about five months of general operating funds and falls above the Government Finance Officers Association (GFOA) best practices recommended two months. Although, the Town anticipates using a portion of the general fund's unassigned fund balance for the approved fiscal year 2018/2019 General Fund budget, fund balance is expected to remain sufficient.

The Town issued \$368,000 in general obligation bonds in June 2011 for a fire truck and another \$1,780,000 general obligation bonds were issued in December 2014 to finance various projects and equipment purchases. As of fiscal year end, the Town has approximately \$1.7 million of general obligation bond debt outstanding that is subject to the State's 8% debt limit; resulting in an unused legal debt margin of \$1,986,000. The Town's general obligation bond debt payments are secured by the Town's full faith, credit and taxing power and paid from three mills of property tax collections.

In October 2010, the Town issued approximately \$6.9 million in installment purchase revenue bonds to finance the construction of the Moncks Corner Regional Recreation Complex. The Complex consists of four baseball fields, a soccer field, a football field, basketball courts, market pavilion and two concession stands. As of fiscal year end, the Town has approximately \$5.8 million revenue bond debt outstanding. The revenue bond debt payments are secured by the local hospitality and local accommodations tax revenue.

### **Relevant Financial Policies**

The Town has implemented internal controls that are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss, theft, or misuse; and to check the accuracy and reliability of financial records for preparing the financial statements. The framework in which the Town's procedures are applied include all five essential components identified by the Committee of Sponsoring Organizations (COSO): control environment, risk assessment, control activities, information and communication, and monitoring.

Budgetary controls are maintained by issuing purchase orders prior to expenditures. All purchase orders are approved by the appropriate department heads; reviewed by the Purchasing Agent; then approved by the appropriate level of management. A detailed budget and actual expenditures

comparison is provided each month to the appropriate department head and the Town Administrator. A financial statement is presented monthly to the Mayor and Town Council.

The Town Administrator submits a proposed budget for the General Fund and all other funds to the Mayor and Town Council at least 60 days prior to the beginning of the fiscal year. The Budget is legally enacted and adopted by ordinance by the Mayor and Town Council. All budgetary transfers are authorized by the Town Administrator and the Mayor; however, Town Council must approve any amendment to the budget which causes a change in the total expenditures. Budgets are adopted on a basis consistent with GAAP.

## **Major Initiatives**

Town Council established statements that affirm the vision, mission and values of the Town. Along with the statements, strategic goals were also developed for the following objectives: (1) clean up / improve the Town's appearance; (2) expand Town services / diversify revenue base; (3) promote the Town's sense of safety; (4) improve business development environment; (5) improve operations / communications; and (6) implement improvements to recreation.

The Town formed a Special Revenue Fund (SRF) – Abatements and Improvements Fund to initiate the first strategic goal to clean up and improve the Town's appearance. This SRF is funded by a General Fund transfer of all permit revenues generated over \$250,000. These improvements comprised of the demolition of dilapidated buildings; gateway signage; way finding signage; crosswalks at US 17A and SC 6; mast arms at US 52 and Old Highway 52; landscaping on Highway 52; and beautification of Main Street with banners and flower baskets.

The Town is working on the second strategic goal to expand Town services and diversify revenue base by constructing Fire Station II at Foxbank Plantation and contracting with Berkeley County to establish Emergency Medical Services for local citizens.

The Police Department continues to successfully accomplish strategic goal 3; promoting the Town's sense of safety by increasing the visibility of the department by visiting local businesses; organizing community outreach programs with the Town's citizens and providing neighborhood watch meetings.

The Town is collaborating with its partners, the Berkeley County's Economic Development Department and Berkeley Chamber of Commerce, to achieve strategic goal 4 – improve business development environment; by making resources available for local entrepreneurs seeking to start or expand businesses. Also, Moncks Corner's Main Street initiative, Corner Renaissance seeks ways to strengthen and expand the Town's downtown economic base.

Moncks Corner has created several ways to achieve strategic goal 5, improve operations / communications. First, the Town has improved its website to inform citizens of Town Council meetings, agendas and financial transparency. The website also provides citizens and businesses downloadable forms for their convenience. Also, the Town has established a Facebook page to promote a better understanding of the services the Town provides and our efforts to meet expectations.

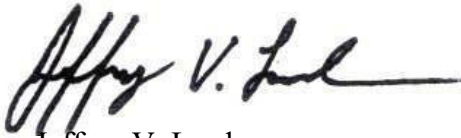


The Recreation department has grown significantly over the last few years with the construction of the Moncks Corner Regional Recreation Complex. As such, strategic goal 6 – implement improvements to recreation has become a priority. Several programs have been developed such as adult sports, adult classes and a youth summer camp program. Also, the Town has initiated an online registration process for the efficiency of youth sport sign-ups. This year the Town hosted its first State tournament and anticipates hosting the Dixie World Series in the future.

### **Acknowledgements**

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire Town staff and the staff of Greene Finney LLP, Certified Public Accountants and Consultants. We also thank the Mayor and members of Town Council for their continued oversight and support throughout the past year.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jeffrey V. Lord". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jeffrey V. Lord  
Town Administrator

A handwritten signature in black ink, appearing to read "Lisa Hancock". The signature is cursive and elegant, with a prominent initial "L".

Lisa Hancock  
Town Accountant

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## ELECTED OFFICIALS



From Left to Right: James Ware, III, Charlotte Cruppenink, Dr. Tonia Aiken-Taylor, Michael Locklear (Mayor), David Dennis (Mayor Pro Tempore), Chad Sweatman, and James Law, Jr.

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## MANAGEMENT

Jeffrey V. Lord

Marilyn Baker

Doug Polen

Robert Gass

Robert Watson

George Bishop

Rick Ollic

Logan Faulkner

Rebecca Ellison

Town Administrator

Clerk Treasurer

Community Development Director

Fire Chief

Administrative Judge

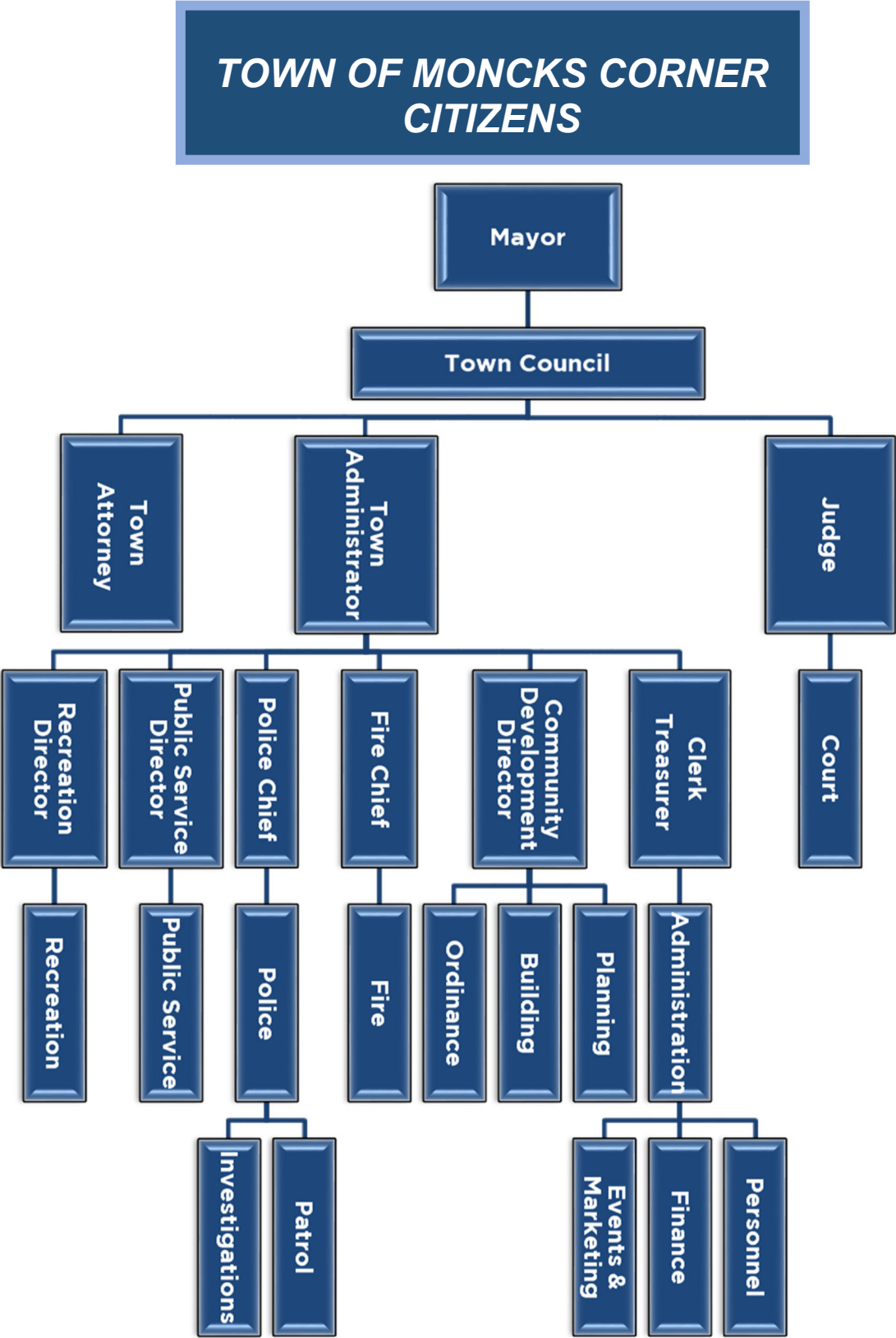
Municipal Judge

Police Chief

Public Service Director

Recreation Director

# Organization Chart







## FINANCIAL SECTION

- Independent Auditor's Report
- Management's Discussion & Analysis
- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements
- Required Supplementary Information
- Supplementary Information





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## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of Town Council  
Town of Moncks Corner  
Moncks Corner, South Carolina

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinions**

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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, the other postemployment benefit plan – defined benefit healthcare plan – schedules of employer contributions and funding progress, and the pension schedules on pages 11-19 and 51-60 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.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Moncks Corner, South Carolina's basic financial statements. The supplementary information, combining and individual nonmajor 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 nonmajor 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor 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 March 18, 2019 on our consideration of the Town's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town's internal control over financial reporting and compliance.



The Baird Audit Group, LLC  
Augusta, Georgia

March 18, 2019

**TOWN OF MONCKS CORNER, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED SEPTEMBER 30, 2018**

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As management of the Town of Moncks Corner (Town), South Carolina, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2018 as compared to fiscal year ended September 30, 2017.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of fiscal year by approximately \$10,637,000 (net position). Of the total net position, approximately \$8,373,000 is the net investment in capital assets, approximately \$3,599,000 is restricted, and the remaining amount of approximately \$1,336,000 is an unrestricted net deficit (primarily due to the Town's proportionate share of the net pension liability per GASB #68 and the net OPEB liability per GASB #75).
- The government's total net position increased approximately \$1,339,000 (14%) due to total revenues of approximately \$11,471,000 exceeding total expenses of approximately \$10,132,000.
- At close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of approximately \$7,398,000, an increase of approximately \$976,000 (15%) in comparison with prior fiscal year.
- At the end of the fiscal year, unassigned fund balance for the General Fund was approximately \$3,680,000 or 42% of total General Fund expenditures for the year ended September 30, 2018.
- The Town's net capital assets were approximately \$15,936,000, increasing by approximately \$594,000 (4%) during the current fiscal year, due to additions of approximately \$1,183,000 offset by depreciation expense of approximately \$581,000, and net disposals of approximately \$7,000.
- The Town's total long-term obligations decreased by approximately \$290,000 (4%) during the current fiscal year due to principal payments on outstanding debt of approximately \$302,000 partially offset by amortization of the bond discount of approximately \$4,000 and the net increase in the compensated absences liability of \$8,000.
- The Town adopted GASB Statement No. 75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" ("Statement") for the year ended June 30, 2018. This Statement requires the Town to recognize a net OPEB liability (and any related deferred outflows/inflows of resources) along with a more comprehensive measure of OPEB expense for the its OPEB Plan which is affiliated with the South Carolina Other Retirement Benefits Employer Trust ("SC ORBET"), an agent multiple-employer defined benefit OPEB plan ("OPEB Plan"), on financial statements prepared on the economic resources measurement focus and accrual basis of accounting (i.e., the Statement of Net Position) and present more extensive note disclosures.

The adoption of this Statement had no impact on the Town's governmental fund financial statements, which continue to report expenditures in the amount of the contributions made to the OPEB Plan. However, the adoption has resulted in the restatement of the Town's net position as of July 1, 2017 for its government-wide financial statements to reflect the reporting of a net OPEB liability and deferred outflows of resources for its OPEB Plan in accordance with the provisions of this Statement. Net position of the Town's government-wide financial statements as of July 1, 2017 was decreased by approximately \$126,000, reflecting the cumulative change in accounting principle related to the adoption of this Statement. See Note IV.C in the in the notes to the financial statements for more information regarding the Town's OPEB Plan.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

**Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the financial statements, this report contains supplementary information that will enhance the reader's understanding of the financial condition of the Town.

**TOWN OF MONCKS CORNER, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED SEPTEMBER 30, 2018**

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**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Basic Financial Statements (Continued)**

The financial statements include two kinds of financial statements that present different views of the Town. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business and are presented using the accrual basis of accounting. In addition, the *fund financial statements* provide a more detailed look at the Town's activities and are presented using the modified accrual basis of accounting.

*Government-Wide Financial Statements*

The *statement of net position* presents the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the differences between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the fiscal year. The statement presents all underlying events which give rise to the change, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items, such as uncollected taxes or earned but unused annual leave that will produce changes in cash flows in future fiscal periods.

Typically, both *government-wide financial statements* distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include administrative, community development, police, fire, public services, and recreation. The Town has no business-type activities.

*Fund Financial Statements*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like all other governmental entities in South Carolina, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

**Governmental Funds** - *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, *governmental fund financial statements* focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The relationship between the *governmental activities* (reported in the statement of net position and the statement of activities) and *governmental funds* is described in reconciliations that are a part of the fund financial statements.

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

Governmental funds individually presented in the Town of Moncks Corner's statements include three major funds: the General Fund, the Franchise Fund, and the Capital Improvement Fund. The Town also maintains seven non-major governmental funds presented in a total column termed as "Other Non-Major Governmental Funds".

**Fiduciary Funds** - *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government in a trustee or agency capacity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs.

*Agency funds* are used to account for assets the Town holds on behalf of others. The Firemen's Insurance and Inspection Fund is used to account for the receipt and disbursement of funds received from the State relating to the collection of the one percent tax received on all fire insurance premiums written in the state.



**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED SEPTEMBER 30, 2018**

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**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statements.

**Other Information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that is presented immediately following the notes to the financial statements. The Town adopts an annual budget for its General Fund and Capital Improvement Fund. Budgetary comparison schedules have been provided for the General Fund and the Capital Improvement Fund to demonstrate compliance with these budgets.

The combining statements referred to earlier in connection with the non-major special revenue and debt service funds are presented immediately following the required supplementary information.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The government-wide financial statements for the fiscal year ended September 30, 2018 are prepared using the financial statement-reporting model as mandated by the Governmental Accounting Standards Board (GASB).

**STATEMENT OF NET POSITION**

	<b>2018</b>	<b>2017</b>
<b>Assets</b>		
Current and other assets	\$ 12,216,695	\$ 10,951,790
Capital assets	15,935,983	15,341,747
<b>Total Assets</b>	<b>28,152,678</b>	<b>26,293,537</b>
<b>Deferred Outflows of Resources</b>		
Deferred OPEB charges	12,743	-
Deferred pension charges	1,431,423	1,362,146
<b>Total Deferred Outflows of Resources</b>	<b>1,444,166</b>	<b>1,362,146</b>
<b>Liabilities</b>		
Net OPEB liability	82,005	-
Net pension liability	7,103,976	6,502,905
Long term	7,728,080	8,018,558
Other liabilities	857,252	734,265
<b>Total Liabilities</b>	<b>15,771,313</b>	<b>15,255,728</b>
<b>Deferred Inflows of Resources</b>		
Deferred revenue	3,161,186	2,928,539
Deferred OPEB credits	2,211	-
Deferred pension credits	25,562	48,016
<b>Total Deferred Inflows of Resources</b>	<b>3,188,959</b>	<b>2,976,555</b>
<b>Net Position</b>		
Net invested in capital assets	8,372,996	7,482,884
Restricted for		
Public safety	148,057	131,038
Tourism	5,886	4,465
Capital projects	2,376,512	1,017,742
Debt service	758,583	737,191
Other	310,365	37,082
Unrestricted	(1,335,827)	12,998
<b>Total Net Position</b>	<b>\$ 10,636,572</b>	<b>\$ 9,423,400</b>

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED SEPTEMBER 30, 2018**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

As noted earlier, net position may serve over time as a useful indicator of a government's financial condition. The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by approximately \$10,637,000 as of September 30, 2018. An increase of roughly \$1,339,000 (14%) from last fiscal year as discussed in detail below.

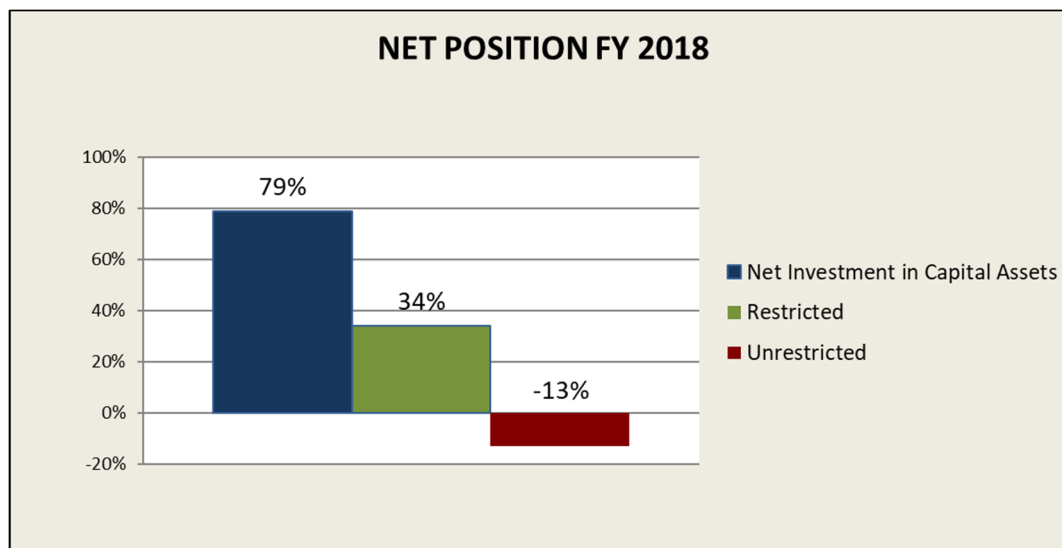
Total assets increased approximately \$1,859,000 (7%) primarily due to an increase of approximately \$1,265,000 (12%) in current assets and an increase of approximately \$594,000 (4%) in capital assets. The current assets increase of \$1,265,000 is primarily due to increases of approximately \$1,006,000 in cash and cash equivalents. The Town's net capital assets increased by approximately \$594,000 (4%) during the current fiscal year due to additions of approximately \$1,183,000 partially offset by depreciation expense of approximately \$581,000 and net disposals of approximately \$7,000. Major additions included construction of the Fire Station II, an additional concession stand and press box at the recreation complex, and public safety vehicles including a new fire truck.

