

**AUDITED FINANCIAL STATEMENTS**

**CLARENDON COUNTY**

**MANNING, SOUTH CAROLINA**

**JUNE 30, 2013**

**AUDITED FINANCIAL STATEMENTS**

**CLARENDON COUNTY**

**MANNING, SOUTH CAROLINA**

**JUNE 30, 2013**

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**MANNING, SOUTH CAROLINA**

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# McGregor & COMPANY,LLC

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## INDEPENDENT AUDITOR'S REPORT

To the Members of the  
Clarendon County Council  
Manning, South Carolina

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clarendon County, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

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**INDEPENDENT AUDITOR'S REPORT**  
(continued)

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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clarendon County, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Schedule of Funding Progress for retirees' health plan information on pages 4 - 11 and 68 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.

**INDEPENDENT AUDITOR'S REPORT**  
(continued)

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clarendon County's basic financial statements. The combining and individual fund schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual fund schedules, statistical section, and the schedule of expenditures of federal awards 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 and the schedule of expenditures of federal awards 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 January 7, 2014, on our consideration of Clarendon County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Clarendon County's internal control over financial reporting and compliance.

*McNeeger & Co. LLP*

Orangeburg, South Carolina  
January 7, 2014

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Clarendon County's discussion and analysis offers readers of the County's financial statements a narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, and in the financial statements and notes to the financial statements.

The government-wide financial statements include not only Clarendon County and its blended component units (known as the primary government), but also legally separate entities for which the County is financially accountable. Information included in this discussion and analysis focuses on the activities of the primary government. Accordingly, information provided does not include the activities of discretely-presented component units.

**Financial Highlights:**

- Clarendon County's assets exceeded its liabilities at June 30, 2013 by \$24.1 million (net position). Of this amount, of \$2.9 million are classified as unrestricted net position that may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position decreased \$1.5 million over the previous year, a reduction of 6.0%.
- At June 30, 2013, the County's governmental fund balance sheet reported a combined ending fund balance of \$15.1 million, an increase of \$6.2 million over the previous fiscal year. Nearly 85% of this increase is associated with capital improvement projects within the County. Of the \$15.1 million, \$6.0 million remains in the various funds of the County as committed, assigned or unassigned.
- The General Fund reported a fund balance of \$2.9 million, a decrease from last fiscal year of \$0.4 million. This ending balance equates to 15% of General Fund expenditures for the year.
- Total bonded debt increased \$6.8 million, primarily due to issuance of \$7 million Installment Purchase Revenue Bonds for Courthouse renovations and improvements.

**Overview of the Financial Statements**

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

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Government-wide financial statements:** The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Clarendon County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The County's governmental activities include general government, public safety, physical environment, economic environment, transportation, human services, and cultural/recreation. Financial information in the government-wide financial statements distinguishes discretely-presented component units from the financial information for the primary government itself.

The government-wide financial statements can be found on pages 12 and 13 of this report.

**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. Clarendon County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary 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.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information 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 funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Clarendon County maintains 13 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund and Fire Services Fund which are considered to be major funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Clarendon County adopts an annual appropriation budget for its governmental funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget.

The basic governmental funds financial statements can be found on pages 14 through 16 of this report.

*Proprietary funds:* Clarendon County utilizes two proprietary funds associated with its Water and Sewer related activities and the Weldon Auditorium. These statements are found on pages 18 - 20

*Fiduciary fund:* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

The basic fiduciary fund financial statement can be found on page 21 of this report.

**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 on pages 25 through 67 of this report.

**Other information:** In addition to the basic financial statements and accompanying notes, the combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 69 through 74 of this report.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Clarendon County, assets exceeded liabilities by \$24.1 million at the close of the most recent fiscal year. The County's decrease in net position for this fiscal year amounts to \$1.5 million, a reduction of 6.0%.

The largest portion of the County's net position (78%) of the governmental activities reflects its investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County'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 be used to liquidate these liabilities.

