

HAMPTON COUNTY FINANCIAL UPDATE

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Finance Director

January 10, 2022



AGENDA

Cash Flow

Budgeting Issues

Recording Issues

Change in Financial
Areas

Consequences

CPST II

Fund Balance Levels

Action Taken

Recovery Plan

An aerial photograph of a green field with scattered autumn leaves in shades of red, orange, and yellow. The leaves are scattered across the field, with a dense cluster on the left side. The background is a solid red rectangle.

INTRODUCTION

The purpose of this presentation is to give a comprehensive view of Hampton County Financial Status as a whole. Specific information will be provided on the Capital Projects Sales Tax II Fund. Discoveries made during the research process and their impact will be touched upon. Changes made to improve County Processes will also be highlighted along with County Council's Plan of Action.



PRIMARY GOAL

Transparency

CASH FLOW

- Trending
- June 30th Cash on Hand
- Fund Balance – Countywide
- General Fund Ending Cash Balance
- Revenue Cycle
 - Primary Months
 - December - March
 - Controlled Spending
 - July - December
 - Short Term Financing
 - Tax Anticipation Note (TAN)



FUND BALANCES	2012	2013	2014	2015	2016	2017	2018	2019	2020
GENERAL	2,327,503	1,780,665	2,125,901	3,148,340	2,895,158	2,375,823	2,678,755	2,489,763	1,622,003
ECONOMIC DEVELOPMENT	1,950,628	1,829,472	1,784,607	2,143,748	2,259,412	2,234,177	2,318,702	2,295,122	2,303,188
FIRE DISTRICT		126,398	121,828	123,355	(11,878)	(102,083)	(209,542)	(117,585)	99,802
CAPITAL PROJECTS			6,286,221	7,090,101	4,928,315	4,233,539	4,418,519	4,659,846	4,966,001
NON-MAJOR GOVERNMENTAL									
FIRE DISTRICT	149,267								
CLERK OF COURT	12,996	12,885	13,140	19,657	15,897	(6,168)	(16,595)	22,659	48,377
RESOURCE OFFICER	-	-	2,558	(3,835)	(15,716)	(28,952)	(16,055)	(15,111)	(29,317)
SHERIFF	1,100	-	(102,515)	(229,836)	(11,459)	(78,515)	(745,617)	(1,502,616)	(2,090,430)
SHERIFF IVD		878	526		370	1,273	(25)	47	(310)
REGISTRATION BOARD	163	162	162	162	162	162	162	162	162
WASTE TIRE	29,093	40,349	30,179	34,345	29,910	41,483	31,675	55,095	47,804
COUNCIL ON AGING	(117,738)	(115,310)	(127,582)	(100,464)	28,188	(872)	(84,662)	(271,743)	(338,576)
CRIME VICTIM SERVICES	-	-	3,254	2,904	(1,615)	(5,648)	(16,081)	(30,578)	(45,224)
SHERIFF'S DEPT DRUG FUNDS	(148,014)	(199,815)	(181,107)	(210,192)	92,704	(149,237)	(267,033)	(245,889)	(250,534)
AIRPORT COMMISSION	19,788	19,788	19,788	18,318	18,064	302,136	127,442	(11,040)	(87,383)
CTC	-	-	(16,615)	(32,024)	(189,982)	(79,792)	(124,292)	(149,983)	(81,483)
DETENTION CENTER	54	449	1,817	7,747	13,912	27,701	30,288	17,484	19,315
RECREATION DEPT	-			1,118		1157	1,157	1,157	1,157
VA MEMORIAL	-								
FIRE BOND	44,767	118,611	59,987	239,056	436,660	661,234	910,354	1,228,967	1,521,356
FIRE BOND RESERVE			24,111	(35,747)	(43,453)	(27,813)	5,838	42,132	78,780
E 911 FUND	258,772	148,008	167,848	161,695	124,892	13,455	(29,285)	(87,533)	(115,373)
GRANTS	8,482	8,886	(54,582)	(53,876)	(143,815)	(353,191)	(580,240)	(759,933)	(976,406)
CAPITAL PROJECTS	553,742	123,511							
	5,090,603	3,894,937	10,159,526	12,324,942	10,427,786	9,058,571	8,433,537	7,620,066	6,694,546
CPST II			6,286,221	7,061,609	4,928,315	4,233,539	4,418,519	4,659,846	4,966,001
TOTAL FUND BALANCE (COMBINED)/2022	5,090,603	3,894,937	3,873,305	5,263,333	5,499,471	4,825,032	4,015,018	2,960,220	1,728,545
NON-MAJOR GOVERNMENTAL	812,472	158,402	(159,031)	(180,602)	356,779	317,115	(772,897)	(1,707,080)	(2,296,448)