Total deferred outflows of resources increased approximately \$82,000 (6%) primarily due to changes in the actuarial valuations of the State retirement plans. Total liabilities at September 30, 2018 increased approximately \$516,000 (3%) primarily due to increases of approximately \$601,000 (9%) in the net pension liability and \$123,000 (17%) in other liabilities, offset by decreases of approximately \$290,000 in long-term liabilities. Deferred inflows of resources increased approximately \$212,000 (7%) primarily due to an increase of approximately \$233,000 in deferred revenue offset by a decrease of approximately \$22,000 in deferred pension credits.

Assets exceeded liabilities and deferred inflows of resources by approximately \$10,637,000 (net position). The largest portion of the Town's net position, approximately \$8,373,000 (79%), is invested in capital assets (i.e., land, buildings, equipment, infrastructure, etc.) less any related outstanding debt, including capital leases, used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot generally be used to liquidate these liabilities.

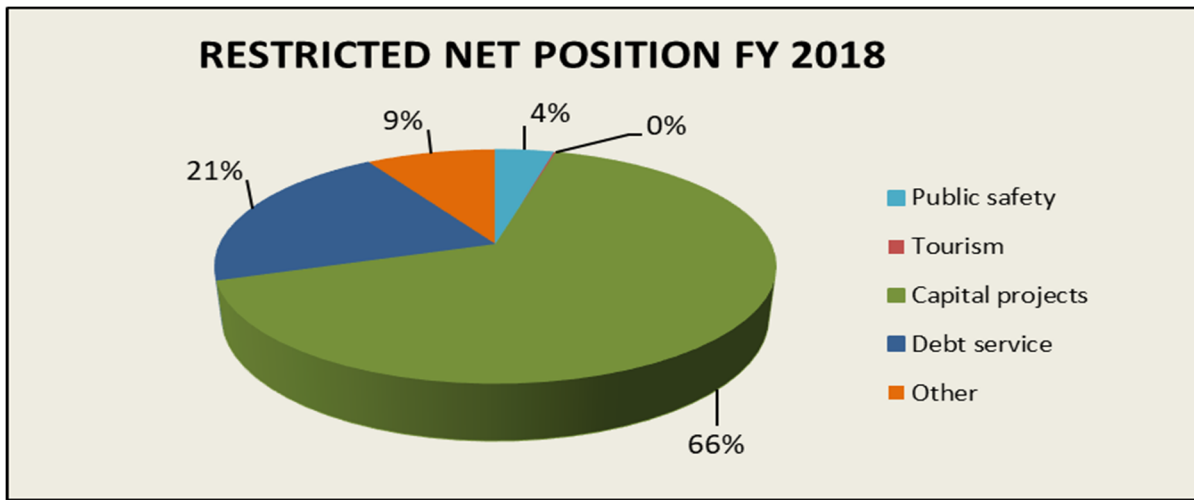
An additional portion of the Town's net position, approximately \$3,599,000 (34%) is restricted for public safety, tourism, capital projects, debt service and other obligations. The major portion of restricted net position, approximately \$2,377,000, is to be expended for the Town's capital projects such as the completion of Fire Station II at Foxbank Plantation and the concession stand and press box at the Recreation Complex. The remainder, approximately \$1,223,000, is restricted for public safety, tourism, annual general and revenue bond payments, and other obligations.

The Town's unrestricted net position deficit of \$1,336,000 or (13%) is primarily due to the Town's proportionate share of the net pension liability per GASB #68 and the net OPEB liability per GASB #75.



**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED SEPTEMBER 30, 2018**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**



**STATEMENT OF ACTIVITIES**

	2018	2017
<b>REVENUES</b>		
<b>Program Revenues</b>		
Charges for services	\$ 3,956,476	\$ 3,600,682
Operating grants and contributions	379,123	414,897
Capital grants and contributions	90,616	251,330
<b>General Revenues</b>		
Property taxes, including fee in lieu of taxes	2,600,052	2,408,637
Local option sales taxes	1,483,914	1,348,061
Hospitality taxes	985,068	907,038
Accommodations taxes	66,781	74,424
Franchise fees	825,457	661,360
Unrestricted revenue from use of money and property	148,048	136,741
Intergovernmental	178,099	174,524
Miscellaneous	353,811	133,024
Gain on Disposal on Capital Assets	403,792	15,977
<b>Total Revenues</b>	<b>11,471,237</b>	<b>10,126,695</b>
<b>EXPENSES</b>		
Administration	2,196,832	2,063,707
Community Development	853,972	373,889
Police	3,074,785	2,661,318
Fire	1,091,999	1,136,477
Public service	1,489,491	1,949,764
Recreation	1,003,493	721,892
Interest and other charges	421,845	434,075
<b>Total Expenses</b>	<b>10,132,417</b>	<b>9,341,122</b>
<b>Change in Net Position</b>	<b>1,338,820</b>	<b>785,573</b>
<b>Net Position - Beginning of Year</b>	<b>9,423,400</b>	<b>8,637,827</b>
Cumulative Change in Accounting Principle ^	(125,648)	-
<b>Net Position - Beginning of Year - Restated</b>	<b>9,297,752</b>	<b>8,637,827</b>
<b>Net Position - End of Year</b>	<b>\$ 10,636,572</b>	<b>\$ 9,423,400</b>

^See Note I.B. in the Notes to the Financial Statements for more information

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED SEPTEMBER 30, 2018**

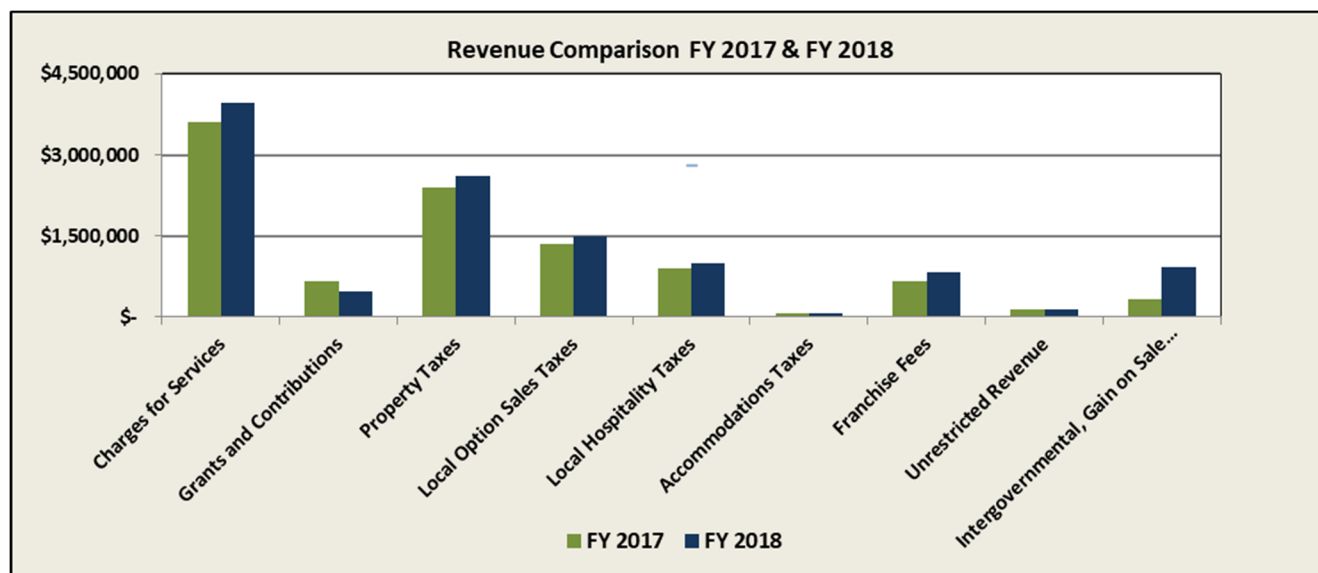
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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

The Town's net position increased approximately \$1,339,000 (14%) from the prior year beginning net position due to revenues exceeding expenses as discussed below.

Total revenues increased approximately \$1,345,000 (13%) from the prior year with key elements of this increase as follows:

- Charges for services increased approximately \$356,000 (10%) primarily due to the implementation of the collection of residential sanitation fees on the tax bill and an increase in business licenses related to the continued growth in the Town.
- Operating grants and contributions decreased about \$36,000 (9%) from fiscal year 2017 primarily due to decreases in operating grants that were not awarded in FY 2018.
- Capital grants and contributions decreased approximately \$161,000 (64%) primarily due to a decrease of approximately \$191,000 in franchise fee revenues for the use of underground street lighting projects in the prior year.
- Property taxes increased approximately \$191,000 (8%) primarily due to an increase in assessed values.
- Local options sales taxes and hospitality taxes increased approximately \$214,000 (9%) due to continued growth of the local economy.
- Miscellaneous revenues nearly tripled from FY 2017 due to unanticipated reimbursements from FEMA for flood damage due from Hurricanes Matthew and Irma.
- Gain on Disposal of Capital Assets increased approximately \$388,000 primarily due to insurance claim proceeds from the disposal of the 2006 Quint Ladder Fire Truck.



The Town's total departmental expenses, excluding interest expense, increased approximately \$804,000 (9%) from the prior year due to the following department-wide increases:

- Approximately \$485,000 (15%) in salaries and wages due to Phase I of III of the compensation study increase, merit increases, and staffing increases.
- Fringe benefit increases of \$204,000 (21%) as mandatory health and retirement contributions increased.
- Additionally, emergency compensation in the amount of \$30,000 was paid to public safety and other key personnel during Hurricane Florence.

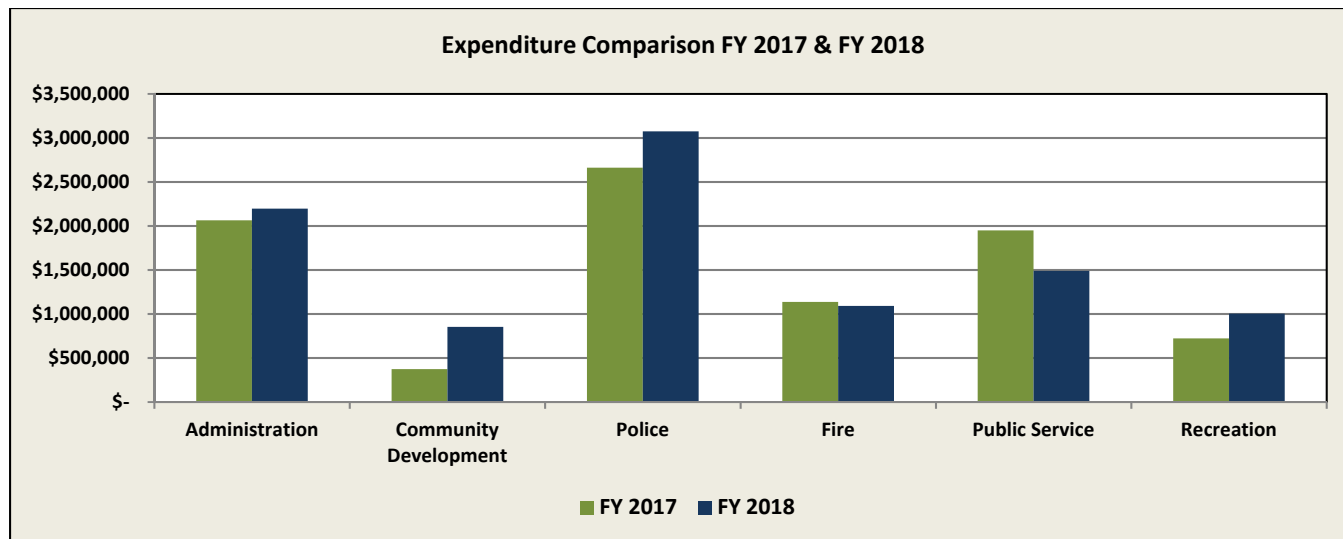


**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED SEPTEMBER 30, 2018**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

Changes are highlighted in the table below.



**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

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

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

At the end of fiscal year 2018, the Town's governmental funds reported combined ending fund balances of approximately \$7,398,000. Of this amount, approximately \$865,000 is restricted for debt payments on the revenue and general obligation bonds. Other restricted amounts are as follows: Approximately \$1,565,000 for capital projects, approximately \$148,000 restricted for public safety, and approximately \$6,000 restricted for tourism to promote the Town. The non-spendable amount of approximately \$80,000 is for prepaid items. The assigned amount includes approximately \$374,000 assigned to appropriated use of fund balance in the fiscal year 2019 budget and approximately \$419,000 is to be used for capital improvements per Council's designation. The remainder of the total governmental fund balance of approximately \$3,680,000 is unassigned fund balance in the General Fund.

**General Fund** - The General Fund is the chief operating fund of the Town. As of September 30, 2018, the total fund balance was approximately \$4,111,000. As a measure of liquidity, it may be useful to compare total unassigned fund balance to total General Fund expenditures. Total unassigned fund balance of the General Fund of approximately \$3,680,000 represents approximately 42% of the total General Fund expenditures for the year ended September 30, 2018. This total represents about five months of general operating funds. The net decrease in the fund balance of the General Fund was approximately \$217,000 (5%) during fiscal year 2018. Some of the financial highlights for the General Fund are as follows:

- General Fund revenues increased by approximately \$1,165,000 (14%) over the prior year primarily due to the following:
  - Taxes increased approximately \$306,000 (9%) due to an increase in assessed values as annexed areas were incorporated in Town.
  - Licenses, permits and franchise fees increased by approximately \$214,000 (7%) primarily related to an increase in business licenses fees due to continued growth in the area.
  - Charges for services doubled to \$1,072,000 as revenue for Recreation was moved from being recorded in the Recreation Complex Fund (now the Local Tax Fund) to the General Fund for FY 2018

**TOWN OF MONCKS CORNER, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED SEPTEMBER 30, 2018**

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**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (CONTINUED)**

- General Fund expenditures increased by approximately \$1,532,000 (21%) over the prior year primarily due to the following:
  - Salaries and fringe benefits increased approximately \$719,000 (17%) primarily due to the implementation of Phase I of the compensation study, merit and staffing increases; and increases in mandatory fringe benefit contributions.
  - Another significant increase of \$587,000 is due to Recreation expenditures now being recorded in the General Fund compared to last fiscal year when those expenditures were recorded in the Recreation Complex Fund (now the Local Tax Fund)
- General Fund financing sources (uses) resulted in a net increase of uses of approximately \$328,000 (81%) from last fiscal year primarily due to the following transfers out:
  - Council designated transfer of all building permit revenues over \$250,000 to the Abatement and Improvements Fund that were used for the Town's wayfinding signs, gateway signage, the Highway 52 beautification project, crosswalks at US 17A & SC6, and other improvements.
  - Transfer of \$875,000 to the Capital Improvement Fund for the construction of Fire Station II at Foxbank Plantation; and the construction of the football field concession stand and press box at the Recreation Complex.

**Franchise Fund** - The Town of Moncks Corner and Santee Cooper have an agreement that states 20% of the total franchise fees paid by Santee Cooper will be allocated to a fund held by Santee Cooper and solely used to construct underground power line projects within the Town. In addition to the franchise fees allocated to the fund, Santee Cooper also contributes an additional amount equal to 20% of the franchise fees. These funds are retained by Santee Cooper until allowable expenditures are incurred. The Town's Franchise Fund records revenues and related expenditures used to construct underground power line projects such as the underground facilities at the Recreation Complex and SC6 / US 17A intersection conversion. Total project expenditures were approximately \$190,000 in fiscal year 2018.

**Capital Improvement Fund** - The Capital Improvement Fund represents the portion of local option sales tax revenues that Town Council voted to use for capital improvements. For fiscal year 2018, the Mayor and Council approved 10% of local option sales tax revenue along with transfers from the General Fund and Local Tax Fund for beginning the construction of Fire Station II and the football field concession and press box.

**Other Governmental Funds** - The Other Governmental Funds are non-major funds which have a combined total fund balance of approximately \$1,700,000, an increase of approximately \$204,000 (14%) from last year. Other Governmental Funds consist of five special revenue funds and two debt service funds. The special revenue funds account for proceeds of specific revenue sources that are restricted, committed, or assigned to specified expenditures. The Town's special revenue funds are comprised of the Victims' Assistance Fund, which accounts for court fees collected for victims; the Accommodations Tax Fund, which accounts for the two percent tax collected and distributed by the State; the Abatements and Improvements Fund, which diverts additional permit revenues from the General Fund so the Town does not remain dependent upon the growth revenues and for the Town to complete short-term projects; the Local Tax Fund, which reports local accommodations and hospitality taxes; and the Police Narcotics Fund, which reports confiscated funds. The Debt Service Fund is used to allocate the 3 mills of property tax collections to pay the Town's general obligation bond debt. And the Community Recreation Complex Debt Service Fund records transfers in of local hospitality and accommodations tax revenues from the Local Tax Fund for the Series 2010 Installment Purchase Revenue Bond payments.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

By state statute, Town Council adopts an annual operating budget for the Town by the last day of September. The General Fund's actual revenues were approximately \$9,300,000 and were approximately \$1,123,000 (14%) greater than budgeted revenues. Actual expenditures were approximately \$8,763,000 and were approximately \$317,000 (3%) less than budgeted expenditures.

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED SEPTEMBER 30, 2018**

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**GENERAL FUND BUDGETARY HIGHLIGHTS (CONTINUED)**

Overall, the fund balance of the General Fund decreased approximately \$196,000 compared to a budgeted use of fund balance of approximately \$1,633,000. A budgetary comparison schedule can be found as listed in the table of contents.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets** - The Town's capital assets for its governmental activities as of September 30, 2018, amount to approximately \$15,936,000 (net of accumulated depreciation). This amount is an increase of approximately \$594,000 (4%) from the prior year as additions of approximately \$1,183,000 were offset by depreciation expense of approximately \$581,000 and net disposals of approximately \$7,000. Major additions included a fire truck of approximately \$357,000, construction costs of approximately \$292,000 related to Fire Station II, and approximately \$101,000 for a new press box and concession stand at the Recreation Complex.

Additional information on the Town's capital assets can be found in Note III.D in the notes to the financial statements.

**Long Term Debt** - At fiscal year end, the Town's total long term debt was approximately \$7,728,000 (including compensated absences). Approximately \$1,750,000 of this amount is general obligation bond debt. General obligation bonds are secured by the Town's full faith, credit and taxing power. Principal and interest are paid out from the Debt Service Fund from three mills of property tax collections for debt service. State statutes limit the amount of general obligation debt a governmental entity may issue to eight percent (8%) of its total assessed value. As of September 30, 2018, the debt limitation for the Town was approximately \$3,736,000. Total assessed value of real, personal, and vehicle taxes within the Town's taxing jurisdiction is approximately \$46,694,000. The Town is currently at forty-seven percent (47%) of its general obligation bond debt limit resulting in an unused legal debt margin of approximately \$1,986,000.

Other long term debt consists of approximately \$5,811,000 (net of unamortized discounts) of revenue bonds that were issued October 2010 for the land acquisition and construction of the recreation complex. The revenue bond debt payments are secured by the local hospitality and local accommodations tax revenue collected in the Local Tax Fund and transferred to the Community Recreation Complex Debt Service Fund for principal and interest payments.