**Clarendon County's Net Position  
(Dollars in Thousands)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current and other assets	\$ 16,854	\$ 10,359	\$ 838	\$ 1,060	\$ 17,692	\$ 11,419
Capital assets	<u>25,977</u>	<u>25,996</u>	<u>8,686</u>	<u>8,831</u>	<u>34,663</u>	<u>34,827</u>
Total assets	<u>42,831</u>	<u>36,355</u>	<u>9,524</u>	<u>9,891</u>	<u>52,355</u>	<u>46,246</u>
Long-term liabilities outstanding	19,382	11,872	6,652	6,479	26,034	18,351
Other liabilities	<u>893</u>	<u>638</u>	<u>1,333</u>	<u>1,697</u>	<u>2,226</u>	<u>2,335</u>
Total liabilities	<u>20,275</u>	<u>12,510</u>	<u>7,985</u>	<u>8,176</u>	<u>28,260</u>	<u>20,686</u>
Net Position						
Invested in capital assets, net of related debt	17,715	18,379	875	933	18,590	19,312
Restricted	1,967	1,508	653	616	2,621	2,124
Unrestricted	<u>2,874</u>	<u>3,958</u>	<u>11</u>	<u>166</u>	<u>2,884</u>	<u>4,124</u>
Total net Position	<u>\$ 22,556</u>	<u>\$ 23,845</u>	<u>\$ 1,539</u>	<u>\$ 1,715</u>	<u>\$ 24,095</u>	<u>\$ 25,560</u>

An additional portion of the County's net position of the governmental activities (9%) represents resources that are subject to external restrictions on how they may be used or deemed to be unspendable. The remaining balance of net position (\$2.9 million) may be used to meet the government's ongoing obligations to citizens and creditors.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

At the end of the current fiscal year, Clarendon County is able to report positive balances in all of its net position categories as a whole within its governmental activities. The business-type activities also reflect a positive balance in unrestricted net position at fiscal year end.

The changes in net position displayed below shows the governmental activities during the fiscal year. While general tax revenues off set a reduction in program revenues, the decrease in net position resulted primarily from increased borrowing costs associated with capital improvement projects and increases in public safety and court related areas; and, a transfer of assets from governmental to business-type activities.

**Clarendon County's Changes in Net Position  
(Dollars in Thousands)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges from Services	\$ 3,335	\$ 3,674	\$ 749	\$ 539	\$ 4,084	\$ 4,213
Grants and Contributions	1,473	1,488	396	894	1,869	2,382
<b>General revenues:</b>						
Ad valorem taxes	15,266	13,709	-	-	15,266	13,709
Other taxes	2,814	2,974	-	-	2,814	2,974
State shared	1,594	1,394	-	-	1,594	1,394
Interest	10	10	-	1	10	11
Other	<u>402</u>	<u>343</u>	<u>-</u>	<u>-</u>	<u>402</u>	<u>343</u>
<b>Total revenues</b>	<b>24,894</b>	<b>23,592</b>	<b>1,145</b>	<b>1,434</b>	<b>26,039</b>	<b>25,026</b>
<b>Expenses:</b>						
<b>Program Activities:</b>						
<b>Government Activities:</b>						
General government	6,766	7,014	-	-	6,766	7,014
Public safety	10,140	9,679	-	-	10,140	9,679
Physical environment	3,247	3,073	-	-	3,247	3,073
Transportation	228	213	-	-	228	213
Economic environment	758	741	-	-	758	741
Court related	1,825	1,474	-	-	1,825	1,474
Cultural and recreational	652	407	-	-	652	407
Agencies	1,032	1,176	-	-	1,032	1,176
Interest on long-term debt	1,277	375	-	-	1,277	375
<b>Business-type Activities:</b>						
Water and sewer fund	-	-	659	413	659	413
Weldon Auditorium	-	-	<u>481</u>	<u>611</u>	<u>481</u>	<u>611</u>
<b>Total expenses</b>	<b>25,925</b>	<b>24,152</b>	<b>1,140</b>	<b>1,024</b>	<b>27,065</b>	<b>25,176</b>
Transfers in (out)	(303)	(552)	314	379	11	(173)
Special items	-	-	(496)	-	(496)	-
<b>Change in net position</b>	<b><u>(1,334)</u></b>	<b><u>(1,112)</u></b>	<b><u>(177)</u></b>	<b><u>789</u></b>	<b><u>(1,511)</u></b>	<b><u>(323)</u></b>
<b>Beginning net position</b>	<b><u>23,890</u></b>	<b><u>25,002</u></b>	<b><u>1,716</u></b>	<b><u>927</u></b>	<b><u>25,606</u></b>	<b><u>25,929</u></b>
<b>Ending net position</b>	<b><u>\$ 22,556</u></b>	<b><u>\$ 23,890</u></b>	<b><u>\$ 1,539</u></b>	<b><u>\$ 1,716</u></b>	<b><u>\$ 24,095</u></b>	<b><u>\$ 25,606</u></b>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Primary Governmental Activities:** Revenues for the County's governmental activities were \$24.9 million for fiscal year 2013 and \$1.1 million for its Business-type activities. Taxes constitute the largest source of County revenues, amounting to approximately \$18.1 million for the fiscal year 2013. Real property taxes (\$11 million) represent 61% of total taxes and 44% of all revenue combined. Lastly, intergovernmental revenues increased to \$1.6 million for the fiscal year end.