CASH ON HAND

CASH AND INVESTMENTS

CPST II BEGINS

	2012	2013	2014	2015	2016	2017	2018	2019	2020
CASH AND INVESTMENTS -COUNTYWIDE	6,984,045	5,032,760	11,625,792	4,963,852	15,307,595	13,734,828	16,051,051	14,277,458	12,230,839
CASH ON HAND	12,497	11,638	13,384	7,440	7,447	7,455	7,462	7,462	7,477
LESS: FIDUCIARY CASH ANDS INVESTMENTS	(3,712,883)	(3,287,459)	(4,105,649)	(5,260,749)	(7,039,457)	(7,942,995)	(9,883,971)	(8,659,662)	(7,661,858)
	3,285,671	1,758,952	7,535,541	(289,457)	8,275,585	5,799,288	6,174,542	5,625,258	4,576,458
GENERAL FUND CASH AS OF JUNE 30	1,442,417	491,319	457,477	1,896,058	1,587,377	2,565,887	1,579,791	1,067,513	11,838

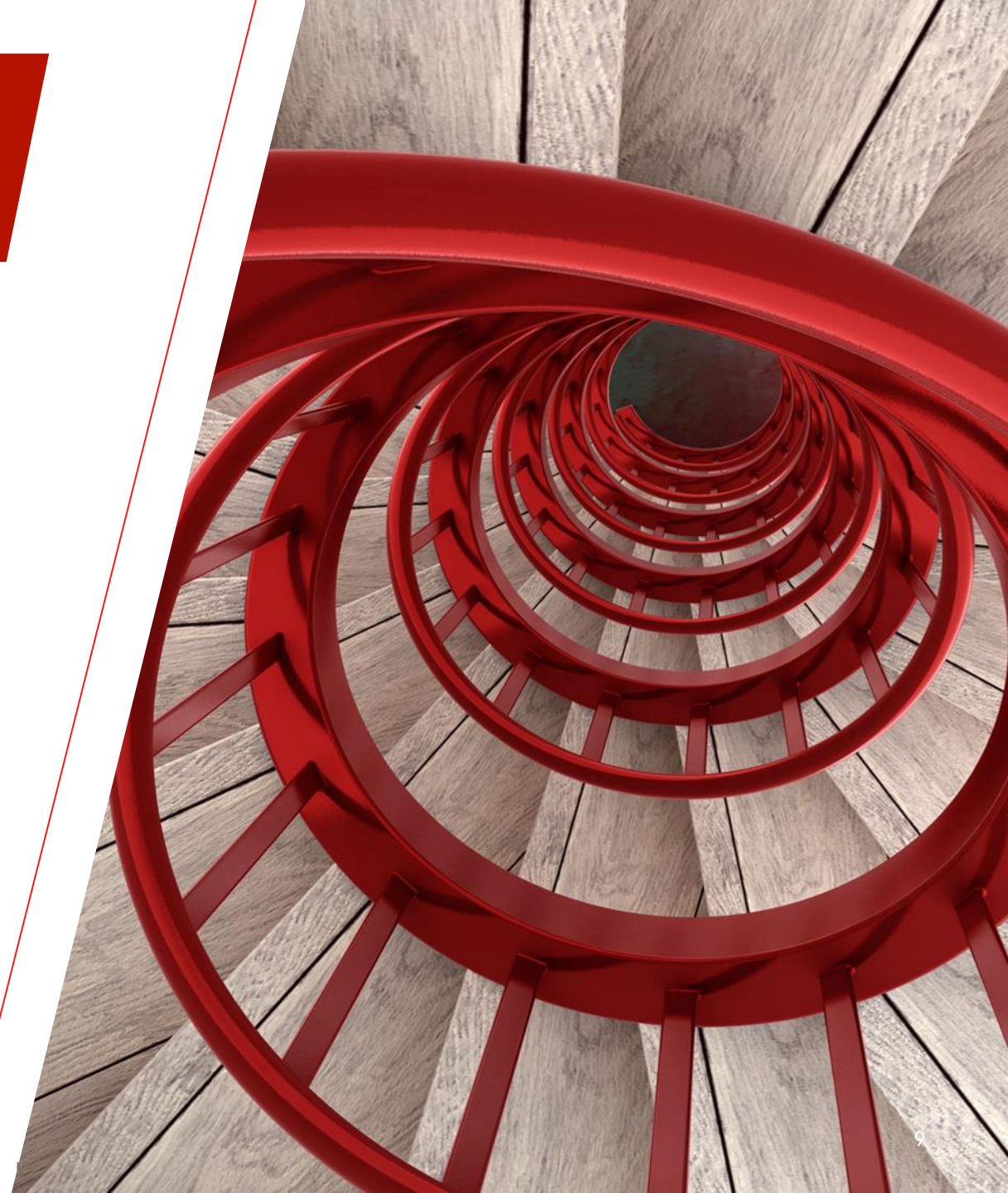
ENDING CASHFLOW IMPACT

GENERAL FUND CASH	2021
BALANCE AS OF JUNE 30, 2021	1,296,311
JULY - DECEMBER 2021 TAXES	4,070,824
JULY - DECEMBER 2021 OTHER	<u>1,583,098</u>
TOTAL REVENUE THRU DECEMBER 2021	6,950,233
JULY - DECEMBER 2021 AVERAGE PAYROLL	<u>(5,473,000)</u>
REMAINING FUNDS	1,477,233
ACCOUNTS PAYABLE MONTHLY AVERAGE	<u>(1,643,510)</u>
	<u><u>(166,277)</u></u>



BUDGETING ISSUES

- Deficits in Funds
- Grant Funding
 - Full understanding of grant conditions
 - Match requirements
 - Full
 - Partial Percentage
 - Declining Balance
 - Consequence
 - Budget deficiency
- Special Revenue
- Fund with ability to generate revenue to support its functions
- Sheriff's Office
 - Service driven
 - Removed from General Fund 10+ years
 - Under budgeted expenses last 3 years
 - Insufficient revenue for classification
 - Consequence
 - Unclear picture of actual General Fund Balance