Remaining debt of approximately \$167,000 consists of compensated absences.

The Town's total long-term obligations decreased by approximately \$290,000 (4%) during the current fiscal year due to principal payments on outstanding debt of approximately \$302,000 partially offset by amortization of the bond discount of approximately \$4,000 and the net increase in the compensated absences liability of \$8,000.

Additional information on the Town's long term debt can be found in Note III. E in the notes to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET RATES**

- Business License revenue is anticipated to increase as new rates will be effective January 2019.
- Property taxes will increase slightly as more areas are annexed.
- Millage will remain the same at 70.3 mills; 67.3 mills for operating and 3 mills for debt.
- Property tax credits of \$720,000 will be allocated to the municipal taxpayers on their tax bills as part of the fiscal year 2019 budget.
- The Police Department was awarded the Department of Public Safety Grant for a traffic officer again for FY 2019.
- Personnel costs will increase as the Town implements Phase II of III of the compensation study increases; bringing employee's wages to market comparable rates.
- Other personnel costs are anticipated to increase as health insurance and retirement rates increase for fiscal year 2019.
- Fire Station II at Foxbank Plantation will begin operations in fiscal year 2019.
- The press box and concession stand at the football field at the Recreation Complex will complete construction in fiscal year 2019.
- The Town is in the developmental stages of a Miracle League field that will be constructed at the Recreation Complex.

**TOWN OF MONCKS CORNER, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED SEPTEMBER 30, 2018**

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET RATES (CONTINUED)**

- The Town is contracting with Berkeley County to begin Emergency Medical Services beginning late fiscal year 2019.
- An economic factor is the potential sell of Santee Cooper, as their corporate offices are located within Town limits. Although the Town expects to maintain its underground facilities and franchise fee funds, the financial impact to the Town is expected to be significant.

**REQUESTS FOR INFORMATION**

The financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Lisa Hancock, Town Accountant, [lisa.hancock@monckscorner-sc.gov](mailto:lisa.hancock@monckscorner-sc.gov) or mailed to 118 Carolina Avenue, Moncks Corner, South Carolina 29461.

## Basic Financial Statements

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2018**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 6,062,190
Receivables:	
Due from other governments	1,214,159
Taxes receivable	3,347,851
Accounts receivable	304,395
Prepaid expenses	79,939
Cash and cash equivalents - restricted	1,208,161
Capital assets:	
Non-depreciable	5,508,236
Depreciable, net	10,427,747
<b>TOTAL ASSETS</b>	<b>28,152,678</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred OPEB charges	12,743
Deferred pension charges	1,431,423
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>1,444,166</b>
<b>LIABILITIES</b>	
Accounts payable	528,178
Bail and bonds posted	3,129
Accrued salaries and wages	145,371
Retainage payable	24,080
Unearned revenue	5,837
Accrued interest payable	150,657
Long-term obligations:	
Net OPEB liability	82,005
Net pension liability	7,103,976
Due within one year	426,258
Due in more than one year	7,301,822
<b>TOTAL LIABILITIES</b>	<b>15,771,313</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred revenue	3,161,186
Deferred OPEB credits	2,211
Deferred pension credits	25,562
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>3,188,959</b>
<b>NET POSITION</b>	
Net investment in capital assets	8,372,996
Restricted for:	
Public safety	148,057
Tourism	5,886
Capital projects	2,376,512
Debt service	758,583
Other	310,365
Unrestricted	(1,335,827)
<b>TOTAL NET POSITION</b>	<b>\$ 10,636,572</b>

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.



TOWN OF MONCK'S CORNER, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2018

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	Expenses	Charges For Services	Operating Grants And	Capital Contributions	
<b>PRIMARY GOVERNMENT</b>					<b>Governmental Activities</b>
Governmental Activities:					
Administrative	\$ 2,196,832	2,107,233	-	-	\$ (89,599)
Community development	853,972	1,386,132	-	-	532,160
Police	3,074,785	144,247	340,283	-	(2,590,255)
Fire	1,091,999	-	-	-	(1,091,999)
Public service	1,489,491	-	-	90,616	(1,398,875)
Recreation	1,003,493	318,864	38,840	-	(645,789)
Interest Expense	421,845	-	-	-	(421,845)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 10,132,417</b>	<b>3,956,476</b>	<b>379,123</b>	<b>90,616</b>	<b>(5,706,202)</b>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					2,600,052
Local Option Sales Taxes					1,483,914
Hospitality Taxes					985,068
Accommodation Taxes					66,781
Franchise Fees					825,457
Unrestricted Revenue from Use of Money and Property					148,048
Intergovernmental					178,099
Miscellaneous					353,811
Gain on Disposal of Capital Assets					403,792
Total General Revenues					<u>7,045,022</u>
<b>CHANGE IN NET POSITION</b>					<b>1,338,820</b>
NET POSITION, Beginning of Year					<u>9,423,400</u>
Cumulative Change in Accounting Principle - See Note I.B					<u>(125,648)</u>
NET POSITION, Beginning of Year - Restated					<u>9,297,752</u>
<b>NET POSITION, End of Year</b>					<b><u>\$ 10,636,572</u></b>

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2018**

	<b>GENERAL FUND</b>	<b>FRANCHISE FUND</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,953,738	-
Receivables:		
Due from other governments	391,012	811,554
Taxes receivable	3,127,732	-
Accounts receivable	263,337	-
Prepaid items	58,218	-
Due from other funds	130	-
Cash and cash equivalents - restricted	-	-
<b>TOTAL ASSETS</b>	<b>\$ 7,794,167</b>	<b>811,554</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 412,026	-
Bail and bonds posted	3,129	-
Accrued salaries and wages	143,560	-
Retainage payable	-	-
Unearned revenue	-	-
Due to other funds	2,062	-
<b>TOTAL LIABILITIES</b>	<b>560,777</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue	95,703	811,554
Deferred revenue	3,026,285	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>3,121,988</b>	<b>811,554</b>
<b>FUND BALANCES</b>		
Nonspendable:		
Prepaid items	58,218	-
Restricted:		
Public safety	-	-
Tourism	-	-
Capital projects	-	-
Debt service	-	-
Committed:		
Future development	-	-
Assigned:		
Next year's budgeted use of fund balance	373,514	-
Capital projects	-	-
Unassigned	3,679,670	-
<b>TOTAL FUND BALANCES</b>	<b>4,111,402</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 7,794,167</b>	<b>811,554</b>

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

<b>CAPITAL IMPROVEMENT FUND</b>	<b>OTHER NON-MAJOR GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
1,678,652	429,800	\$ 6,062,190
-	11,593	1,214,159
-	220,119	3,347,851
-	-	263,337
21,721	-	79,939
-	2,062	2,192
-	1,208,161	1,208,161
<b>1,700,373</b>	<b>1,871,735</b>	<b>\$ 12,177,829</b>
89,614	26,538	\$ 528,178
-	-	3,129
-	1,811	145,371
24,080	-	24,080
-	5,837	5,837
-	130	2,192
<b>113,694</b>	<b>34,316</b>	<b>708,787</b>
-	2,868	910,125
-	134,901	3,161,186
-	137,769	4,071,311
21,721	-	79,939
-	148,057	148,057
-	5,886	5,886
1,564,958	-	1,564,958
-	865,314	865,314
-	273,109	273,109
-	-	373,514
-	419,211	419,211
-	(11,927)	3,667,743
<b>1,586,679</b>	<b>1,699,650</b>	<b>7,397,731</b>
<b>1,700,373</b>	<b>1,871,735</b>	<b>\$ 12,177,829</b>



**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION  
OF GOVERNMENTAL ACTIVITIES**

**SEPTEMBER 30, 2018**

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<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$</b>	<b>7,397,731</b>
Amounts reported for the governmental activities in the Statement of Net Position are different because of the following:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets was \$19,863,286 and the accumulated depreciation was \$3,927,303.		15,935,983
Other long-term assets are not available to pay for current period expenditures and therefore are not reported or are reported as unavailable revenues in the governmental funds:		
Property taxes		67,201
School resource officer reimbursement		31,370
Franchise fees		811,554
Interest receivable		41,058
The Town's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State pension plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.		(5,698,115)
The Town's proportionate shares of the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to its OPEB plan are not recorded in the governmental funds but are recorded in the Statement of Net Position.		(71,473)
Long-term obligations, including debt and compensated absences, are not due or payable in the current period and therefore are not reported in the governmental funds.		
Long-term obligations consisted of:		
Debt		(7,640,000)
Bond discount		79,244
Compensated absences		(167,324)
Accrued interest payable		(150,657)
<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b>10,636,572</b>

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.



**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

**YEAR ENDED SEPTEMBER 30, 2018**

	<b>GENERAL FUND</b>	<b>FRANCHISE FUND</b>
<b>REVENUES</b>		
Taxes	\$ 3,823,796	-
Licenses, permits, and franchise fees	3,498,061	90,616
Intergovernmental revenue	524,094	-
Charges for services	1,072,351	-
Fines and forfeitures	80,768	-
Miscellaneous revenues	300,884	99,834
<b>TOTAL REVENUES</b>	<b>9,299,954</b>	<b>190,450</b>
<b>EXPENDITURES</b>		
Current:		
Administrative	1,804,291	-
Community development	822,326	-
Police	2,575,639	-
Fire	1,084,128	-
Public service	1,205,759	190,450
Recreation	586,607	-
Capital outlay	705,971	-
Debt service:		
Principal	-	-
Interest	-	-
<b>TOTAL EXPENDITURES</b>	<b>8,784,721</b>	<b>190,450</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>515,233</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Disposal of capital assets	411,195	-
Transfers in	201,564	-
Transfers out	(1,345,150)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(732,391)</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(217,158)</b>	<b>-</b>
FUND BALANCES, Beginning of Year	4,328,560	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 4,111,402</b>	<b>-</b>

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

<b>CAPITAL IMPROVEMENT FUND</b>	<b>OTHER NON-MAJOR GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
120,000	1,140,167	\$ 5,083,963
-	-	3,588,677
-	171,828	695,922
-	-	1,072,351
-	53,725	134,493
42,651	60,130	503,499
<b>162,651</b>	<b>1,425,850</b>	<b>11,078,905</b>
-	292,705	2,096,996
-	-	822,326
-	68,640	2,644,279
-	-	1,084,128
-	-	1,396,209
111,498	44,343	742,448
291,884	4,544	1,002,399
-	301,709	301,709
-	423,405	423,405
403,382	1,135,346	10,513,899
<b>(240,731)</b>	<b>290,504</b>	<b>565,006</b>
-	-	411,195
1,230,000	902,150	2,333,714
-	(988,564)	(2,333,714)
1,230,000	(86,414)	411,195
<b>989,269</b>	<b>204,090</b>	<b>976,201</b>
597,410	1,495,560	6,421,530
<b>1,586,679</b>	<b>1,699,650</b>	<b>\$ 7,397,731</b>

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**YEAR ENDED SEPTEMBER 30, 2018**

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<b>TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 976,201</b>
Amounts reported for the governmental activities in the Statement of Activities are different because of the following:	
Because some revenues will not be collected for several months after the Town's fiscal year ends, they are not considered to be available and are recorded as unavailable revenues in the governmental funds. This amount represents the change in unavailable revenue from the prior year.	(11,461)
Bond principal payments and lease purchase payments are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	301,709
Bond discounts are recorded in the year the debt is issued in the governmental funds, but are amortized over the life of the debt in the Statement of Activities.	(3,602)
Changes in the Town's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	(509,340)
Changes in the Town's proportionate share of the net OPEB liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	(6,456)
Interest on long-term obligations 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 payable and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due and payable. This amount represents the change in accrued interest from the prior year.	5,162
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. This amount represents the change in the accrual for compensated absences compared to prior year.	(7,629)
In the Statement of Activities the gain on the disposal of fixed assets is reported, whereas in the governmental funds, proceeds from the disposal of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets disposed.	(7,403)
Governmental funds report capital asset additions as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This amount represents the amount by which capital asset additions exceeded depreciation in the current period.	601,639
<b>TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 1,338,820</b>

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**STATEMENT OF ASSETS AND LIABILITIES - FIDUCIARY FUND - AGENCY FUND**

**SEPTEMBER 30, 2018**

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	<u><b>AGENCY FUND</b></u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 24,210
Accounts receivable	73
<b>TOTAL ASSETS</b>	<u><b>\$ 24,283</b></u>
<b>LIABILITIES</b>	
Assets held for others	\$ 24,283
<b>TOTAL LIABILITIES</b>	<u><b>\$ 24,283</b></u>

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

## TOWN OF MONCKS CORNER, SOUTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2018

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The Town of Moncks Corner, South Carolina (the “Town”) operates under a charter originally granted by the State of South Carolina on December 26, 1885. The Mayor and six council members (the “Council”) establish policy for the Town. Administrative functions are directed by the Town Administrator. The Town’s major operations, as provided by its charter, include general administrative services, planning, public safety (police and fire), public service and recreation.

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. The Reporting Entity

The financial statements of the Town 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. The more significant of the Town’s accounting policies are described below.

As required by GAAP, the financial statements must present the Town’s financial information with any of its component units. The primary criterion for determining inclusion or exclusion of a legally separate entity (component unit) is financial accountability, which is presumed to exist if the Town both appoints a voting majority of the entity’s governing body, and either 1) the Town is able to impose its will on the entity or, 2) there is a potential for the entity to provide specific financial benefits to, or impose specific financial burdens on the Town. If either or both of the foregoing conditions are not met, the entity could still be considered a component unit if it is fiscally dependent on the Town and there is a potential that the entity could either provide specific financial benefits to, or to impose specific financial burdens on the Town.

In order to be considered fiscally independent, an entity must have the authority to do all of the following: (a) determine its budget without the Town having the authority to approve or modify that budget; (b) levy taxes or set rates or charges without approval by the Town; and (c) issue bonded debt without approval by the Town. An entity has a financial benefit or burden relationship with the Town if, for example, any one of the following conditions exists: (a) the Town is legally entitled to or can otherwise access the entity’s resources, (b) the Town is legally obligated or has otherwise assumed the obligation to finance the deficits or, or provide financial support to, the entity, or (c) the Town is obligated in some manner for the debt of the entity. Finally, an entity could be a component unit even if it met all the conditions described above for being fiscally independent if excluding it would cause the Town’s financial statements to be misleading.

Blended component units, although legally separate entities, are in substance, part of the government's operations and data from these units are combined with data of the primary government in the fund financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the Town. Based on the criteria above, the Town has one blended component unit.

**Blended Component Unit.** The Moncks Corner Regional Recreation Corporation (the “Corporation”) is a tax-exempt, 501(c)(3) not-for-profit organization. The Corporation was organized exclusively for public and charitable purposes, specifically for the acquisition and construction of the Moncks Corner Regional Recreation Complex, issuance of bonds to finance the construction, and ownership of the facility. The Corporation leases the facility to the Town for essential governmental functions through a tax-exempt lease purchase agreement which commenced in the year ended September 30, 2013. The Corporation is governed by a three-member Board of Directors. Separate financial statements for the Corporation are not issued. The activities of the Corporation are reported in the Town’s financial statements as a non-major debt service fund.



# TOWN OF MONCK'S CORNER, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2018

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### B. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the Town. The effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The Town does not have any business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Town.

The **government-wide financial statements** are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the Town gives or receives value without directly receiving or giving equal value in exchange, includes property taxes, grants, and donations. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The government-wide financial statements are prepared using a different measurement focus from the manner in which governmental fund financial statements are prepared (see further detail below). Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental **fund financial statements** are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes, intergovernmental revenues, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be measurable and susceptible to accrual and so have been recognized as revenues of the current fiscal period. For this purpose, the government generally considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payments are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under lease purchase are reported as other financing sources.

Fund financial statements report detailed information about the Town. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and reported in a single column.

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used as an aid to management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The following major funds and fund types are used by the Town.

# TOWN OF MONCK'S CORNER, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2018

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### B. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

**Governmental fund types** are those through which most governmental functions of the Town are financed. The Town's expendable financial resources and related assets and liabilities are accounted for through governmental funds.

The Town's governmental fund types and major funds are as follows:

The **General Fund, a major fund** and a budgeted fund, is the general operating fund of the Town and accounts for all revenues and expenditures of the Town except those required to be accounted for in other funds. All general tax revenues and other receipts that (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

**Special revenue funds** are used to account for and report the proceeds of specific revenue sources (that are expected to continue to comprise a substantial portion of the inflows of the fund) that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The Town has the following major special revenue funds:

The **Franchise Fund, a major fund** and an unbudgeted fund, is used to account for the accumulation of resources from the Town's underground utilities franchise fee. These funds are to be spent only for support of the underground utilities.

Non-major special revenue funds consist of the following: Victims' Advocate, Accommodations Tax, Abatements and Improvements, Local Tax (formerly Recreation Complex), and Police Narcotics.

**Capital projects funds** are used to account for and report financial resources that are restricted, committed, or assigned for (a) the acquisition, construction, or renovation of major capital facilities, (b) ongoing major improvement projects which usually span more than one year, and (c) major equipment or other capital asset acquisitions which are not financed by another fund.

The **Capital Improvement Fund, a major fund** and a budgeted fund is used to account for and report the accumulation of resources, including local option sales tax revenues, which are used for capital projects.

**Debt service funds** are used to account for the accumulation of resources and payments of long-term bond principal and interest from government resources.

The Town reports two non-major debt service funds that are used to service the Town's outstanding general obligation bonds and the Corporation's outstanding bonds.

**Fiduciary fund types** include the **Agency Fund**. This fund is used to account for assets held by the Town on behalf of individuals, other governments, and/or other funds. The Firemen's Insurance and Inspection Fund is accounted for as an agency fund. The Agency Fund is custodial in nature and does not present results of operations.

# TOWN OF MONCK'S CORNER, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2018

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity

##### *Change in Accounting Principle*

The Town adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75") for the year ended September 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for other postemployment benefits ("OPEB"). It is GASB's intention that GASB 75 will provide citizens and other users of the financial statements with a clearer picture of the size and nature of the Town's financial obligations to current and former employees for past services rendered.

In particular, GASB 75 requires the Town to recognize a net OPEB liability, any related deferred outflows/inflows of resources, and a more comprehensive measure of OPEB expense for the OPEB plan, an agent multiple-employer defined benefit OPEB plan ("OPEB Plan"), on financial statements prepared on the economic resources measurement focus and accrual basis of accounting (i.e., the Statement of Net Position) and present more extensive note disclosures.

The adoption of GASB 75 had no impact on the Town's governmental fund financial statements, which continue to report expenditures in the amount of the contributions made to the OPEB Plan. However, the adoption has resulted in the restatement of the Town's net position as of October 1, 2017 for its government-wide financial statements to reflect the reporting of a net OPEB liability and deferred outflows of resources for its OPEB Plan in accordance with the provisions of this Statement. Net position of the Town's government-wide financial statements as of October 1, 2017 was decreased by approximately \$126,000, reflecting the cumulative change in accounting principle related to the adoption of this Statement. See Note IV.C for more information regarding the Town's OPEB Plan.

For disclosure purposes, amounts are generally rounded to the nearest thousand.

#### *1. Cash, Cash Equivalents, and Investments*

##### **Cash and Cash Equivalents**

The Town considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and money market mutual funds to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) that are not money market mutual funds are reported as investments.