**Financial Analysis of Clarendon County's Funds**

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

**Governmental funds:** The focus of Clarendon County governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Clarendon County's financing requirements. In particular, non-restricted fund balances (committed, assigned and unreserved) may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2013, Clarendon County governmental funds reported combined fund balances of \$15.1 million, an increase of \$6.2 million over the prior year balances. The main component of this increase was the issuance of debt within the Capital Projects fund for renovations and improvements to County Courthouse (\$7 million).

The General Fund is the chief operating fund of the County. At June 30, 2013, total fund balance in the General Fund was \$2.9 million, of which \$1.9 million was not restricted. As a measure of the General Fund's liquidity, the total and unrestricted fund balances compared to total fund expenditures shows percentages of 15.5% and 9.9%, respectively. The fund balance of the General Fund decreased by 12.5% or \$0.4 million during the fiscal year as revenues were less than anticipated.

**General Fund Budgetary Highlights**

Budget to actual statement is provided for the General Fund. A budget column for both the original budget adopted for fiscal year 2013 as well as the final budget is presented. Neither grant revenue nor expenditures are budgeted; however, sufficient grant match requirements were. The variances reflected are primarily a result of related grant activities, ad valorem and sales tax collections less than anticipated and previous comment(s) pertaining to transfers.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Capital Asset and Debt Administration**

**Capital assets:** Clarendon County's investment in capital assets for its governmental type activities as of June 30, 2013 amounts to \$26.0 million (net of accumulated depreciation) and \$8.7 million within its business-type activity. This investment in capital assets includes land, buildings and improvements, machinery and equipment and construction in progress. Clarendon County's investment in capital assets for the fiscal year was down 0.5% as completion of the Administrative complex and water system expansions were offset by the transfer of a water distribution main to the City of Manning and depreciation.

**Clarendon County's Capital Assets (Net)  
(Dollars in Thousands)**

	<b>Government Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$ 2,829	\$ 2,741	\$ 117	\$ 119	\$ 2,946	\$ 2,860
Infrastructure	3,383	3,873	-	-	3,383	3,873
Construction in progress	617	5,654	69	4,269	686	9,923
Buildings and improvements	17,043	11,200	3,224	3,310	20,267	14,510
Water distribution system	-	-	5,129	962	5,129	962
Machinery and equipment	<u>2,105</u>	<u>2,528</u>	<u>147</u>	<u>171</u>	<u>2,252</u>	<u>2,699</u>
Total	<u>\$ 25,977</u>	<u>\$ 25,996</u>	<u>\$ 8,686</u>	<u>\$ 8,831</u>	<u>\$ 34,663</u>	<u>\$ 34,827</u>

Additional information on the County's capital assets can be found in note 6 on pages 40 through 44 of this report.

**Long-term debt:** At the end of the current fiscal year, Clarendon County had a total bonded debt outstanding of \$21.8 million, of which \$1.6 million is backed by the full faith and credit of the County.

**Clarendon County's Outstanding Debt  
(Dollars in Thousands)**

	<b>2013</b>	<b>2012</b>
General obligation bond	\$ 1,623	\$ 1,773
Revenue bond	20,151	13,015
Capital lease(s)	<u>369</u>	<u>491</u>
	<u>\$ 22,143</u>	<u>\$ 15,279</u>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

The County's total debt increased \$6.9 million primarily as a result of the issuance of revenue bond(s) associated with renovations and improvements to the County Courthouse. The County currently has a rating of "A+" from Standard & Poor's Corporation on general obligation bond issues. As of June 30, 2013, the County's general obligation debt and capital lease approximated fifty-seven dollars (\$57) per capita.