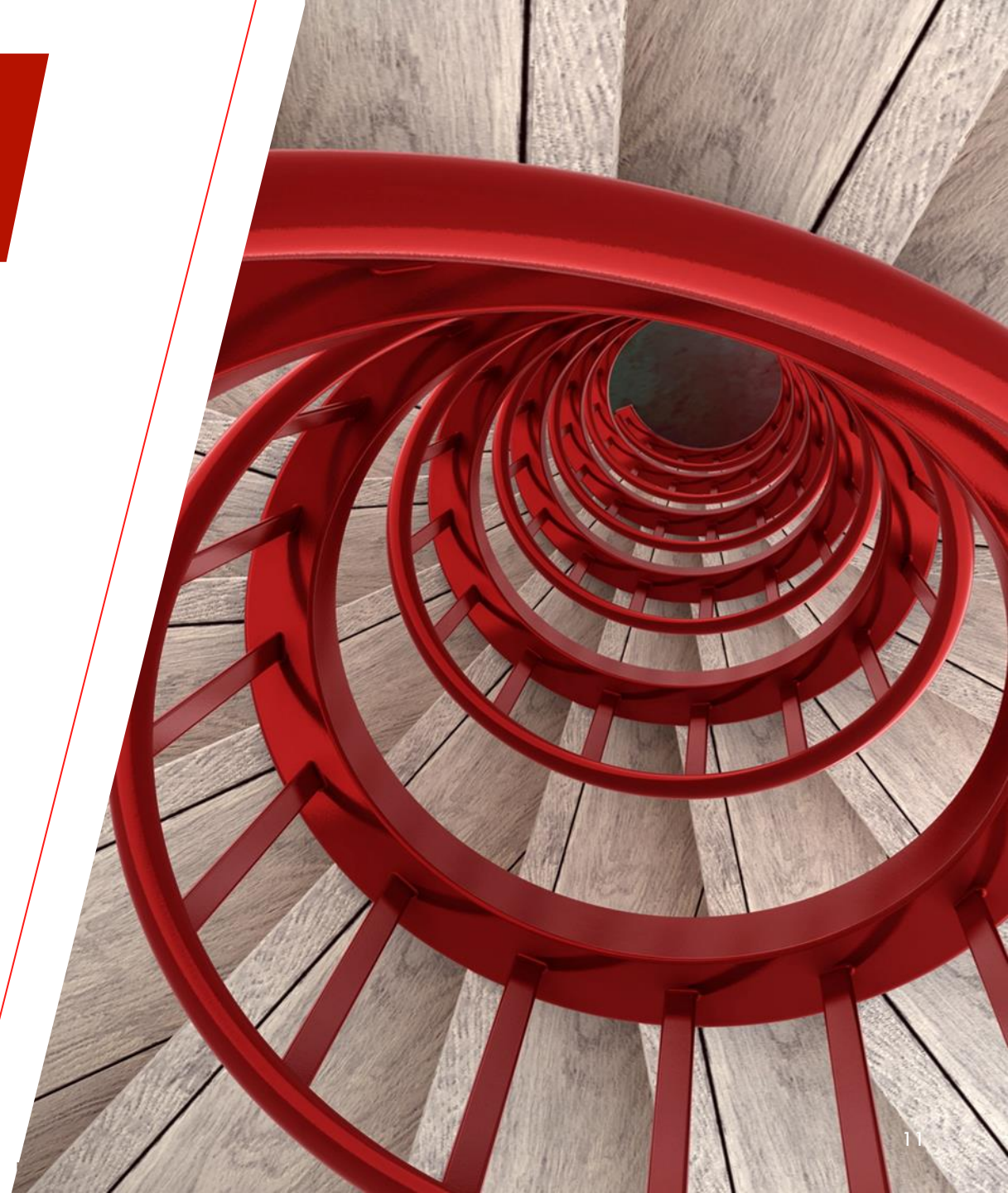
RECORDING ISSUES

- All bills are paid from the General Fund
 - All other funds reimburse the General Fund for expenses paid on their behalf
- Multiple Fund Recording
 - Grants require 3 fund recording
 - Practice in place 25+ years
 - Grant revenue and expenses recorded in separate funds
- Grant versus Expense