##### **Investments**

The Town's investment policy is designed to operate within existing statutes (which are identical for all funds, fund types, and component units within the State of South Carolina) that authorize the Town to invest in the following:

- (a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.
- (b) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2018**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)**

**1. Cash, Cash Equivalents, and Investments (Continued)**

**Investments (Continued)**

- (c) (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (d) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.
- (e) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and (b) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
- (f) Repurchase agreements when collateralized by securities as set forth in this section.
- (g) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

The Town's cash investment objectives are preservation of capital, liquidity, and yield. The Town reports its cash and investments at fair value which is normally determined by quoted market prices. The Town currently or in the past year has primarily used the following investments:

- Open-end mutual funds which are primarily invested in money market funds which invest in short-term obligations of the United States and related agencies.
- Repurchase agreements, as described in (f) above.

**2. Receivables and Payables**

During the course of its operations, the Town has numerous transactions occurring between funds. These transactions include expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. To the extent that certain transactions between funds had not been paid or received as of year-end, balances of interfund amounts or payables have been recorded.

Taxes receivable shown are comprised of delinquent real property taxes and the January 2018 property tax assessment levied for the 2019 fiscal year, which is deferred in the General Fund and Debt Service Fund.

# TOWN OF MONCK'S CORNER, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2018

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

##### 3. *Prepaid Items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and expenditures are reported in the year in which services are consumed.

##### 4. *Capital Assets*

Capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position, but are not reported in the fund financial statements.

All capital assets are valued at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are valued at their estimated acquisition value (as estimated by the Town) at the date of donation. As allowed by GASB #34, the Town has elected to prospectively report public domain ("infrastructure") general capital assets. Therefore, infrastructure capital assets acquired prior to July 1, 2003 have not been recorded. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The Town maintains a minimum capitalization threshold of \$5,000 for all capital assets.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

Description	Years
Land Improvements	10-30 years
Buildings	10-50 years
Equipment	3-15 years
Vehicles	5-12 years

##### 5. *Compensated Absences*

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Employees terminating or retiring are paid for accumulated vacation leave based on their hourly rate of pay earned at the time of termination or retirement. Sick leave can only be paid for illness while employed with the Town. There is no liability for unpaid accumulated sick leave since the Town does not have a policy to pay any amounts when employees separate from service with the Town.

The Town reports compensated absences in accordance with the provisions of GASB #16, *Accounting for Compensated Absences*. The entire compensated absence liability and expense is reported in the government-wide financial statements. The governmental funds will also recognize compensated absences for terminations and retirements (matured liabilities) that occurred prior to year end that are expected to be paid within a short time subsequent to year end (if material).



# TOWN OF MONCK'S CORNER, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2018

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

##### 6. *Accrued Liabilities and Long-Term Obligations*

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All current payables and accrued liabilities from governmental funds are reported in the governmental fund financial statements.

In the government-wide financial statements, debt and other long-term obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discounts. Bond issuance costs are recognized during the period in which they are incurred.

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

##### 7. *Deferred Outflows and Inflows of Resources*

In addition to assets, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has two types of deferred outflows of resources: (1) The Town reports *deferred pension charges* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. (2) The Town reports *deferred OPEB charges* in its Statement of Net Position in connection with its OPEB Plan. The *deferred pension and OPEB charges* are either (a) recognized in the subsequent period as a reduction of the net pension/OPEB liability (which includes contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension/OPEB expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town currently has four types of deferred inflows of resources: (1) The Town reports *unavailable revenue* for property taxes only in the governmental funds Balance Sheet; it is deferred and recognized as an inflow of resources (revenues) in the period the amounts become available. (2) The Town also reports *deferred revenue* not only in the governmental funds Balance Sheet but also in the government-wide Statement of Net Position; it is deferred and recognized as an inflow of resources (property tax revenue) in the period for which it is intended to finance. (3) The Town reports *deferred pension credits* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System. (4) The Town reports *deferred OPEB credits* in its Statement of Net Position in connection with its OPEB Plan. The *deferred pension and OPEB credits* are amortized in a systematic and rational method and recognized as a reduction of pension/OPEB expense in future periods in accordance with GAAP.

# TOWN OF MONCK'S CORNER, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2018

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

##### 8. Fund Balance

The Town implemented GASB #54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB #54") in fiscal year 2011. GASB #54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The Town classifies governmental fund balances as follows:

**Nonspendable** – includes amounts that inherently cannot be spent either because they are not in spendable form (i.e. prepaids, inventories, etc.) or because of legal or contractual requirements (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 the highest level of decision making authority (Town Council) 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 or committed and that such assignments are made before the report issuance date. Town Council assigns fund balance by an approved motion before the report issuance date.

**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.

The Town generally requires restricted amounts to be spent 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 Town generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are incurred.

##### 9. Net Position

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)**

**10. Pensions and Other Postemployment Benefits**

In government-wide financial statements, pensions and other postemployment benefits ("OPEB") are required to be recognized and disclosed using the accrual basis of accounting (see Note IV.B and Note IV.C and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amounts recognized as pension and OPEB expenditures on the modified accrual basis of accounting. The Town recognizes net pension and net OPEB liabilities for each plan for which it participates, which represents the excess of the total pension and OPEB liabilities over the fiduciary net position of the qualified plan, or the Town's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the Town's fiscal year-end. Changes in the net pension and OPEB liabilities during the period are recorded as pension and OPEB expenses, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension and OPEB liabilities that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified plan and recorded as a component of pension and OPEB expense beginning with the period in which they are incurred. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension and OPEB expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

**11. Fair Value**

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

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

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

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

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

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

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

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

# TOWN OF MONCK'S CORNER, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2018

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

##### *12. Accounting Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources and disclosure of these balances as of the date of the financial statements. In addition, they affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

##### *13. Comparative Data*

Comparative data (i.e. presentation of prior year totals by fund type) has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

### II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### A. Budgetary Information

The Town has elected to present its budgetary comparison information for the General Fund and Recreation Complex Fund as separate schedules and not as financial statements. The Town does not have a legally adopted budget for the Franchise Fund, a major special revenue fund; thus, no budgetary schedule is presented for the Franchise Fund. See the Notes to the Budgetary Comparison Schedules following the notes to the financial statements for details regarding the Town's budgetary information and process.

### III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

#### A. Deposits and Investments

##### *Deposits*

**Custodial Credit Risk for Deposits:** Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Town's deposits might not be recovered. The Town does not have a deposit policy for custodial credit risk, but follows the investment policy statutes of the State of South Carolina. As of September 30, 2018, none of the Town's bank balances of approximately \$1,574,000 (with a carrying value of approximately \$2,519,000) were uncollateralized and exposed to custodial credit risk.

TOWN OF MONCKS CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2018

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

A. Deposits and Investments (Continued)

*Investments*

As of September 30, 2018, the Town had the following investments and maturities (as defined by GASB #40):

Investment Type	Fair Value Level <sup>(1)</sup>	Credit Rating ^	Fair Value	Investment
				Maturities in Years < 1 yr
Advantage Government Money Market Fund	Level 1	AAAm, Aaa-mf	\$ 415,429	\$ 415,429
Overnight Repurchase Agreement	Level 1	NR, NR	4,359,705	4,359,705
Total			<u>\$ 4,775,134</u>	<u>\$ 4,775,134</u>

^ If available, credit ratings are for Standard & Poor's and Moody's Investors Service.

<sup>(1)</sup> See Note I.C.11 for details of the Town's fair value hierarchy.

NR – Not rated.

**Interest Rate Risk:** The Town does not have a formal investment policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates; however, its investments are generally short-term, which limits its interest rate risk.

**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. As of September 30, 2018, the Town was not exposed to custodial credit risk for its investments.

**Credit Risk for Investments:** Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Town minimizes this risk by investing in instruments that consist of U.S. Government obligations and/or repurchase agreements collateralized by U.S. Government obligations.

**Concentration of Credit Risk for Investments:** The Town places no limit on the amount the Town may invest 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.

Certain cash and cash equivalents of the Town are legally restricted for specified purposes. The major types of restrictions at September 30, 2018 were those imposed by the revenue source (i.e. hospitality tax, accommodations tax, etc.) and unspent bond proceeds.

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2018**

**III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)**

**A. Deposits and Investments (Continued)**

*Investments (Continued)*

**Reconciliation to the Financial Statements**

Statement of Net Position	Amount
Unrestricted Current Assets:	
Cash and Cash Equivalents	\$ 6,062,190
Restricted Current Assets:	
Cash and Cash Equivalents, Restricted	1,208,161
	<u>7,270,351</u>
 Statement of Assets and Liabilities - Fiduciary Fund - Agency Fund	
Unrestricted Current Assets:	
Cash and Cash Equivalents	24,210
<b>Total per the financial statements</b>	<u><u>\$ 7,294,561</u></u>
 Notes	
Carrying Value of Deposits	\$ 2,519,427
Investments	4,775,134
<b>Total per the notes</b>	<u><u>\$ 7,294,561</u></u>

**B. Receivables and Deferred Inflows of Resources**

The Town's 2017 property taxes were levied on October 1, 2017 and were due beginning on this date based on the assessed valuation as of January 1, 2017. Property taxes were considered late on January 16, 2018. Motor vehicle property tax is levied and collected on a portion of taxable vehicles monthly. Penalties and charges are assessed if taxes are not paid by the following dates:

January 16 through February 1	- 3% penalty for tax due
February 2 through March 15	- 10% penalty for tax due
March 16 - Lien Date	- 15% penalty for tax due plus \$15 for a delinquent execution charge

Assessed values are established by the Berkeley County Tax Assessor and the South Carolina Tax Commission. The Town's operating and debt service tax rates for the 2017 property tax year were 67.3 mills and 3.0 mills, respectively. Town property taxes are billed and collected by Berkeley County under a joint billing and collection agreement.

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2018**

**III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)**

**B. Receivables and Deferred Inflows of Resources (Continued)**

The Town had net receivables related to governmental funds at September 30, 2018, of the following:

Description	General Fund	Franchise Fund	Local Tax Fund	Accommodations Tax Fund	Debt Service Fund	Totals
Property taxes	\$ 3,127,732	-	81,790	-	138,329	\$ 3,347,851
Local Option Sales Tax	249,314	-	-	-	-	249,314
Accommodations Taxes	-	-	-	11,593	-	11,593
Franchise Fees	219,826	811,554	-	-	-	1,031,380
State Aid to Subdivisions	44,525	-	-	-	-	44,525
Sanitation Fees	14,503	-	-	-	-	14,503
Other	126,181	-	-	-	-	126,181
Net Receivables	<u>\$ 3,782,081</u>	<u>811,554</u>	<u>81,790</u>	<u>11,593</u>	<u>138,329</u>	<u>\$ 4,825,347</u>

There were no material allowances for uncollectible amounts as of September 30, 2018.

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. At September 30, 2018, the governmental funds had approximately \$910,000 in deferred inflows of resources related to property taxes, franchise fees, and school resource officer reimbursement, that were not available and approximately \$3,161,000 in deferred inflows of resources related to property taxes that were levied for fiscal year 2019.

**C. Interfund Receivables, Payables, and Transfers**

Interfund balances at September 30, 2018, consisted of the following:

Fund	Receivables	Payables
General Fund	\$ 130	\$ 2,062
Non-major Governmental Funds	2,062	130
Totals	<u>\$ 2,192</u>	<u>\$ 2,192</u>

Interfund balances generally result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. The General Fund payable is a result of various taxes collected by the General Fund and owed to the non-major funds as of September 30, 2018. The General Fund receivable is a result of expenditures paid by the General Fund for the non-major Police Narcotics Fund, but unreimbursed as of September 30, 2018. These balances were repaid subsequent to September 30, 2018.

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2018**

**III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)**

**C. Interfund Receivables, Payables, and Transfers (Continued)**

Transfers between funds for the year ended September 30, 2018, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 201,564	\$ 1,345,150
Capital Improvement Fund	1,230,000	-
Non-major Governmental Funds	902,150	988,564
Totals	<u>\$ 2,333,714</u>	<u>\$ 2,333,714</u>

Transfers are used to move revenues from the fund that a statute or budget requires to collect them to the fund that a statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**D. Capital Assets**

Capital asset activity for the Town's governmental activities for the year ended September 30, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>					
Capital Assets, Non-Depreciable:					
Land	\$ 5,031,107	-	-	-	\$ 5,031,107
Construction In Progress	84,743	392,386	-	-	477,129
Total Capital Assets, Non-Depreciable	<u>5,115,850</u>	<u>392,386</u>	<u>-</u>	<u>-</u>	<u>5,508,236</u>
Capital Assets, Depreciable:					
Land Improvements	7,583,630	-	-	-	7,583,630
Buildings	2,423,296	27,370	-	-	2,450,666
Equipment	1,261,627	79,410	-	-	1,341,037
Vehicles	3,000,753	683,970	705,006	-	2,979,717
Total Capital Assets, Depreciable	<u>14,269,306</u>	<u>790,750</u>	<u>705,006</u>	<u>-</u>	<u>14,355,050</u>
Less: Accumulated Depreciation for:					
Land Improvements	464,007	195,564	-	-	659,571
Buildings	765,204	47,163	-	-	812,367
Equipment	671,221	91,522	-	-	762,743
Vehicles	2,142,977	247,248	697,603	-	1,692,622
Total Accumulated Depreciation	<u>4,043,409</u>	<u>581,497</u>	<u>697,603</u>	<u>-</u>	<u>3,927,303</u>
Total Capital Assets, Depreciable, Net	<u>10,225,897</u>	<u>209,253</u>	<u>7,403</u>	<u>-</u>	<u>10,427,747</u>
Governmental Activities Capital Assets, Net	<u>\$ 15,341,747</u>	<u>601,639</u>	<u>7,403</u>	<u>-</u>	<u>\$ 15,935,983</u>



**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2018**

**III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)**

**D. Capital Assets (Continued)**

Depreciation expense for the Town's governmental activities was charged to functions/programs as follows:

Functions/Programs	Amount
Governmental Activities:	
Administrative	\$ 39,055
Community Development	3,063
Police	180,765
Fire	76,538
Public service	45,364
Recreation	236,712
Total Depreciation Expense - Governmental Activities	<u>\$ 581,497</u>

**E. Long-Term Obligations**

The Town generally issues bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Town. Revenue bonds are obligations of the Town that are secured by revenue from a specific source. Lease purchase obligations are special obligations of the Town payable from the general revenues of the Town. The full faith, credit and taxing powers of the Town are not pledged for the payment of revenue bonds or lease purchase obligations nor the interest thereon.

Details on the Town's outstanding debt issues for the governmental activities as of September 30, 2018 are as follows:

	Principal Outstanding at Year End
<b><u>General Obligation Bonds</u></b>	
\$368,000 General Obligation Bonds (June 2011) were issued to finance the acquisition of a fire truck. Principal is payable annually and interest is payable semi-annually at a rate of 2.65%. Debt service requirements range from \$36,752 - 67,749 per year through September 1, 2021 and are funded with resources from the Debt Service Fund.	\$ 192,000
\$1,780,000 General Obligation Bonds (December 2014) were issued to fund the \$800,000 principal payment on the note payable due in June 2015 and to finance various projects and equipment purchases. Annual payments, including interest at a rate of 2.45% are required through March 1, 2029 and are funded with resources from the Debt Service Fund.	1,558,000
<b><u>Revenue Bonds</u></b>	
\$6,925,000 Installment Purchase Revenue Bond, Series 2010 (October 2010) were issued to finance the construction of the Moncks Corner Regional Recreation Facility. Principal is payable annually, and interest is due semi-annually at a rate of 4.225%. Debt service requirements range from \$396,512 to \$411,955 per year through December 1, 2039.	\$ 5,890,000

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2018**

**III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)**

**E. Long-Term Obligations (Continued)**

A summary of changes in long-term obligations for the Town's governmental activities for the year ended September 30, 2018 is presented below.

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds:					
GO Bond Series 2008	\$ 29,709	-	29,709	-	\$ -
GO Bond Series 2011	223,000	-	31,000	192,000	62,000
GO Bond Series 2014	1,634,000	-	76,000	1,558,000	78,000
Total General Obligation Bond Debt	<u>1,886,709</u>	<u>-</u>	<u>136,709</u>	<u>1,750,000</u>	<u>140,000</u>
Revenue Bonds:					
Series 2010	6,055,000	-	165,000	5,890,000	170,000
Discount - Series 2010	(82,846)	-	(3,602)	(79,244)	-
Net Revenue Bond Debt	<u>5,972,154</u>	<u>-</u>	<u>161,398</u>	<u>5,810,756</u>	<u>170,000</u>
Compensated Absences	<u>159,696</u>	<u>139,908</u>	<u>132,280</u>	<u>167,324</u>	<u>116,258</u>
Total Governmental Activities	<u>\$ 8,018,559</u>	<u>139,908</u>	<u>430,387</u>	<u>7,728,080</u>	<u>\$ 426,258</u>

Article Eight, Section Seven of the South Carolina Constitution of 1895, as amended, provides that no City or Town shall incur any bonded debt which shall exceed eight percent (8%) of the assessed value of the property therein and no such debt shall be created without the electors of such City or Town voting in favor of such further bonded debt. As of September 30, 2018, the Town had approximately \$1,750,000 of bonded debt subject to the 8% limit of approximately \$3,956,000 resulting in an unused legal debt margin of approximately \$2,206,000.

Presented below are the debt service requirements to maturity as of September 30, 2018.

Year Ending September 30,	Principal	Interest	Total
2019	\$ 310,000	411,047	\$ 721,047
2020	319,000	398,771	717,771
2021	332,000	386,014	718,014
2022	341,000	371,620	712,620
2023	350,000	355,795	705,795
2024-2028	1,954,000	1,518,692	3,472,692
2029-2033	1,554,000	1,046,417	2,600,417
2034-2038	1,700,000	543,569	2,243,569
2039-2040	780,000	51,409	831,409
Totals	<u>\$ 7,640,000</u>	<u>5,083,334</u>	<u>\$ 12,723,334</u>

**F. Deficit Fund Balance**

The Victims' Advocate Fund reported a deficit fund balance of approximately \$12,000 as of September 30, 2018. The Town plans to use future revenues to alleviate the deficit fund balance.

## TOWN OF MONCK'S CORNER, SOUTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2018

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#### IV. OTHER INFORMATION

##### A. Risk Management

###### *Participation in Public Entity Risk Pools for Property and Casualty Insurance*

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. For all of these risks, the Town is a member of the South Carolina Municipal Insurance Reserve Fund ("SCMIRF"), a public entity risk pool operating as a common risk management and insurance program for local governments for general risk. The Town pays an annual premium for this coverage. For the year ended September 30, 2018, the Town made premium payments totaling approximately \$121,000. SCMIRF's net position from its most recently issued audited financial statements at December 31, 2017 totaled approximately \$12,207,000.

The Town also participates in the South Carolina State Accident Fund, a public entity risk pool operating as a common risk management and insurance program for workers' compensation. The Town pays quarterly premiums for this coverage. For the year ended September 30, 2018, the Town made payments totaling approximately \$172,000. The South Carolina State Accident Fund's net position from its most recently issued audited financial statements as of June 30, 2018 totaled approximately \$3,050,000.

For the above public entity risk pools, there were no significant reductions in coverage in the past fiscal year and settled claims in excess of insurance coverage for the last three years were immaterial.