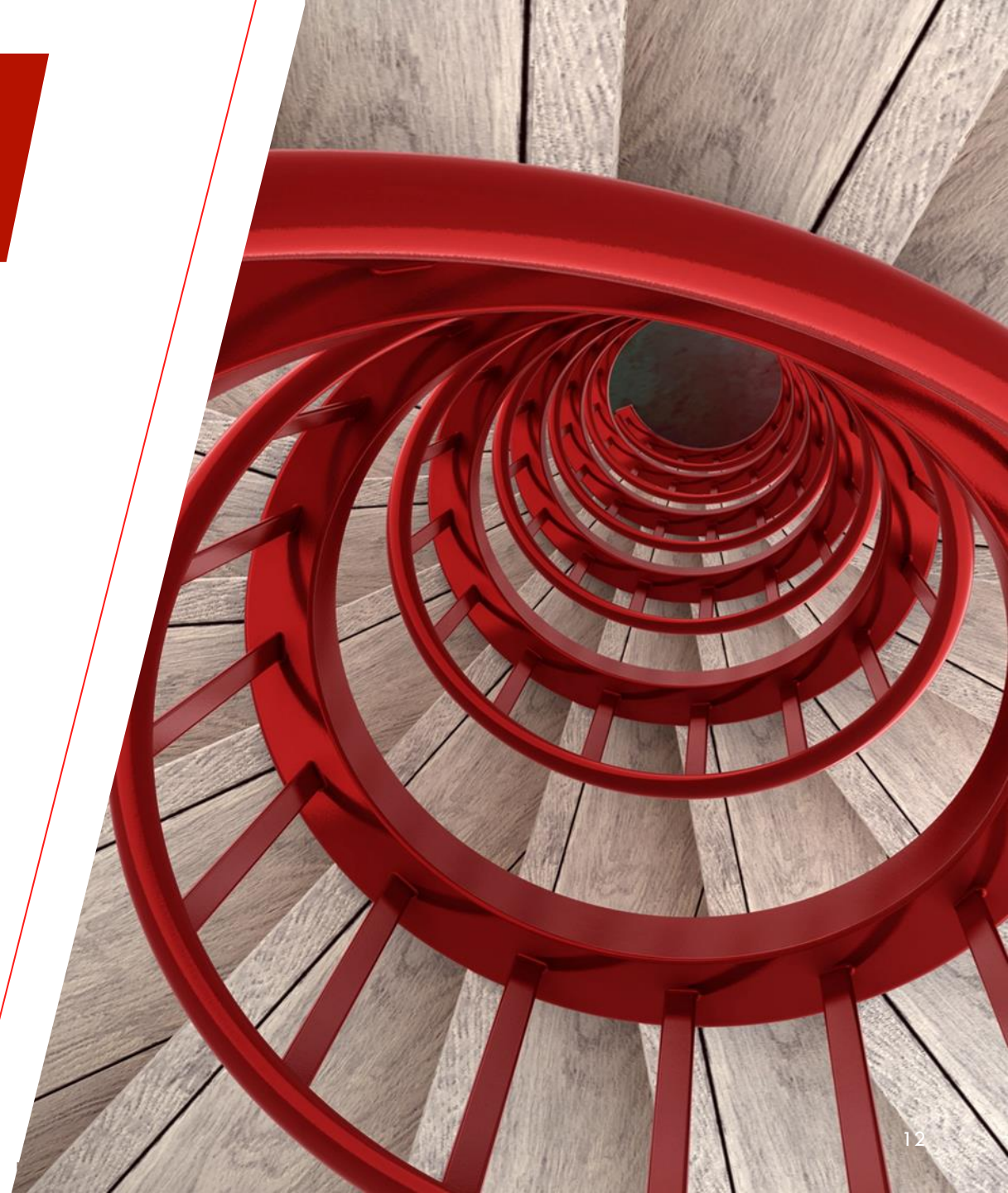
CHANGES IN FINANCIAL AREAS

- Staffing Changes – Treasurer's Office
- Accounting System Conversion
Treasurer's Office 2018
- General Ledger to Treasurer
One accounting system for County
financials



UNINTENDED CONSEQUENCES

- Incorrect fund balances between funds
- Fire Bond Balance Due 1.5 million from General Fund - discovered by Finance 2019



CAPITAL PROJECTS SALES TAX II- REVENUE

- Spending began in fiscal year 2012-2013
- Loans to General Fund began in fall of fiscal year 2013-204
- Balance due from General Fund was 2.6 million by 2017
- Incorrect balances were discovered on exiting reports
 - Last transaction in CPST II was May 2021 500k based upon incorrect balance information
- Council prioritized researching fund all fund transactions from inception 2012 to present
 - Research was completed November 2021 and confirmed in 2021 Audit
- Balance due from General Fund
 - \$3,068,792 – In Financial Statements
 - \$600,152,98 – Miscellaneous
 - Estill Library pledged from CPST II April 2013
 - Note – 9 Long-term Debt 2013 Financial Statements
 - Non-contact projects costs not recorded in CPST II
 - \$91,917
 - Council review for approval
 - Remove approved balance from CPST II
- Capital Asset recording
 - Identifying projects
 - Identifying assets
- Other Use of funds