##### B. Retirement Plans

The Town participates in the State of South Carolina's retirement plans, which are administered by the South Carolina Public Employee Benefit Authority ("PEBA"), which was created on July 1, 2012 and administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors ("PEBA Board"), appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. The Retirement Funding and Administration Act of 2017, which became effective July 1, 2017, increased the employer and employee contribution rates, established a ceiling on the SCRS and PORS employee contribution rates, lowered the assumed rate of return, required a scheduled reduction of the funding periods, and addressed various governance issues including the assignment of the PEBA Board as custodian of the retirement trust funds and assignment of the RSIC and PEBA as co-trustees of 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 funding of the South Carolina Retirement Systems ("Systems").

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

###### *Plan Description*

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

## TOWN OF MONCK'S CORNER, SOUTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2018

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#### IV. OTHER INFORMATION (CONTINUED)

##### B. Retirement Plans (Continued)

###### *Plan Description (Continued)*

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

###### *Plan Membership*

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

- SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- PORS – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in the PORS. Magistrates are required to participate in the 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.

###### *Plan 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 creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

## TOWN OF MONCK'S CORNER, SOUTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2018

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#### IV. OTHER INFORMATION (CONTINUED)

##### B. Retirement Plans (Continued)

###### *Plan Benefits (Continued)*

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

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

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

###### *Plan Contributions*

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. If the scheduled employee and employer contributions provided in statute, or the rates last adopted by the PEBA Board, are insufficient to maintain the amortization period set in statute, the board shall increase employer contribution rates as necessary.

After June 20, 2027, 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 ninety percent, then the PEBA 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 eighty-five 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 eighty-five percent, then effective on the following July first, and annually thereafter as necessary, the PEBA 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 eighty-five percent.

The Retirement System Funding and Administration Act establishes a ceiling on employee contribution rates at 9 percent and 9.75 percent for the SCRS and the PORS, respectively. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56 percent for the SCRS and 21.24 percent for the PORS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a twenty year amortization period.

Employers' proportionate shares were calculated on the basis of employer contributions remitted to the plan by employers and nonemployer contributions appropriated in the State's budget. In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the General Assembly funded 1 percent of the SCRS and PORS contribution increases for fiscal year 2018. The State's budget appropriated these funds directly to the PEBA. The amount of the nonemployer funds appropriated for the Town for fiscal year 2018 totaled approximately \$11,000 and \$16,000 for the SCRS and PORS respectively.

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2018**

**IV. OTHER INFORMATION (CONTINUED)**

**B. Retirement Plans (Continued)**

*Plan Contributions (Continued)*

As noted earlier, both employees and the Town are required to contribute to the Plans at rates established and as amended by the PEBA. The Town's contributions are actuarially determined but are communicated to and paid by the Town as a percentage of the employees' annual eligible compensation. Required employer and employee contribution rates in effect as of September 30 for the past three years are as follows:

	SCRS Rates			PORS Rates		
	2016	2017	2018	2016	2017	2018
Employer Contribution Rate: <sup>^</sup>						
Retirement	11.41%	13.41%	14.41%	13.84%	15.84%	16.84%
Incidental Death Benefit	0.15%	0.15%	0.15%	0.20%	0.20%	0.20%
Accidental Death Contributions	0.00%	0.00%	0.00%	0.20%	0.20%	0.20%
	<u>11.56%</u>	<u>13.56%</u>	<u>14.56%</u>	<u>14.24%</u>	<u>16.24%</u>	<u>17.24%</u>
Employee Contribution Rate	<u>8.66%</u>	<u>9.00%</u>	<u>9.00%</u>	<u>9.24%</u>	<u>9.75%</u>	<u>9.75%</u>

<sup>^</sup> Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

The required contributions and percentages of amounts contributed by the Town to the Plans for the past three years were as follows:

Year Ended September 30,	SCRS Contributions		PORS Contributions	
	Required	% Contributed	Required	% Contributed
2018	\$ 204,953	100%	\$ 333,258	100%
2017	147,461	100%	264,884	100%
2016	\$ 127,429	100%	\$ 224,286	100%

Eligible payrolls of the Town covered under the Plans for the past three years were as follows:

Year Ended September 30,	SCRS Payroll	PORS Payroll	Total Payroll
2018	\$ 1,485,060	2,022,708	\$ 3,507,768
2017	1,226,888	1,798,712	3,025,600
2016	\$ 1,137,185	1,616,524	\$ 2,753,709

*Actuarial Assumptions and Methods*

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued as of July 1, 2016.

# TOWN OF MONCK'S CORNER, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2018

### IV. OTHER INFORMATION (CONTINUED)

#### B. Retirement Plans (Continued)

##### *Actuarial Assumptions and Methods (Continued)*

The June 30, 2018, total pension liability, net pension liability, and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company ("GRS") and are based on an actuarial valuation performed as of July 1, 2017. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2018, using generally accepted actuarial principles. No adjustments were made to the roll-forward liability as there was no legislation enacted during the 2018 legislative session that had a material change in benefit provisions or any change in assumptions since the actuarial valuation date.

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

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Investment Rate of Return*	7.25%	7.25%
Projected Salary Increases*	3.0% to 12.5% (varies by service)	3.5% to 9.5% (varies by service)
Benefit Adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

\* 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.

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%

##### *Long-Term Expected Rate of Return*

The long-term expected rate of return on pension plan investments is based upon 30 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.

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2018

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

*Long-Term Expected Rate of Return (Continued)*

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 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 on the following page. 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.

Allocation/Exposure	Target Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
<b>Global Equity</b>	<b>47.0%</b>		
Global Public Equity	33.0%	6.99%	2.31%
Private Equity	9.0%	8.73%	0.79%
Equity Options Strategies	5.0%	5.52%	0.28%
<b>Real Assets</b>	<b>10.0%</b>		
Real Estate (Private)	6.0%	3.54%	0.21%
Real Estate (REITs)	2.0%	5.46%	0.11%
Infrastructure	2.0%	5.09%	0.10%
<b>Opportunistic</b>	<b>13.0%</b>		
GTAA/Risk Parity	8.0%	3.75%	0.30%
Hedge Funds (non-PA)	2.0%	3.45%	0.07%
Other Opportunistic Strategies	3.0%	3.75%	0.11%
<b>Diversified Credit</b>	<b>18.0%</b>		
Mixed Credit	6.0%	3.05%	0.18%
Emerging Markets Debt	5.0%	3.94%	0.20%
Private Debt	7.0%	3.89%	0.27%
<b>Conservative Fixed Income</b>	<b>12.0%</b>		
Core Fixed Income	10.0%	0.94%	0.09%
Cash and Short Duration (Net)	2.0%	0.34%	0.01%
Total Expected Real Return	100.0%		5.03%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.28%

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

The net pension liability ("NPL") is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2018, for the SCRS and PORS, are presented in the following table:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 48,821,730,067	26,414,916,370	\$ 22,406,813,697	54.1%
PORS	\$ 7,403,972,673	4,570,430,247	\$ 2,833,542,426	61.7%



**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2018**

**IV. OTHER INFORMATION (CONTINUED)**

**B. Retirement Plans (Continued)**

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

The total pension liability is calculated by the Systems' actuary, and each Plan's fiduciary net position is reported in the Systems' financial statements. The net pension liability is disclosed in accordance with the requirements of GASB No. 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the Plans' funding requirements.

At September 30, 2018, the Town reported liabilities of approximately \$3,043,000 and \$4,061,000 for its proportionate share of the net pension liabilities for the SCRS and PORS, respectively. The net pension liabilities were measured as of June 30, 2018, and the total pension liabilities for the Plans used to calculate the net pension liabilities were determined based on the most recent actuarial valuation report of July 1, 2017 that was projected forward to the measurement date. The Town's proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2018 measurement date, the Town's SCRS proportion was 0.013580 percent, which was a decrease of 0.000910 from its proportion measured as of June 30, 2017. At the June 30, 2018 measurement date, the Town's PORS proportion was 0.14332 percent, which was a decrease of 0.01006 from its proportion measured as of June 30, 2017.

For the year ended September 30, 2018, the Town recognized pension expense of approximately \$192,000 and \$317,000 for the SCRS and PORS, respectively. At September 30, 2018, the Town reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>SCRS</b>		
Differences Between Expected and Actual Experience	\$ 5,493	\$ (17,907)
Change in Assumptions	120,727	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	48,337	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	316,807	(6,024)
Employer Contributions Subsequent to the Measurement Date	52,115	-
Total SCRS	<u>543,479</u>	<u>(23,931)</u>
<b>PORS</b>		
Differences Between Expected and Actual Experience	125,127	-
Change in Assumptions	267,763	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	81,210	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	331,607	(1,631)
Employer Contributions Subsequent to the Measurement Date	82,237	-
Total PORS	<u>887,944</u>	<u>(1,631)</u>
Total SCRS and PORS	<u>\$ 1,431,423</u>	<u>\$ (25,562)</u>

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2018**

**IV. OTHER INFORMATION (CONTINUED)**

**B. Retirement Plans (Continued)**

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

Approximately \$52,000 and \$82,000 that were reported as deferred outflows of resources related to the Town's contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the net pension liabilities in the year ended September 30, 2019. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS and PORS will increase (decrease) pension expense as follows:

Year Ended September 30,	SCRS	PORS	Total
2019	\$ 250,395	371,224	\$ 621,619
2020	201,047	293,133	494,180
2021	17,376	115,522	132,898
2022	(1,385)	24,198	22,813
Total	<u>\$ 467,433</u>	<u>804,077</u>	<u>\$ 1,271,510</u>

*Discount Rate*

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

*Sensitivity Analysis*

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

System	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
The Town's proportionate share of the net pension liability of the SCRS	\$ 3,888,330	3,042,954	\$ 2,438,591
The Town's proportionate share of the net pension liability of the PORS	5,474,765	4,061,022	2,903,047
Total	<u>\$ 9,363,095</u>	<u>7,103,976</u>	<u>\$ 5,341,638</u>

*Plans Fiduciary Net Position*

Detailed information regarding the fiduciary net position of the Plans administered by the PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for the SCRS and PORS. The CAFR is publicly available through the Retirement Benefits' link on the PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

# TOWN OF MONCK'S CORNER, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2018

### IV. OTHER INFORMATION (CONTINUED)

#### B. Retirement Plans (Continued)

##### *Payable to Plans*

The Town reported payables of approximately \$16,000 and \$29,000 to the PEBA as of September 30, 2018, representing required employer and employee contributions for the month of September 2018 for the SCRS and PORS, respectively. These amounts are included in Accounts Payable on the financial statements and were paid in October 2018.

#### C. Other Postemployment Benefits

##### *Plan Description*

The Town sponsors a single-employer defined benefit healthcare plan (the "OPEB Plan") that provides health insurance for retirees. The OPEB Plan covers all employees that meet the following criteria: (1) the person is employed by the Town at the time of retirement, (2) the employee is eligible to retire under SCRS or SCPOS, (3) the employee is at least age 55, and (4) the employee has served at least the last ten consecutive years as an employee of the Town at the time of retirement. The amount the Town contributes to the retirees' health insurance is approved in the annual budget. These contributions are neither guaranteed nor mandatory. Benefit provisions are established and amended by Town Council.

The OPEB Plan is affiliated with the South Carolina Other Retirement Benefits Employer Trust ("SC ORBET"), and thus is considered an agent multiple-employer plan, whose OPEB Plan assets are administered by the Municipal Association of South Carolina ("MASC"). SC ORBET issues a publicly available financial report that includes audited financial statements and required supplementary information for the OPEB Plan. A copy of the report may be obtained by writing to: Chief Financial Officer for Risk Management Services, Municipal Association of South Carolina, P.O. Box 12109, Columbia, South Carolina 29211.

##### *Plan Membership*

As of December 31, 2017, the last actuarial valuation, the following employees were covered by the OPEB Plan's benefit terms:

Inactive Members or Beneficiaries Currently Receiving Benefit Payments	4
Active Members	<u>78</u>
Total Membership	<u><u>82</u></u>

##### *Plan Benefits and Contributions*

The Town contributes a fixed dollar amount toward the retiree's health insurance premium. In the year ended September 30, 2018, the Town contributed, on a monthly basis, up to \$212 for retiree only and retiree family healthcare coverage. For the OPEB Plan, the retiree contributes the balance between the actuarially calculated costs less the fixed dollar amount.

The Town'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. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

# TOWN OF MONCK'S CORNER, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2018

### IV. OTHER INFORMATION (CONTINUED)

#### C. Other Postemployment Benefits (Continued)

##### *Actuarial Assumptions and Method*

Actuarial valuations of the OPEB Plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, inflation, healthcare cost trend rates, and future salary changes. Amounts determined regarding the net OPEB liability 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 its 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 provides a summary of the significant actuarial assumptions and methods used in the latest actuarial valuation for the OPEB Plan.

Actuarial Valuation Date	1-Jul-17
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Inflation	2.25%
Investment Rate of Return	4.75% which includes inflation
Discount Rate	4.75%
Healthcare Cost Trend Rate	7.50% for 2017 decreasing to an ultimate rate of 5.00 for 2023 and beyond
Payroll Growth	SCRS - 3.00% - 7.00%; PORS - 3.50% - 9.50%
Coverage Elections	50% of eligible retirees will elect coverage and 20% of those will elect to cover the spouse
Active Participation/Marriage	100% of all active employees are assumed to be married with female spouses assumed to be 3 years younger
Mortality Table	RP-2014 Disabled Retiree Mortality Table
Implicit Subsidy	Total cost of coverage for pre-65 retirees is 35% higher than the average premium rate to account for implicitly subsidized costs

The actuarial assumptions used above were based on the results of an actuarial experience study most recently issued as of July 1, 2017.

##### *Long-Term Expected Rate of Return*

The long-term expected rate of return on OPEB Plan Investments is based upon 35-year capital market assumptions, as well as current consensus expectations and market-based inputs. The long-term expected rate of return represents assumptions developed using an arithmetic building block approach and are presented net of investment fees. There are no municipal bond rate assumptions used in deriving the discount rate, and the discount rate forecast period extends for 50 years. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table.

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2018**

**IV. OTHER INFORMATION (CONTINUED)**

**C. Other Postemployment Benefits (Continued)**

*Long-Term Expected Rate of Return (Continued)*

Asset Class	Target Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
<b>US Government Fixed Income</b>			
US Government Agency	57.5%	2.25%	1.29%
US Government MBS/CMO/CMBS	40.0%	3.00%	1.20%
Cash and Short Duration	2.5%	0.25%	0.01%
Total Expected Real Rate of Return	<u>100.0%</u>		<u>2.50%</u>
Inflation for Actuarial Purposes			<u>2.25%</u>
Total Expected Nominal Return			<u>4.75%</u>

*OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB*

The Town's net OPEB liability was measured as of December 31, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2017.

	Total OPEB Liability (a)	OPEB Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances as of December 31, 2016	210,135	110,141	99,994
Changes for the year:			
Service Cost	10,192	-	10,192
Interest	9,600	-	9,600
Difference Between Expected/Actual Experience	(2,522)	-	(2,522)
Contributions - Employer	-	34,977	(34,977)
Contributions - Nonemployer Contributing Entities	-	-	-
Contributions - Active or Inactive Employees	-	-	-
Net Investment Income	-	3,401	(3,401)
Benefit Payments	(16,236)	(16,236)	-
Administrative Expense	-	(3,119)	3,119
Net Changes	<u>1,034</u>	<u>19,023</u>	<u>(17,989)</u>
Balances as of December 31, 2017	<u>211,169</u>	<u>129,164</u>	<u>82,005</u>

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2018**

**IV. OTHER INFORMATION (CONTINUED)**

**C. Other Postemployment Benefits (Continued)**

*OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)*

For the year ended September 30, 2018, the Town recognized OPEB expense of approximately \$17,000. At September 30, 2018, the Town reported deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ (2,211)
Net Difference Between Projected/Actual Earnings on OPEB Plan Investments		
Changes of Assumptions	1,758	-
Employer Contributions Subsequent to the Measurement Date	10,985	-
Total	<u>\$ 12,743</u>	<u>\$ (2,211)</u>

Approximately \$11,000 that was reported as deferred outflows of resources related to the Town's contributions subsequent to the measurement date to the OPEB Plan, respectively, will be recognized as a reduction of the net OPEB liability in the year ended September 30, 2019. Other amounts reported as deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to the OPEB Plan will increase (decrease) OPEB expense as follows:

Year Ended September 30,	Total
2019	\$ 129
2020	129
2021	129
2022	127
2023	(311)
Thereafter	(656)
Total	<u>\$ (453)</u>

*Discount Rate*

The discount rate used to measure the total OPEB liability was 4.75%. The projection of cash flows used to determine the discount rate assumed that the Town's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the OPEB liability.

# TOWN OF MONCK'S CORNER, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2018

### IV. OTHER INFORMATION (CONTINUED)

#### C. Other Postemployment Benefits (Continued)

##### *Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

The following table presents the sensitivity of the Town's net OPEB liability to changes in the discount rate, calculated using the discount rate of 4.75%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (3.75%) or 1% point higher (5.75%) than the current rate:

	1% Decrease (3.75%)	Current Discount Rate (4.75%)	1% Increase (5.75%)
Net OPEB Liability	\$ 96,486	82,005	\$ 68,853

##### *Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate*

The following table presents the sensitivity of the Town's net OPEB liability to changes in the healthcare cost trend rate, calculated using the healthcare cost trend rate of 7.50% decreasing to 5.00%, as well as what it would be if it were calculated using a healthcare cost trend rate that is 1% point lower (6.50% decreasing to 4.00%) or 1% point higher (8.50% decreasing to 6.00%) than the current rate:

	1% Decrease (6.50% decreasing to 4.00%)	Current Healthcare Cost Trend Rate (7.50% decreasing to 5.00%)	1% Increase (8.50% decreasing to 6.00%)
Net OPEB Liability	\$ 67,249	82,005	\$ 99,413

#### D. Commitments and Contingencies

The Town receives financial assistance from various federal, state, and local governmental agencies in the form of grants. Disbursements of funds received under these programs generally require compliance with the terms and conditions specified in the grant agreements. The disbursements are also subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements included herein or on the overall financial position of the Town at September 30, 2018.

The Town is periodically the subject of litigation by a variety of plaintiffs. The Town management believes that such amounts claimed by these plaintiffs, net of the applicable insurance coverage, are immaterial.

In October 2008, the Town entered into an agreement with Foxbank Commercial Development LLC ("Foxbank"). The agreement has a term of five years with two automatic five-year renewals, absent material breach of the agreement by Foxbank. The agreement requires the Town to reimburse Foxbank dollar for dollar for any transportation impact fees incurred in a 41-acre area designated in the development agreement up to the amount of building permit fees assessed for residential and commercial construction in the 800-acre Foxbank Plantation subdivision. Berkeley County terminated the imposition of transportation impact fees effective December 2014; thus, no further obligation to Foxbank is expected.

In October 2016, the Town amended its contract for the collection of waste in the Town to extend the agreement for an additional three years through September 30, 2019 with an option to extend the contract for an additional two years. The contract provides for once weekly residential and commercial service as well as yard debris services. The fee for the contract is based on the amount of service provided, which will vary annually. The total paid in the year ended September 30, 2018 was approximately \$485,000.