 - DSS, EMS Mechanics Shop, and Arts Council - Heat, Cooling and Ventilation (HVAC) \$74,490

CAPITAL PROJECTS SALES TAX II UPDATE - EXPENSE

Hampton County
Capital Project Sales Tax Report 2013 -
2021
Fiscal Years 2013 - 2021

Project	Previously Reported Spent to Date	Adjusted Cost	Diff
Prepay Emergency Communication System Debt	844,805.56	844,805.56	-
Prepay USDA Loan for Estill Library Renovation	500,000.00	629,971.43	129,971.43
Prepay USDA Loan for Health Department Renovation	2,530,380.93	2,991,242.93	460,862.00
Renovate and enlarge County Library In Hampton	2,175,486.43	2,176,078.93	592.50
Hampton County Detention Center Roof Repairs	8,298.50	33,257.50	24,959.00
Improvements to existing County Administration Building	41,934.34	61,987.84	20,053.50
Yemassee Multi-purpose building	1,064.12	1,064.12	-
Recreation Complex Hampton/Varnville	5,320.60	20,670.60	15,350.00
Estill Library	-	6,461.97	6,461.97
Yemassee Senior Citizens Center Renovations	-	9,418.03	9,418.03
	6,107,290.48	6,774,958.91	667,668.43
Miscellaneous Expense	600,152.98		
Wells Fargo Interest Payment	(87,281.25)		
USDA Estill Library Expense	(500,000.00)		
USDA Additional - Radios	(323.76)		
Wells Fargo Administrative Expense	(750.00)		
Tych Walker - Health Dept 12/13/12 Invoice#1	(1,755.00)		
USDA Estil Library Expense	(10,474.94)		
Unaccounted for difference 1/10/2022	431.97		
	(0.00)		