**TOWN OF MONCKS CORNER, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2018**

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**IV. OTHER INFORMATION (CONTINUED)**

**E. Conduit Debt Obligations**

In May 2007, the Town, as project sponsor, entered into a loan agreement with the South Carolina Water Quality Revolving Fund Authority for the purpose of providing financial assistance to the Combined Waterworks and Sewer System of the Town of Moncks Corner, South Carolina ("Waterworks") for construction projects related to the water and sewer system. The note is secured by a pledge of the net revenues of Waterworks, and is payable from those revenues. In April 2007, Waterworks resolved to adopt the representations, covenants, and agreements set forth in the note, and to carry forth the duties so imposed. The Town is not obligated in any manner for repayment of the note beyond the resources to be provided by Waterworks. Accordingly, the note is not reported as a liability in the accompanying financial statements. As of September 30, 2018, the aggregate principal outstanding was approximately \$3,248,000.





## Required Supplementary Information

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**BUDGETARY COMPARISON SCHEDULE**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL - GENERAL FUND**

**YEAR ENDED SEPTEMBER 30, 2018**

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Taxes	\$ 3,560,678	3,560,678	3,823,796	\$ 263,118
Licenses, permits, and franchise fees	2,984,400	2,984,400	3,498,061	513,661
Intergovernmental revenue	658,230	658,230	524,094	(134,136)
Charges for services	801,000	801,000	1,072,351	271,351
Fines and forfeitures	145,000	145,000	80,768	(64,232)
Miscellaneous revenues	28,000	28,000	300,884	272,884
TOTAL REVENUES ALL SOURCES	8,177,308	8,177,308	9,299,954	1,122,646
EXPENDITURES				
Current:				
Administrative	1,805,384	1,784,469	1,804,291	(19,822)
Community development	798,501	811,601	822,326	(10,725)
Police	2,674,956	2,634,956	2,575,639	59,317
Fire	1,150,789	1,150,789	1,084,128	66,661
Public service	1,158,533	1,215,533	1,205,759	9,774
Recreation	590,685	590,685	586,607	4,078
Capital outlay	428,664	892,444	705,971	186,473
Debt service:				
Principal	60,670	-	-	-
TOTAL EXPENDITURES	8,668,182	9,080,477	8,784,721	295,756
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(490,874)	(903,169)	515,233	1,418,402
OTHER FINANCING SOURCES (USES)				
Proceeds from the disposal of assets	9,500	393,115	411,195	18,080
Transfers in	172,681	201,361	201,564	203
Transfers out	(1,295,400)	(1,295,400)	(1,345,150)	(49,750)
TOTAL OTHER FINANCING SOURCES (USES)	(1,113,219)	(700,924)	(732,391)	(31,467)
NET CHANGES IN FUND BALANCES	(1,604,093)	(1,604,093)	(217,158)	1,386,935
FUND BALANCES, Beginning of Year	4,328,560	4,328,560	4,328,560	-
FUND BALANCES, End of Year	\$ 2,724,467	2,724,467	4,111,402	\$ 1,386,935

Note: This schedule has been presented on the modified accrual of accounting, which is consistent with accounting principles generally accepted in the United States of America.

Note: The Town's original and final budget reflected the use of appropriated fund balance of \$1,604,093.

## **TOWN OF MONCKS CORNER, SOUTH CAROLINA**

### **NOTES TO THE BUDGETARY COMPARISON SCHEDULES**

**YEAR ENDED SEPTEMBER 30, 2018**

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#### **A. BASIS OF ACCOUNTING**

The budgetary comparison schedules have been presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

#### **B. BUDGETARY INFORMATION**

The Town follows the following procedures in establishing the budgetary data reflected in the budgetary comparison schedules:

1. The Town Administrator and Town Accountant submit to the Town Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to inform and obtain taxpayer comments.
3. The budget is legally enacted through passage of an ordinance prior to September 30.
4. Town Council must approve any revisions that alter the total expenditures of a fund. The legal level of budgetary authority is at the fund level.
5. Legally adopted budgets are employed as a management control device during the year for the General Fund and Capital Improvement Fund (major funds) as well as the following nonmajor funds: Victims' Advocate, Accommodations Tax, Abatements and Improvements, Local Tax, Debt Service and Community Recreation Complex Debt Service.
6. The budgets for the budgeted funds are legally adopted on a basis consistent with GAAP.
7. The budgets at the end of the year for these funds represent the budgets adopted and amended by the Town Council.

**TOWN OF MONCKS CORNER, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE TOWN OF MONCKS CORNER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
SOUTH CAROLINA RETIREMENT SYSTEM**

**LAST FIVE FISCAL YEARS**

	Year Ended September 30,			
	2018	2017	2016	2015
Town of Moncks Corner's Proportion of the Net Pension Liability	0.01358%	0.01267%	0.01105%	0.01072%
Town of Moncks Corner's Proportionate Share of the Net Pension Liability	\$ 3,042,954	2,852,221	2,359,836	2,033,289
Town of Moncks Corner's Covered Payroll	\$ 1,408,773	1,276,515	1,069,822	1,005,514
Town of Moncks Corner's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	216%	223.44%	220.58%	202.21%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.105%	53.338%	52.906%	56.992%
				59.919%

**Notes to Schedule:**

The amounts presented for each fiscal year were determined as of June 30th of the year presented.  
The Town implemented GASB #68/71 during the year ended September 30, 2015. Information before 2014 is not available.

**TOWN OF MONCKS CORNER, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE TOWN OF MONCKS CORNER'S CONTRIBUTIONS  
SOUTH CAROLINA RETIREMENT SYSTEM**

**LAST FIVE FISCAL YEARS**

	Year Ended September 30,				
	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 204,953	147,461	127,429	107,326	\$ 113,997
Contributions in Relation to the Contractually Required Contribution	204,953	147,461	127,429	107,326	113,997
Contribution Deficiency (Excess)	\$ -	-	-	-	\$ -
Town of Moncks Corner's Covered Payroll	\$ 1,485,060	1,226,888	1,137,185	980,770	\$ 1,067,275
Contributions as a Percentage of Covered Payroll	13.80%	12.02%	11.21%	10.94%	10.68%

**Notes to Schedule:**

The Town implemented GASB #68/71 during the year ended September 30, 2015. Information before 2014 is not available.

**TOWN OF MONCKS CORNER, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE TOWN OF MONCKS CORNER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
POLICE OFFICERS RETIREMENT SYSTEM**

**LAST FIVE FISCAL YEARS**

	Year Ended September 30,				
	2018	2017	2016	2015	2014
Town of Moncks Corner's Proportion of the Net Pension Liability	0.14332%	0.13326%	0.12477%	0.11893%	0.11938%
Town of Moncks Corner's Proportionate Share of the Net Pension Liability	\$ 4,061,022	3,650,684	3,164,633	2,592,053	\$ 2,285,482
Town of Moncks Corner's Covered Payroll	\$ 1,983,052	1,796,492	1,590,588	1,473,033	\$ 1,435,868
Town of Moncks Corner's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	204.79%	203.21%	198.96%	175.97%	159.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.73%	60.94%	60.44%	64.57%	67.55%

**Notes to Schedule:**

The amounts presented for each fiscal year were determined as of June 30th of the year presented.  
The Town implemented GASB #68/71 during the year ended September 30, 2015. Information before 2014 is not available.

**TOWN OF MONCKS CORNER, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE TOWN OF MONCKS CORNER'S CONTRIBUTIONS  
POLICE OFFICERS RETIREMENT SYSTEM**

**LAST FIVE FISCAL YEARS**

	Year Ended September 30,				
	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 333,258	264,884	224,286	202,263	\$ 186,740
Contributions in Relation to the Contractually Required Contribution	333,258	264,884	224,286	202,263	186,740
Contribution Deficiency (Excess)	\$ -	-	-	-	\$ -
Town of Moncks Corner's Covered Payroll	\$ 2,022,708	1,798,712	1,616,524	1,498,230	\$ 1,437,316
Contributions as a Percentage of Covered Payroll	16.48%	14.73%	13.87%	13.50%	12.99%

**Notes to Schedule:**

The Town implemented GASB #68/71 during the year ended September 30, 2015. Information before 2014 is not available.



**TOWN OF MONCK'S CORNER, SOUTH CAROLINA****REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES****SCHEDULE OF CHANGES IN THE TOWN'S NET OPEB LIABILITY AND RELATED RATIOS****LAST FISCAL YEAR**

	<b>Year Ended September 30, 2018</b>
Total OPEB Liability:	
Service Cost	\$ 10,192
Interest	9,600
Differences Between Expected and Actual Experience	(2,522)
Benefit Payments, Including Refunds of Member Contributions	(16,236)
Net Change in Total OPEB Liability	1,034
Total OPEB Liability - Beginning of Year	210,135
Total OPEB Liability - End of Year (a)	\$ 211,169
OPEB Plan Fiduciary Net Position:	
Employer Contribution	\$ 34,977
Net Investment Income	3,401
Benefit Payments, Including Refunds of Member Contributions	(16,236)
Administrative Expense	(3,119)
Net Change in OPEB Plan Fiduciary Net Position	19,023
OPEB Plan Fiduciary Net Position - Beginning of Year	110,141
OPEB Plan Fiduciary Net Position - End of Year (b)	\$ 129,164
Net OPEB Liability (Asset) - End of Year (a) - (b)	\$ 82,005
OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	61.17%
Covered-Employee Payroll	\$ 2,579,185
Net OPEB Liability as a Percentage of Covered-Employee Payroll	3.18%

**Notes to Schedule:**

The amounts presented for each fiscal year were determined as of December 31st of the preceding year (measurement date).  
The Town adopted GASB #75 during the year ended September 30, 2018. Information is not available for prior years.

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA****REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES****SCHEDULE OF THE TOWNS CONTRIBUTIONS****LAST FISCAL YEAR**

	<b>Year Ended September 30, 2018</b>
Actuarially Determined Contribution	\$ 18,373
Contributions in Relation to the Actuarially Determined Contribution	34,977
Contribution Deficiency (Excess)	\$ (16,604)
Covered-Employee Payroll	\$ 2,579,185
Contributions as a Percentage of Covered:-Employee Payroll	1.36%

**Notes to Schedule:**

The Town adopted GASB #75 during the year ended September 30, 2018. Information is not available for prior years.

Valuation Date: Actuarially determined contribution rates are calculated as of January 1st each year, at the beginning of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Amortization Period	15 Years
Asset Valuation Method	5 Years Smoothed Market
Inflation	2.0%
Healthcare Cost Trend Rates	9.5% Initial, Decreasing 0.5% per year to an ultimate rate of 5.5%
Salary Increases	SCRS - 3.0% - 7.0%; PORS - 3.5% - 9.5% (including inflation)
Investment Rate of Return	4.0%, Net of OPEB Plan Investment Expenses, Including Inflation
Retirement Age	Plan Normal Retirement Date
Mortality	1984 Unisex Pension Mortality Table (UP-84)

**Other Information:**

None



## Supplementary Information

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2018

	VICTIMS' ADVOCATE FUND	ACCOMMODATIONS TAX FUND	ABATEMENTS AND IMPROVEMENTS FUND
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	-	429,800
Receivables:			
Due from other governments	-	11,593	-
Taxes receivable	-	-	-
Due from other funds	-	126	-
Cash and cash equivalents - restricted	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>11,719</b>	<b>429,800</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 10,116	5,833	10,589
Accrued salaries and wages	1,811	-	-
Unearned revenue	-	-	-
Due to other funds	-	-	-
<b>TOTAL LIABILITIES</b>	<b>11,927</b>	<b>5,833</b>	<b>10,589</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues	-	-	-
Deferred revenues	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>			
Restricted:			
Public safety	-	-	-
Tourism	-	5,886	-
Debt service	-	-	-
Committed:			
Future development	-	-	-
Assigned:			
Capital projects	-	-	419,211
Unassigned	(11,927)	-	-
<b>TOTAL FUND BALANCES</b>	<b>(11,927)</b>	<b>5,886</b>	<b>419,211</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ -</b>	<b>11,719</b>	<b>429,800</b>

LOCAL TAX FUND	POLICE NARCOTICS FUND	DEBT SERVICE FUND	COMMUNITY RECREATION COMPLEX DEBT SERVICE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
-	-	-	-	\$ 429,800
-	-	-	-	11,593
81,790	-	138,329	-	220,119
404	483	1,049	-	2,062
191,558	152,898	20,303	843,402	1,208,161
<b>273,752</b>	<b>153,381</b>	<b>159,681</b>	<b>843,402</b>	<b>\$ 1,871,735</b>
-	-	-	-	\$ 26,538
-	-	-	-	1,811
643	5,194	-	-	5,837
-	130	-	-	130
<b>643</b>	<b>5,324</b>	<b>-</b>	<b>-</b>	<b>34,316</b>
-	-	2,868	-	2,868
-	-	134,901	-	134,901
<b>-</b>	<b>-</b>	<b>137,769</b>	<b>-</b>	<b>137,769</b>
-	148,057	-	-	148,057
-	-	-	-	5,886
-	-	21,912	843,402	865,314
273,109	-	-	-	273,109
-	-	-	-	419,211
-	-	-	-	(11,927)
<b>273,109</b>	<b>148,057</b>	<b>21,912</b>	<b>843,402</b>	<b>1,699,650</b>
<b>273,752</b>	<b>153,381</b>	<b>159,681</b>	<b>843,402</b>	<b>\$ 1,871,735</b>

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2018

	VICTIMS' ADVOCATE FUND	ACCOMMODATIONS TAX FUND	ABATEMENTS AND IMPROVEMENTS FUND
<b>REVENUES</b>			
Taxes	\$ -	-	-
Intergovernmental revenue	-	43,272	-
Fines and forfeitures	13,978	-	-
Miscellaneous revenues	-	126	20,187
<b>TOTAL REVENUES</b>	<b>13,978</b>	<b>43,398</b>	<b>20,187</b>
<b>EXPENDITURES</b>			
Current:			
Administrative	-	5,093	287,612
Police	55,429	-	-
Recreation	-	-	-
Capital outlay	-	-	4,544
Debt service:			
Principal	-	-	-
Interest	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>55,429</b>	<b>5,093</b>	<b>292,156</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(41,451)</b>	<b>38,305</b>	<b>(271,969)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	30,000	-	390,150
Transfers Out	-	(36,884)	(18,680)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>30,000</b>	<b>(36,884)</b>	<b>371,470</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(11,451)</b>	<b>1,421</b>	<b>99,501</b>
FUND BALANCES, Beginning of Year	(476)	4,465	319,710
<b>FUND BALANCES, End of Year</b>	<b>\$ (11,927)</b>	<b>5,886</b>	<b>419,211</b>

LOCAL TAX FUND	POLICE NARCOTICS FUND	DEBT SERVICE FUND	COMMUNITY RECREATION COMPLEX DEBT SERVICE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
1,008,577	-	131,590	-	\$ 1,140,167
-	-	-	128,556	171,828
-	39,747	-	-	53,725
39,275	483	59	-	60,130
<b>1,047,852</b>	<b>40,230</b>	<b>131,649</b>	<b>128,556</b>	<b>1,425,850</b>
-	-	-	-	292,705
-	13,211	-	-	68,640
44,343	-	-	-	44,343
-	-	-	-	4,544
-	-	136,709	165,000	301,709
-	-	47,148	376,257	423,405
44,343	13,211	183,857	541,257	1,135,346
<b>1,003,509</b>	<b>27,019</b>	<b>(52,208)</b>	<b>(412,701)</b>	<b>290,504</b>
-	-	50,000	432,000	902,150
(923,000)	(10,000)	-	-	(988,564)
(923,000)	(10,000)	50,000	432,000	(86,414)
<b>80,509</b>	<b>17,019</b>	<b>(2,208)</b>	<b>19,299</b>	<b>204,090</b>
192,600	131,038	24,120	824,103	1,495,560
<b>273,109</b>	<b>148,057</b>	<b>21,912</b>	<b>843,402</b>	<b>\$ 1,699,650</b>



**TOWN OF MONCK'S CORNER, SOUTH CAROLINA****BUDGETARY COMPARISON SCHEDULE****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL -  
CAPITAL IMPROVEMENT FUND****YEAR ENDED SEPTEMBER 30, 2018**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Taxes	\$ 120,000	120,000	120,000	\$ -
Miscellaneous revenues	10,000	10,000	42,651	32,651
<b>TOTAL REVENUES ALL SOURCES</b>	<b>130,000</b>	<b>130,000</b>	<b>162,651</b>	<b>32,651</b>
<b>EXPENDITURES</b>				
Current:				
Recreation	350,000	350,000	111,498	238,502
Capital outlay	1,578,605	1,578,605	291,884	1,286,721
<b>TOTAL EXPENDITURES</b>	<b>1,928,605</b>	<b>1,928,605</b>	<b>403,382</b>	<b>1,525,223</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,798,605)</b>	<b>(1,798,605)</b>	<b>(240,731)</b>	<b>1,557,874</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,230,000	1,230,000	1,230,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,230,000</b>	<b>1,230,000</b>	<b>1,230,000</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(568,605)</b>	<b>(568,605)</b>	<b>989,269</b>	<b>1,557,874</b>
FUND BALANCES, Beginning of Year	597,410	597,410	597,410	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 28,805</b>	<b>28,805</b>	<b>1,586,679</b>	<b>\$ 1,557,874</b>

Note: This schedule has been presented on the modified accrual of accounting, which is consistent with accounting principles generally accepted in the United States of America.

Note: The Town's original and final budget reflected the use of appropriated fund balance of \$568,605.

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**BUDGETARY COMPARISON SCHEDULE**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL - VICTIMS' ADVOCATE FUND**

**YEAR ENDED SEPTEMBER 30, 2018**

	<b>BUDGETED AMOUNTS</b>			
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>REVENUES</b>				
Fines and forfeitures	\$ 32,500	32,500	13,978	\$ (18,522)
<b>TOTAL REVENUES ALL SOURCES</b>	<b>32,500</b>	<b>32,500</b>	<b>13,978</b>	<b>(18,522)</b>
<b>EXPENDITURES</b>				
Current:				
Police	53,337	53,337	55,429	(2,092)
<b>TOTAL EXPENDITURES</b>	<b>53,337</b>	<b>53,337</b>	<b>55,429</b>	<b>(2,092)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(20,837)</b>	<b>(20,837)</b>	<b>(41,451)</b>	<b>(20,614)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	30,000	30,000	30,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>9,163</b>	<b>9,163</b>	<b>(11,451)</b>	<b>(20,614)</b>
FUND BALANCES, Beginning of Year	(476)	(476)	(476)	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 8,687</b>	<b>8,687</b>	<b>(11,927)</b>	<b>\$ (20,614)</b>

Note: This schedule has been presented on the modified accrual of accounting, which is consistent with accounting principles generally accepted in the United States of America.

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**BUDGETARY COMPARISON SCHEDULE**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL -  
ACCOMMODATIONS TAX FUND**

**YEAR ENDED SEPTEMBER 30, 2018**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Intergovernmental revenue	\$ 42,500	42,500	43,272	\$ 772
Miscellaneous revenues	25	25	126	101
<b>TOTAL REVENUES ALL SOURCES</b>	<b>42,525</b>	<b>42,525</b>	<b>43,398</b>	<b>873</b>
<b>EXPENDITURES</b>				
Current:				
Administrative	5,819	5,819	5,093	726
<b>TOTAL EXPENDITURES</b>	<b>5,819</b>	<b>5,819</b>	<b>5,093</b>	<b>726</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>36,706</b>	<b>36,706</b>	<b>38,305</b>	<b>1,599</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(36,681)	(36,681)	(36,884)	(203)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(36,681)</b>	<b>(36,681)</b>	<b>(36,884)</b>	<b>(203)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>25</b>	<b>25</b>	<b>1,421</b>	<b>1,396</b>
FUND BALANCES, Beginning of Year	4,465	4,465	4,465	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 4,490</b>	<b>4,490</b>	<b>5,886</b>	<b>\$ 1,396</b>

Note: This schedule has been presented on the modified accrual of accounting, which is consistent with accounting principles generally accepted in the United States of America.

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**BUDGETARY COMPARISON SCHEDULE**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL -  
ABATEMENTS AND IMPROVEMENTS FUND**

**YEAR ENDED SEPTEMBER 30, 2018**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Miscellaneous revenues	\$ 20,000	20,000	20,187	\$ 187
<b>TOTAL REVENUES ALL SOURCES</b>	<b>20,000</b>	<b>20,000</b>	<b>20,187</b>	<b>187</b>
<b>EXPENDITURES</b>				
Current:				
Administrative	327,000	308,320	287,612	20,708
Capital outlay	125,000	125,000	4,544	120,456
<b>TOTAL EXPENDITURES</b>	<b>452,000</b>	<b>433,320</b>	<b>292,156</b>	<b>141,164</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(432,000)</b>	<b>(413,320)</b>	<b>(271,969)</b>	<b>141,351</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	340,400	340,400	390,150	49,750
Transfers out	-	(18,680)	(18,680)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>340,400</b>	<b>321,720</b>	<b>371,470</b>	<b>49,750</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(91,600)</b>	<b>(91,600)</b>	<b>99,501</b>	<b>191,101</b>
FUND BALANCES, Beginning of Year	319,710	319,710	319,710	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 228,110</b>	<b>228,110</b>	<b>419,211</b>	<b>\$ 191,101</b>

Note: This schedule has been presented on the modified accrual of accounting, which is consistent with accounting principles generally accepted in the United States of America.

Note: The Town's original and final budget reflected the use of appropriated fund balance of \$91,600.

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**BUDGETARY COMPARISON SCHEDULE**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL -  
LOCAL TAX FUND**

**YEAR ENDED SEPTEMBER 30, 2018**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Taxes	\$ 925,000	925,000	1,008,577	\$ 83,577
Miscellaneous revenues	500	500	39,275	38,775
<b>TOTAL REVENUES ALL SOURCES</b>	<b>925,500</b>	<b>925,500</b>	<b>1,047,852</b>	<b>122,352</b>
<b>EXPENDITURES</b>				
Current:				
Recreation	2,500	2,500	44,343	(41,843)
<b>TOTAL EXPENDITURES</b>	<b>2,500</b>	<b>2,500</b>	<b>44,343</b>	<b>(41,843)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>923,000</b>	<b>923,000</b>	<b>1,003,509</b>	<b>80,509</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(923,000)	(923,000)	(923,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(923,000)</b>	<b>(923,000)</b>	<b>(923,000)</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>80,509</b>	<b>80,509</b>
FUND BALANCES, Beginning of Year	192,600	192,600	192,600	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 192,600</b>	<b>192,600</b>	<b>273,109</b>	<b>\$ 80,509</b>

Note: This schedule has been presented on the modified accrual of accounting, which is consistent with accounting principles generally accepted in the United States of America.

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA****BUDGETARY COMPARISON SCHEDULE****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL -  
DEBT SERVICE FUND****YEAR ENDED SEPTEMBER 30, 2018**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Taxes	\$ 130,000	130,000	131,590	\$ 1,590
Miscellaneous revenues	-	-	59	59
<b>TOTAL REVENUES ALL SOURCES</b>	<b>130,000</b>	<b>130,000</b>	<b>131,649</b>	<b>1,649</b>
<b>EXPENDITURES</b>				
Debt service	-			
Principal	136,710	136,710	136,709	1
Interest and other charges	47,165	47,165	47,148	17
<b>TOTAL EXPENDITURES</b>	<b>183,875</b>	<b>183,875</b>	<b>183,857</b>	<b>18</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(53,875)</b>	<b>(53,875)</b>	<b>(52,208)</b>	<b>1,667</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	50,000	50,000	50,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(3,875)</b>	<b>(3,875)</b>	<b>(2,208)</b>	<b>1,667</b>
FUND BALANCES, Beginning of Year	24,120	24,120	24,120	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 20,245</b>	<b>20,245</b>	<b>21,912</b>	<b>\$ 1,667</b>

Note: This schedule has been presented on the modified accrual of accounting, which is consistent with accounting principles generally accepted in the United States of America.

Note: The Town's original and final budget reflected the use of appropriated fund balance of \$3,875.

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**BUDGETARY COMPARISON SCHEDULE**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL -  
COMMUNITY RECREATION COMPLEX DEBT SERVICE FUND**

**YEAR ENDED SEPTEMBER 30, 2018**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Intergovernmental revenue	\$ 122,603	122,603	128,556	\$ 5,953
Miscellaneous revenues	20	20	-	(20)
<b>TOTAL REVENUES ALL SOURCES</b>	<b>122,623</b>	<b>122,623</b>	<b>128,556</b>	<b>5,933</b>
<b>EXPENDITURES</b>				
Current:				
Administrative	60	60	-	60
Principal	165,000	165,000	165,000	-
Interest and other charges	376,257	376,257	376,257	-
<b>TOTAL EXPENDITURES</b>	<b>541,317</b>	<b>541,317</b>	<b>541,257</b>	<b>60</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(418,694)</b>	<b>(418,694)</b>	<b>(412,701)</b>	<b>5,993</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	432,000	432,000	432,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>432,000</b>	<b>432,000</b>	<b>432,000</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>13,306</b>	<b>13,306</b>	<b>19,299</b>	<b>5,993</b>
FUND BALANCES, Beginning of Year	824,103	824,103	824,103	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 837,409</b>	<b>837,409</b>	<b>843,402</b>	<b>\$ 5,993</b>

Note: This schedule has been presented on the modified accrual of accounting, which is consistent with accounting principles generally accepted in the United States of America.

## TOWN OF MONCK'S CORNER, SOUTH CAROLINA

## UNIFORM SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES (PER ACT 96)

YEAR ENDED SEPTEMBER 30, 2018

## FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
<b>Court Fines and Assessments:</b>				
Court fines and assessments collected			80,768	80,768
Court fines and assessments remitted to State Treasurer			(80,768)	(80,768)
<b>Total Court Fines and Assessments retained</b>			-	-
<b>Surcharges and Assessments retained for victim services:</b>				
Surcharges collected and retained			33,616	33,616
Assessments retained			81,221	81,221
<b>Total Surcharges and Assessments retained for victim services</b>			114,837	114,837

## FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
<b>Carryforward from Previous Year – Beginning Balance</b>	(476)	-	(476)
<b>Victim Service Revenue:</b>			
Victim Service Fines Retained by City/County Treasurer			
Victim Service Assessments Retained by City/County Treasurer	9,764		9,764
Victim Service Surcharges Retained by City/County Treasurer	4,214		4,214
Interest Earned			
Grant Funds Received			
Grant from:			
General Funds Transferred to Victim Service Fund	30,000		30,000
<b>Contribution Received from Victim Service Contracts:</b>			
(1) Town of			
(2) Town of			
(3) City of			
<b>Total Funds Allocated to Victim Service Fund + Beginning Balance (A)</b>	<b>43,502</b>		<b>43,502</b>
<b>Expenditures for Victim Service Program:</b>	<b>Municipal</b>	<b>County</b>	<b>Total</b>
Salaries and Benefits	(50,787)		(50,787)
Operating Expenditures	(4,642)		(4,642)
<b>Victim Service Contract(s):</b>			
(1) Entity's Name			
(2) Entity's Name			
<b>Victim Service Donation(s):</b>			
(1) Domestic Violence Shelter:			
(2) Rape Crisis Center:			
(3) Other local direct crime victims service agency:			
Transferred to General Fund			
<b>Total Expenditures from Victim Service Fund/Program (B)</b>	<b>(55,429)</b>		<b>(55,429)</b>
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)			
Less: Prior Year Fund Deficit Repayment			
<b>Carryforward Funds – End of Year</b>	<b>(11,927)</b>		<b>(11,927)</b>





## STATISTICAL SECTION

- Financial Trends Information
- Revenue Capacity Information
- Debt Capacity Information
- Demographic and Economic Information
- Operating Information

# STATISTICAL SECTION

This part of the Town of Moncks Corner's ("Town") comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes, and required supplementary information says about the Town's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends Information <i>These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.</i>	88
Revenue Capacity Information <i>These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.</i>	93
Debt Capacity Information <i>These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.</i>	97
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.</i>	102
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.</i>	104

TOWN OF MONCK'S CORNER, SOUTH CAROLINA

Table 1

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

UNAUDITED

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities										
Net Investment in Capital Assets	\$ 8,372,996	7,482,884	6,002,725	5,233,751	4,222,826	2,653,193	2,637,496	2,215,297	2,317,432	\$ 1,898,967
Restricted	3,599,403	1,927,518	2,758,379	3,157,880	2,682,780	3,142,256	2,100,787	1,994,235	2,301,693	1,732,434
Unrestricted	(1,335,827)	12,998	(123,277)	(1,050,451)	3,214,841	2,901,675	3,016,254	2,819,447	1,410,571	1,621,415
Total Governmental Activities Net Position	\$ 10,636,572	9,423,400	8,637,827	7,341,180	10,120,447	8,697,124	7,754,537	7,028,979	6,029,696	\$ 5,252,816

Note: The Town implemented GASB #68 and GASB #75 in fiscal years ending September 30, 2015 and September 30, 2018, respectively. The implementation of these standards resulted in decreases to unrestricted net position as a result of reporting net pension and OPEB liabilities and related deferred inflows and outflows related to the Town's pension and OPEB Plans.

## TOWN OF MONCKS CORNER, SOUTH CAROLINA

Table 2

## CHANGES IN NET POSITION

## LAST TEN FISCAL YEARS

(accrual basis of accounting)

## UNAUDITED

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Expenses</b>										
Governmental Activities:										
Administrative	\$ 2,196,832	2,063,707	1,639,974	1,314,658	1,303,069	1,295,704	1,295,764	1,222,627	1,336,545	\$ 1,367,230
Community Development	853,972	373,889	282,183	249,981	263,617	89,002	88,056	86,388	114,609	116,404
Police	3,074,785	2,661,318	2,238,489	1,979,090	1,935,847	1,847,774	1,760,325	1,736,339	1,743,668	1,649,905
Fire	1,091,999	1,136,477	1,035,003	947,507	949,909	1,081,379	1,124,074	1,022,997	981,009	910,352
Public Services	1,489,491	1,949,764	1,307,375	922,234	881,361	1,115,545	888,295	814,179	720,417	646,370
Recreation	1,003,493	721,892	566,800	677,941	765,694	597,193	368,511	387,202	350,247	326,098
Interest on Long Term Debt	421,845	434,075	447,878	491,482	541,408	302,213	305,611	238,023	26,505	26,759
Total Primary Governmental Expenses:	\$ 10,132,417	9,341,122	7,517,702	6,582,893	6,640,905	6,328,810	5,830,636	5,507,755	5,273,000	\$ 5,043,118
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services	\$ 2,107,233	1,960,641	1,651,320	1,562,170	1,614,499	1,581,401	1,472,764	1,498,431	1,351,176	\$ 1,353,198
Administrative	1,386,132	657,281	602,987	398,785	302,774	77,483	82,295	50,642	50,264	-
Community Development	144,247	283,549	291,132	318,848	244,877	230,144	232,117	245,403	287,644	302,851
Police	-	-	-	-	-	8,350	5,365	2,331	3,556	18,094
Fire	-	528,674	501,587	472,820	463,446	453,775	437,595	436,630	399,948	393,937
Recreation	318,864	170,537	237,678	151,863	97,329	103,652	102,321	110,284	94,965	77,689
Operating Grants and Contributions	379,123	414,897	234,870	173,099	137,266	248,255	325,766	309,084	364,558	248,004
Capital Grants and Contributions	90,616	251,330	42,006	419,774	527,612	505,341	-	-	84,332	79,989
Total Governmental Activities Program Revenues:	\$ 4,426,215	4,266,909	3,561,580	3,497,359	3,387,803	3,208,401	2,658,223	2,652,805	2,636,443	2,473,762
Total Primary Government Net (Expense):	\$ (5,706,202)	(5,074,213)	(3,956,122)	(3,085,534)	(3,253,102)	(3,120,409)	(3,172,413)	(2,854,950)	(2,636,557)	\$ (2,569,356)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 2,600,052	2,408,637	1,857,665	1,760,586	1,683,438	1,552,471	1,467,708	1,497,372	1,296,454	\$ 1,030,956
Local Option Sales Taxes	1,483,914	1,348,061	1,218,110	1,113,627	1,114,817	900,000	890,000	836,750	878,900	1,203,139
Hospitality Taxes	985,068	907,038	848,798	795,762	726,693	662,852	639,395	622,100	594,796	599,588
Accommodation Taxes	66,781	74,424	66,260	74,920	75,601	58,380	68,408	64,029	59,330	76,652
Franchise Fees	825,457	661,360	811,148	658,164	687,710	699,065	580,004	542,542	614,174	601,634
Unrestricted Revenue from Use of Money and Property	148,048	136,741	133,423	135,471	178,040	5,912	5,761	12,790	12,987	17,527
Intergovernmental	178,099	174,524	173,579	165,098	119,050	161,854	182,912	167,222	90,864	243,724
Gain on Sale of Capital Assets	403,792	15,977	24,047	-	3,025	-	-	-	2,599	-
Miscellaneous Revenue	353,811	133,024	119,739	110,631	111,933	22,462	40,801	111,428	23,767	26,273
Total Primary Government General Revenues:	\$ 7,045,022	5,859,786	5,252,769	4,814,259	4,700,307	4,062,996	3,874,989	3,854,233	3,573,871	\$ 3,799,493
<b>Change in Net Position</b>										
Total Primary Government	\$ 1,338,820	785,573	1,296,647	1,728,725	1,447,205	942,587	702,576	999,283	937,314	\$ 1,230,137

## FUND BALANCES OF GOVERNMENTAL FUNDS

## LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

## UNAUDITED

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General fund										
Nonspendable	\$ 58,218	83,243	38,959	60,865	62,581	59,946	25,944	66,813	-	\$ -
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	373,514	1,604,093	20,518	123,344	-	186,152	444,846	52,308	108,970	222,438
Unassigned	3,679,670	2,641,224	3,791,468	3,258,329	2,468,145	1,499,575	1,241,370	1,404,566	1,229,528	1,234,945
Total general fund	4,111,402	4,328,560	3,850,945	3,442,538	2,530,726	1,745,673	1,712,160	1,523,687	1,338,498	1,457,383
All other governmental funds										
Nonspendable	21,721	3	5,410	410	-	327	-	421	-	-
Restricted for:										
Public safety	148,057	131,038	46,163	-	-	12,418	15,509	72,328	100,295	75,706
Tourism	5,886	4,465	30,593	56,964	52,100	43,837	50,522	36,781	15,312	36,595
Capital projects	1,564,958	-	1,536,722	1,507,744	1,080,832	1,660,230	3,280,548	3,529,544	997,906	746,832
Debt service	865,314	-	842,147	884,937	864,069	819,307	830,615	806,093	78,775	88,742
Other	-	848,223	14,917	718,795	685,779	579,908	472,515	343,815	246,607	76,494
Committed	273,109	-	710,446	-	-	988,456	1,091,319	1,018,498	872,486	718,324
Assigned	419,211	858,260	73,022	55,394	6,986	30,765	106,317	112,686	-	(2,777)
Unassigned	(11,927)	(886)	-	-	(27)	(8,787)	(8,077)	-	(195)	-
Total all other governmental funds	3,286,329	1,841,103	3,259,420	3,224,244	2,689,739	4,126,461	5,839,268	5,920,166	2,311,186	1,739,916
Total all governmental funds	\$ 7,397,731	6,169,663	7,110,365	6,666,782	5,220,465	5,872,134	7,551,428	7,443,853	3,649,684	\$ 3,197,299

Note 1: The Town implemented GASB #54 *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB #54") in 2011. GASB #54 established new fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The Town has elected to apply GASB #54 prospectively - and thus has provided fund balance information before ("Pre") and after ("Post") its implementation.

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

## LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

## UNAUDITED

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Revenues</b>										
Taxes	\$ 5,083,963	4,697,292	3,953,485	3,696,758	3,550,117	3,063,731	3,027,735	2,925,804	2,816,717	\$ 2,766,788
Licenses, permits and franchise fees	3,588,677	3,497,267	2,944,866	2,640,289	2,706,362	2,362,316	2,139,114	2,093,677	2,015,117	1,956,862
Intergovernmental	695,922	814,357	548,390	407,748	833,061	829,810	471,995	444,934	538,878	588,267
Charges for services	1,072,351	709,157	729,125	608,013	568,235	516,087	528,593	529,376	489,917	471,626
Fines and forfeitures	134,493	273,603	280,712	309,859	237,347	253,942	260,903	260,152	305,217	291,343
Miscellaneous	503,499	346,891	164,274	548,287	425,620	178,527	156,557	236,823	158,100	134,346
Total revenues	11,078,905	10,338,567	8,620,852	8,210,954	8,320,742	7,204,413	6,584,897	6,490,766	6,323,946	6,209,232
<b>Expenditures</b>										
Administrative	2,096,996	1,958,994	1,516,099	1,287,273	1,288,170	1,274,088	1,264,182	1,193,720	1,281,092	1,323,541
Community development	822,326	352,122	269,118	249,316	263,624	89,265	87,065	85,839	110,355	113,228
Police	2,644,279	2,265,012	1,975,536	1,780,506	1,778,941	1,708,634	1,653,112	1,639,915	1,650,040	1,552,876
Fire	1,084,128	959,279	900,082	859,505	859,455	976,367	1,032,647	947,290	906,322	813,845
Public service	1,396,209	1,884,011	1,285,526	905,626	866,524	1,095,849	884,098	793,421	721,138	643,751
Recreation	742,448	475,799	455,047	613,237	770,926	583,010	354,509	347,277	329,523	310,699
Capital outlay	1,002,399	2,387,964	982,556	1,261,027	1,558,590	3,412,162	803,744	4,364,549	472,800	168,749
Debt service:										
Principal	301,709	324,371	374,838	1,118,483	305,148	321,853	292,777	183,286	177,410	255,237
Interest	423,405	435,827	450,815	431,625	435,187	291,493	289,207	190,984	30,046	32,070
Debt issuance costs	-	-	-	38,039	-	-	6,000	143,215	35,000	-
Total expenditures	10,513,899	11,043,379	8,209,617	8,544,637	8,126,565	9,752,721	6,667,341	9,889,496	5,713,726	5,213,996
Excess (deficiency) of revenues over expenditures	565,006	(704,812)	411,235	(333,683)	194,177	(2,548,308)	(82,444)	(3,398,730)	610,220	995,236
<b>Other financing sources (uses)</b>										
Sale of capital assets	411,195	15,977	32,348	-	3,025	1,014	15,787	12,649	2,599	3,700
Proceeds from issuance of debt	-	-	700,608	1,780,000	-	868,000	151,250	7,180,250	-	257,000
Transfers in	2,333,714	1,823,775	(700,608)	1,432,614	544,069	878,539	679,057	3,996,190	348,340	364,993
Transfers out	(2,333,714)	(1,823,775)	(700,608)	(1,432,614)	(544,069)	(878,539)	(679,057)	(3,996,190)	(348,340)	(364,993)
Total other financing sources (uses)	411,195	15,977	32,348	1,780,000	3,025	869,014	167,037	7,192,899	2,599	260,700
Net change in fund balances	\$ 976,201	(688,835)	443,583	1,446,317	197,202	(1,679,294)	84,593	3,794,169	612,819	\$ 1,255,936
Debt service as a percentage of noncapital expenditures	7.62%	8.78%	11.42%	21.80%	11.27%	9.67%	10.03%	9.37%	4.63%	5.69%