HAMPTON COUNTY

CAPITAL PROJECTS SALES TAX II UPDATE

Hampton County					
Capital Project Sales Tax Report 2013 - 2021					
Fiscal Years 2013 - 2021					
Fiscal Year	Period	Treasurer's Receipt Date	Quarterly Tax Revenue	Annual Cumulative Revenue	% Of Max. Proceeds Collected
2014	Q1	10/23/2013	273,336.19	273,336.19	2.2%
2014	Q2	1/22/2014	285,973.39	559,309.58	4.4%
2014	Q3	4/21/2014	295,713.58	855,023.16	6.8%
2014	Q4	7/23/2014	309,426.92	1,164,450.08	9.2%
2015	Q1	10/29/2014	363,258.19	1,527,708.27	12.1%
2015	Q2	2/3/2015	317,201.82	1,844,910.09	14.6%
2015	Q3	4/20/2015	296,017.13	2,140,927.22	17.0%
2015	Q4	8/4/2015	308,860.23	2,449,787.45	19.4%
2016	Q1	10/27/2015	323,324.07	2,773,111.52	22.0%
2016	Q2	2/1/2016	283,709.39	3,056,820.91	24.3%
2016	Q3	4/25/2016	158,809.14	3,215,630.05	25.5%
2016	Q4	8/5/2016	353,245.15	3,568,875.20	28.3%
2017	Q1	10/27/2016	313,384.58	3,882,259.78	30.8%
2017	Q2	1/27/2017	233,590.91	4,115,850.69	32.7%
2017	Q3	4/24/17	349,131.66	4,464,982.35	35.4%
2017	Q4	7/3/2017	345,112.15	4,810,094.50	38.2%
2018	Q1	10/20/2017	335,650.83	5,145,745.33	40.8%
2018	Q2	1/29/2018	379,848.51	5,525,593.84	43.9%
2018	Q3	4/6/2018	393,340.37	5,918,934.21	47.0%
2018	Q4	8/2/2018	357,807.24	6,276,741.45	49.8%
2019	Q1	10/18/18/	367,734.54	6,644,475.99	52.7%
2019	Q2	1/22/2019	377,721.49	7,022,197.48	55.7%
2019	Q3	4/15/2019	372,405.36	7,394,602.84	58.7%
2019	Q4	7/22/2019	401,389.48	7,795,992.32	61.9%
2020	Q1	10/21/2019	440,435.55	8,236,427.87	65.4%
2020	Q2	1/27/2020	386,142.21	8,622,570.08	68.4%
2020	Q3	4/15/2020	396,706.99	9,019,277.07	71.6%
2020	Q4	7/10/2020	359,825.15	9,379,102.22	74.4%
2021	Q1	10/28/2020	470,633.43	9,849,735.65	78.2%
2021	Q2	2/1/2021	431,002.85	10,280,738.50	81.6%
2021	Q3	4/16/2021	451,313.64	10,732,052.14	85.2%
2021	Q4	7/12/2021	470,223.05	11,202,275.19	88.9%
Proceeds Collected to Date				11,202,275.19	
Projected Maximum Allowable Proceeds				12,600,000.00	
Projected Maximum Allowable Proceeds not Collected				(1,397,724.81)	

1/10/2022

HAMPTON COUNTY



CAPITAL PROJECTS SALES TAX II- REVENUE

**Hampton County
Capital Project Sales Tax Report 2013 - 2021
Fiscal Years 2013 - 2021
Revenue Update**

CPST II Sales Tax	11,202,275.19
GO Series 2013 Bond Proceeds	6,485,000.00
USDA Loan	500,000.00
HUD Library Expansion Grant 4-W-10-005	85,725.00
Commerce 4w-13-002 Health Department	414,000.00
Commerce 4w-13-002 Health Department	46,000.00
Commerce 4w-13-002 Health Department	5,000.00
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	18,738,000.19