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**Table 5**

**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**

**LAST TEN FISCAL YEARS**

(accrual basis of accounting)

**UNAUDITED**

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Local Option Sales Taxes</b>	<b>Hospitality Taxes</b>	<b>Accommodations Taxes</b>	<b>Total</b>
2018	\$ 2,600,052	1,483,914	985,068	66,781	\$ 5,135,815
2017	2,408,637	1,348,061	907,038	74,424	4,738,160
2016	1,857,665	1,218,110	848,798	66,260	3,990,833
2015	1,760,586	1,113,627	795,762	74,920	3,744,895
2014	1,683,438	1,114,817	726,693	75,601	3,600,549
2013	1,552,471	900,000	662,852	58,380	3,173,703
2012	1,467,708	890,000	639,395	68,408	3,065,511
2011	1,497,372	836,750	622,100	64,029	3,020,251
2010	1,296,454	878,900	594,796	59,330	2,829,480
2009	\$ 1,030,956	1,203,139	599,588	76,652	\$ 2,910,335

**TOWN OF MONCKS CORNER, SOUTH CAROLINA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

<b>UNAUDITED</b>										
<b>Fiscal Year</b>	<b>Tax Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Motor Vehicles</b>	<b>Less:</b>		<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
2019	2018	\$ 40,224,010	4,958,270	4,327,120	Tax Exempt Real Property		\$ 49,448,224	70.30	\$ 911,232,838	5.43%
2018	2017	37,143,680	4,967,060	4,583,710	61,176		46,632,400	70.30	845,660,847	5.51%
2017	2016	33,551,160	4,350,670	5,720,130	62,050		43,572,409	70.30	787,779,934	5.53%
2016	*2015	32,194,400	4,405,070	5,628,560	49,551		42,177,908	59.40	751,200,675	5.61%
2015	2014	31,174,400	4,354,951	5,352,010	50,122		40,831,709	59.40	723,331,090	5.64%
2014	2013	28,176,730	4,450,610	4,140,940	49,652		36,721,583	61.40	647,106,377	5.67%
2013	2012	26,954,460	4,371,900	2,960,090	46,697		34,241,700	61.40	605,717,807	5.65%
2012	2011	26,100,140	4,760,550	4,145,690	44,750		34,961,501	61.40	611,491,197	5.72%
2011	2010	25,582,730	4,830,280	3,327,000	44,879		33,699,016	61.40	584,865,196	5.76%
2010	2009	\$ 23,723,030	4,439,170	3,233,930	40,994		\$ 31,354,253	61.40	\$ 538,979,899	5.82%
					41,877					

Source: Berkeley County Auditor

\*Reassessment Year



Table 7

## TOWN OF MONCK'S CORNER, SOUTH CAROLINA

## PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

## LAST TEN FISCAL YEARS

## UNAUDITED

Fiscal Year	Tax Year	Town of Moncks Corner	Berkeley County	County School	Trident Tech	Overlapping Rates
2019	2018	70.30	50.50	236.80	3.40	361.00
2018	2017	70.30	50.50	236.80	3.40	361.00
2017	2016	70.30	50.50	238.80	3.40	363.00
2016	2015	59.40	50.50	224.90	3.40	338.20
*2015	2014	59.40	50.50	207.90	3.40	321.20
2014	2013	61.40	49.75	201.90	3.75	316.80
2013	2012	61.40	50.00	186.90	3.50	301.80
2012	2011	61.40	50.00	186.90	3.50	301.80
2011	2010	61.40	50.00	186.90	3.50	301.80
2010	2009	61.40	50.00	186.90	3.50	301.80

Source: Berkeley County Auditor

\*Reassessment Year

Table 8

## TOWN OF MONCKS CORNER, SOUTH CAROLINA

## PRINCIPAL PROPERTY TAXPAYERS

## CURRENT YEAR AND NINE YEARS AGO

## UNAUDITED

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Taxes Paid	Taxable Assessed Value	Rank	Taxes Paid
Berkeley Electric Cooperative	\$ 1,747,980	1	\$ 631,021	\$ 1,163,280	2	\$ 360,773
Walmart Real Estate	795,160	2	287,053	696,220	3	215,898
Berkeley Cable Telephone	495,690	3	178,944			
Trident Medical Center	475,570	4	171,681			
Home Telephone Company	455,170	5	164,316	1,167,860	1	362,153
Gaskins Cohen Jr.	404,360	6	146,071	302,300	4	93,743
Johnco LP / John Cumbie	339,090	7	122,411	236,090	10	73,212
Moncks Corner Medical	324,440	8	117,123			
Tail Race Shops LLC	276,110	9	99,676	270,260	7	83,808
Rosen Moncks Corner	260,580	10	94,069			
TMP LLC				243,770	9	75,593
Epson Oaks Apartments				276,960	6	85,885
Beechwood Builders				263,030	8	81,566
Moncks Corner Health				291,180	5	90,295
Totals	\$ 5,574,150		\$ 2,012,365	\$ 4,910,950		\$ 1,522,926

Source: Berkeley County Treasurer

Note: These figures represent millage solely for the Town of Moncks Corner.

Table 9

## TOWN OF MONCK'S CORNER, SOUTH CAROLINA

## PROPERTY TAX LEVIES AND COLLECTIONS

## LAST TEN FISCAL YEARS

## UNAUDITED

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the		Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy
2018	\$ 2,632,620	\$ 2,294,364	87%	\$ 76,651	\$ 2,371,015	90%
2017	2,416,624	2,210,379	91%	81,372	2,291,751	95%
2016	1,697,277	1,576,759	93%	51,811	1,628,570	96%
2015	1,495,965	1,399,352	94%	64,179	1,463,531	98%
2014	1,356,144	1,245,012	92%	82,206	1,327,218	98%
2013	1,338,838	1,207,550	90%	125,487	1,333,037	100%
2012	1,310,006	1,161,851	89%	124,244	1,286,095	98%
2011	1,317,332	1,149,536	87%	99,845	1,249,381	95%
2010	1,256,158	1,059,280	84%	89,829	1,149,109	91%
2009	\$ 864,350	\$ 758,353	88%	\$ 62,804	\$ 821,157	95%

Sources: Berkeley County Treasurer  
Berkeley County Auditor

**TOWN OF MONCKS CORNER, SOUTH CAROLINA**

**Table 10**

**RATIOS OF OUTSTANDING DEBT BY TYPE**

**LAST TEN FISCAL YEARS**

**UNAUDITED**

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	Notes Payable	Revenue Bonds				
2018	\$ 1,750,000	-	5,890,000	\$	7,640,000	n/a	n/a
2017	1,886,709	-	6,055,000		7,941,709	3.28%	726
2016	2,020,244	-	6,215,000		8,235,244	3.53%	801
2015	2,149,654	60,000	6,370,000		8,579,654	3.97%	898
2014	424,982	943,119	6,520,000		7,888,101	4.18%	861
2013	478,271	845,333	6,660,000		7,983,604	4.26%	903
2012	529,554	233,848	6,795,000		7,558,402	4.75%	900
2011	612,932	161,997	6,925,000		7,699,929	5.49%	957
2010	325,269	264,946	-		590,215	0.41%	76
2009	\$ 402,676	364,949	-	\$	767,625	n/a	106

<sup>1</sup> See the Schedule of Demographic and Economic Statistics for personal income and population data.

Table 11

## TOWN OF MONCKS CORNER, SOUTH CAROLINA

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING

## LAST TEN FISCAL YEARS

## UNAUDITED

Fiscal Year	General Obligation		Less: Amounts Available in Debt		Total	Percentage of Estimated Actual Taxable Value <sup>1</sup> of Property		Per Capita <sup>2</sup>
	Bonds			Service Fund				
2018	\$	1,750,000	\$	21,912	\$	1,728,088	2.20%	n/a
2017		1,886,709		24,120		1,862,589	2.21%	170
2016		2,020,244		33,185		1,987,059	2.27%	193
2015		2,149,654		89,141		2,060,513	2.40%	216
2014		424,982		80,791		344,191	0.37%	38
2013		478,271		55,571		422,700	0.41%	48
2012		529,554		80,998		448,556	0.42%	53
2011		612,932		80,161		532,771	0.49%	66
2010		325,269		78,775		246,494	0.21%	32
2009	\$	402,676	\$	88,742	\$	313,934	0.25%	\$ 43

<sup>1</sup> See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.<sup>2</sup> Population data can be found in the Schedule of Demographic and Economic Statistics.

**TOWN OF MONCKS CORNER, SOUTH CAROLINA**

**Table 12**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

**OUTSTANDING AT YEAR END**

**UNAUDITED**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable<sup>1</sup></b>	<b>Estimated Share of Overlapping Debt</b>
Debt Repaid with Property Taxes:			
Berkeley County General	\$ 169,649,000	4.24%	\$ 7,196,247
Berkeley County School District	575,628,334	4.24%	24,417,259
Subtotal, Overlapping Debt	745,277,334	4.24%	31,613,506
Town of Moncks Corner Direct Debt	7,640,000	100.00%	7,640,000
Total Direct and Overlapping Debt	<u>\$ 752,917,334</u>		<u>\$ 39,253,506</u>

Sources: Berkeley County Treasurer

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Moncks Corner. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

<sup>1</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

## TOWN OF MONCK'S CORNER, SOUTH CAROLINA

## LEGAL DEBT MARGIN INFORMATION

## LAST TEN FISCAL YEARS

## UNAUDITED

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$ 2,511,690	2,699,201	2,800,510	2,742,916	2,941,462	3,270,508	3,378,242	3,489,757	3,735,556	\$ 3,955,858
Total Net Debt Applicable to Limit	402,676	352,269	612,932	529,554	478,271	1,224,983	2,149,654	2,020,244	1,886,709	1,750,000
Legal Debt Margin	\$ 2,109,014	2,346,932	2,187,578	2,213,362	2,463,191	2,045,525	1,228,588	1,469,513	1,848,847	\$ 2,205,858
Total Net Debt Applicable to the Limit as a Percentage of Debt Lim	16.03%	13.05%	21.89%	19.31%	16.26%	37.46%	63.63%	57.89%	50.51%	44.24%
<b>Legal Debt Margin Calculation for Fiscal Year 2017</b>										
Assessed Value										\$ 49,448,224
Add Back: Exempt Real Property										-
Add Back: FILOT Property										-
Total Assessed Value										<u>\$ 49,448,224</u>
Debt Limit (8% of Total Assessed Value)										\$ 3,955,858
Debt Applicable to Limit:										
General Obligation Bonds (Excluding Premiums)										1,750,000
Less: Amounts Issued Under Referendum										-
Total Net Debt Applicable to Limit										<u>1,750,000</u>
Legal Debt Margin										<u>\$ 2,205,858</u>

Note: Article Eight (8) Section Seven (7) of the South Carolina Constitution of 1895, as amended, provides that no City or Town shall incur any bonded debt which shall exceed eight per centum (8%) of the assessed value of the property therein and no such debt shall be created without the electors of such City or Town voting in favor of such further bonded debt. Prior to Home Rule Act of July 1, 1976, the bonded debt exempt was thirty five per centum (35%). In 1976, the General Assembly reduced the general obligation debt limit without voter approval to eight per centum (8%) of assessed valuation; whereas, with a referendum any amount can be floated.

**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**Table 14**

**PLEDGED-REVENUE COVERAGE**

**LAST TEN FISCAL YEARS**

**UNAUDITED**

Revenue Bonds						
Fiscal Year	Local			Revenue Bonds - Debt Service		
	Hospitality Tax Collections	Accommodations Tax Collections	Total Tax Collections	Revenue Bonds - Debt Service		Coverage
				Principal	Interest	
2018	\$ 985,068	\$ 23,509	\$ 1,008,577	\$ 165,000	\$ 376,257	1.86
2017	904,811	27,494	932,305	160,000	260,743	2.22
2016	847,923	23,742	871,665	155,000	392,210	1.59
2015	795,524	26,783	822,307	150,000	398,886	1.50
2014	726,150	27,047	753,197	140,000	403,505	1.39
2013	661,624	26,933	688,557	135,000	270,832	1.70
2012	637,548	20,114	657,662	130,000	266,191	1.66
2011	620,746	21,329	642,075	-	169,841	3.78
2010	594,167	20,339	614,506	-	-	-
2009	\$ 594,006	\$ 23,480	\$ 617,486	\$ -	\$ -	-

Note: Revenue bond obligations are secured by Hospitality and Local Accommodations Tax collections recorded in the Local Tax Fund. A transfer is made from the Local Tax Fund to the Community Recreation Complex Debt Service Fund for the debt payment.



**TOWN OF MONCK'S CORNER, SOUTH CAROLINA**

**Table 15**

**DEMOGRAPHIC AND ECONOMIC STATISTICS**

**LAST TEN FISCAL YEARS**

**UNAUDITED**

Fiscal Year	Population <sup>1</sup>	Personal Income (amounts expressed in thousands)	Per Capita Personal Income <sup>2</sup>	Median Age <sup>3</sup>	School Enrollment <sup>4</sup>	Unemployment Rate <sup>5</sup>
2018	n/a	n/a	n/a	n/a	n/a	n/a
2017	10,933	242,232	22,156	34.0	2,381	3.9%
2016	10,286	233,286	22,680	34.8	2,278	7.5%
2015	9,549	216,113	22,632	36.8	2,288	8.5%
2014	9,161	188,900	20,620	35.8	2,114	12.7%
2013	8,842	187,442	21,199	37.2	2,038	12.2%
2012	8,401	159,233	18,954	35.8	2,234	10.9%
2011	8,043	140,254	17,438	35.1	2,155	9.8%
2010	7,755	145,561	18,770	36.1	2,189	8.9%
2009	7,222	N/A	N/A	35.3	1,948	8.6%

Source:

1, 2, 3 Figures obtained from the US Census Bureau

4 Figures obtained from the Town of Moncks Corner Planning Department Demographics Report and are Estimates.

5 Figures obtained from the Bureau of Labor Statistics

n/a - These statistics are not yet available.

## PRINCIPAL EMPLOYERS

## CURRENT YEAR AND NINE YEARS AGO

## UNAUDITED

Employer	2018				2009			
	Employees		Rank		Employees		Rank	
	Percentage of Total County Employment		Percentage of Total County Employment		Employees		Rank	
Bekeley County Government	1180	2.29%	1	391	3	0.91%		
Berkeley County School District	720	1.40%	2	508	2	1.18%		
Santee Cooper	690	1.34%	3	769	1	1.78%		
Walmart	340	0.66%	4	n/a	10	n/a		
Berkeley Electric Co-operative	289	0.56%	5	233	4	0.54%		
Home Telecom	111	0.22%	6	106	5	0.25%		
Town of Moncks Corner	99	0.19%	7	76	6	0.18%		
Roper St. Francis	65	0.13%	8	n/a	9	n/a		
Piggly Wiggly	54	0.10%	9	n/a	8	n/a		
Marvin's	46	0.09%	10	n/a	7	n/a		
Total	3594	6.98%		2083		4.83%		

Sources: Town of Moncks Corner Local Businesses  
SC Department of Employment and Workforce

**TOWN OF MONCKS CORNER, SOUTH CAROLINA**

Table 17

**FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION**

**LAST TEN CALENDAR YEARS**

**UNAUDITED**

Function	Full - Time Equivalent Employees as of December 31,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government	7	7	7	7	6	5	5	5	5	7
Administration	6	6	6	5	5	5	5	5	5	5
Justice	2	4	4	3	3	3.5	3.5	3	3	3
Public Safety										
Police										
Sworn	30	31	26	27	25	23	22	23	25	23
Non-Sworn	3	3	3	3	3	3	3	3	3	3
Fire	11	12	14	13	13	13	14	14	14	13
Public Services	10	11	8	8	5	6	7	6	6	6
Community Development	4	4	3.5	3.5	4.5	3	3	3	4	5
Recreation	15.5	8.5	8	9	7.5	5.5	4.5	4.5	4.5	5
Total	89	87	80	79	72	67	67	66.5	69.5	70

Source: Town of Moncks Corner - Human Resources

## TOWN OF MONCKS CORNER, SOUTH CAROLINA

## OPERATING INDICATORS BY FUNCTION

## LAST TEN FISCAL YEARS

## UNAUDITED

Function	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Justice										
Cases Filed	2,318	2,278	3,459	5,215	4,863	4,850	4,522	4,719	6,408	5,899
Police										
Part I Offenses <sup>1</sup>	1,001	1,285	1,321	1,291	1,141	1,166	1,162	1,116	1,052	1,135
Fire										
Emergency Calls	1,620	1,111	1,179	1,193	1,028	836	890	780	753	667
Inspections <sup>2</sup>	123	253	183	252	518	3,499	3,122	2,208	3,163	1,418
Community Development										
Building Permits	485	535	629	434	398	402	408	349	378	343
Dwelling Units	4,596	4,342	4,088	3,838	3,662	3,528	3,351	3,236	3,143	3,033
Culture and Recreation										
Youth Athletic Enrollment	1,318	1,139	1,009	1,156	1,234	1,232	1,214	1,183	1,052	997

Sources: Various town departments.

<sup>1</sup> Part I offenses are murder, rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft, and arson.<sup>2</sup> 2009 - 2013 Fire Inspections based on former Fire Inspector's calculations.

## TOWN OF MONCKS CORNER, SOUTH CAROLINA

## CAPITAL ASSET STATISTICS BY FUNCTION

## LAST TEN FISCAL YEARS

## UNAUDITED

Function	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Recreation Acreage	70.95	70.95	70.95	70.95	70.95	70.95	70.95	70.95	70.95	19.63
Recreation Facilities	2	2	2	2	2	2	2	2	2	1
Community Development										
Streets - Miles Added	99.52	91.69	89.58	88.76	86.24	85.17	84.12	82.69	83.33	82.93
Total Acres Annexed	5,592.96	4,989.53	4,972.91	4,941.71	4,941.45	4,936.02	4,888.89	4,730.64	4,730.16	4,759.27

Sources: Various town departments and asset database.



## COMPLIANCE SECTION

- Independent Auditor's Report





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

The Honorable Mayor and Members of Town Council  
Town of Moncks Corner  
Moncks Corner, 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, , each major fund, and the aggregate remaining fund information of the Town of Moncks Corner, South Carolina, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of Moncks Corner, South Carolina's basic financial statements, and have issued our report thereon dated March 18, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Moncks Corner, 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 the Town of Moncks Corner, South Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Moncks Corner, 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 the Town of Moncks Corner, South Carolina's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

A handwritten signature in black ink that reads "Baird Audit Group, LLC". The script is cursive and fluid, with the letters connected.

The Baird Audit Group, LLC

Augusta, Georgia

March 18, 2019