FUND BALANCE/ RESERVE LEVELS

GENERAL FUND

MINIMUM LEVEL

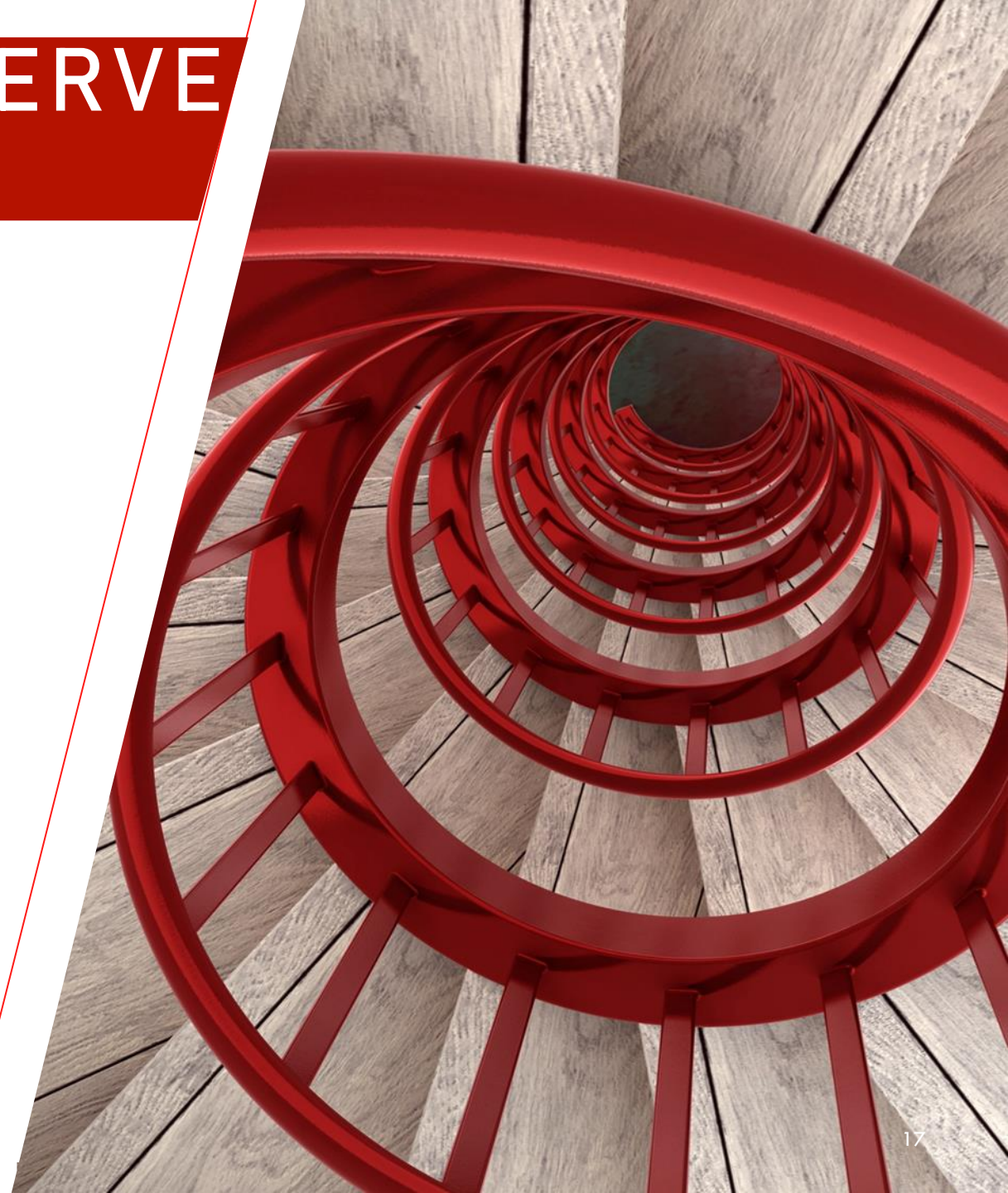
6 PAYROLLS	6 PERIODS	2,526,000.00	
MONTHLY EXPENSES	1 @600K EACH	600,000.00	
DISASTER FUNDS		400,000.00	
		3,526,000.00	17.5%

OPTIMUM LEVEL*

6 PAYROLLS	6 PERIODS	2,526,000.00	
MONTHLY EXPENSES	3 @600K EACH	1,800,000.00	
DISASTER FUNDS		1,078,974.00	
		5,404,974.00	20.50%

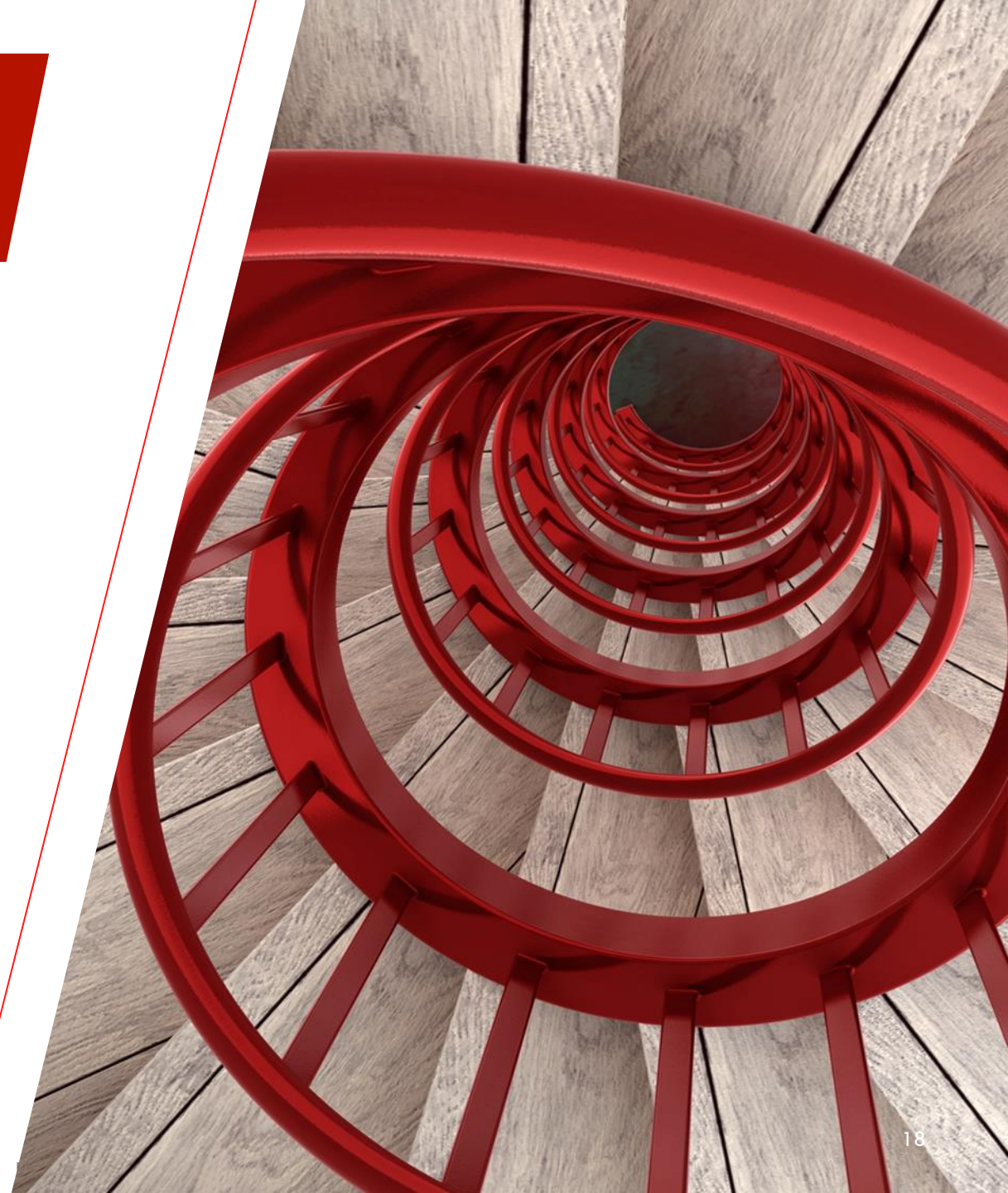
*May eliminate need for a TAN

****Council has already taken action by implementing the Financial Recovery Plan**



WHAT'S BEEN DONE

- Reduced County Budget
- Consolidated Funds
- Internal Procedural Changes
- Recovery Plan





THANK YOU

CHANEL LEWIS
FINANCE DIRECTOR