Additional information on Clarendon County's long-term debt can be found in note 8 on pages 46 through 53 of this report.

**Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for Clarendon County is currently 12.7%, which represents a decrease from a year ago. This compares to the state's average unemployment rate of 8.0% and the national average rate of 7.6%.
- Assessed taxable property valuation increased slightly to \$96.2 million in 2013, primarily in real property and vehicle sectors.
- County-wide taxable sales increased 1.7%, from \$240 million in 2012 to \$244 million in 2013.

All of these factors were considered in preparing the County's budget for the 2014 fiscal year. Per the Fiscal Year 2014 Adopted Budget, disbursements are budgeted at \$18.6 million, a 0.7% decrease from the fiscal year 2013 level for the General Fund. The County's commitment to programs such as public safety, health and welfare, community development, public works, and parks, recreation, and cultural activities remains strong. However, pressures on the County's budget due to growth in population and additional resources required to keep our communities safe will continue to be a challenge for the County in light of legislated constraints to revenue growth.

**Requests for Information**

This financial report is designed to provide a general overview of Clarendon County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to County Controller, 411 Sunset Drive, Manning, South Carolina 29102. Complete financial statements for each individual component unit may be obtained at each respective administrative office.

**CLARENDON COUNTY, SOUTH CAROLINA**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2013**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Harvin Clarendon County Library	Business Development Corp.
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents - Note 3	\$ 7,029,204	\$ 119,941	\$ 7,149,145	\$ 211,817	\$ 2,607,048
Receivables:					
Delinquent taxes	1,819,412	-	1,819,412	-	-
Other	265,533	62,755	328,288	17,762	2,729
Due from fiduciary funds	89,113	-	89,113	-	-
Prepaid expense	-	1,375	1,375	5,079	-
Due from other governments	1,650,757	-	1,650,757	-	-
Inventories	47,504	-	47,504	-	-
Capital leases and notes receivable - Note 5	-	-	-	-	533,518
Total current assets	<u>10,901,523</u>	<u>184,071</u>	<u>11,085,594</u>	<u>234,658</u>	<u>3,143,295</u>
Non-current assets:					
Restricted cash and cash equivalents	5,951,947	653,402	6,605,349	-	-
Notes receivable - Note 5	-	-	-	-	169,505
Non-depreciable capital assets-net - Note 6	3,446,127	186,489	3,632,616	24,000	2,392,366
Depreciable capital assets-net - Note 6	22,531,178	8,499,848	31,031,026	228,638	1,128,221
Total non-current assets	<u>31,929,252</u>	<u>9,339,739</u>	<u>41,268,991</u>	<u>252,638</u>	<u>3,690,092</u>
Total assets	<u>42,830,775</u>	<u>9,523,810</u>	<u>52,354,585</u>	<u>487,296</u>	<u>6,833,387</u>
<b>LIABILITIES</b>					
Current liabilities (payable from current assets):					
Accounts payable	597,368	22,878	620,246	3,066	-
Due to other governments	112,962	27	112,989	-	-
Internal balances	(1,228,304)	1,228,304	-	-	-
Due to fiduciary funds - Note 7	267,325	-	267,325	-	-
Deferred revenue	194,951	6,749	201,700	-	-
Refundable Advances - Note 17	-	-	-	-	442,375
Taxes to be distributed	4,103	-	4,103	-	-
Note payable - Note 8	-	-	-	-	574,732
Other liabilities	300,606	291	300,897	6,999	-
Accrued compensated absences - Note 8	32,757	1,295	34,052	-	-
Closures and maintenance costs payable - Note 8	19,600	-	19,600	-	-
Capital lease - Note 8	126,801	-	126,801	-	-
Bond payable - Note 8	465,000	73,819	538,819	-	-
Total current liabilities	<u>893,169</u>	<u>1,333,363</u>	<u>2,226,532</u>	<u>10,065</u>	<u>1,017,107</u>
Non-current liabilities:					
Accrued compensated absences - Note 8	363,738	2,656	366,394	17,147	-
Closures and maintenance costs payable - Note 8	532,200	-	532,200	-	-
Note payable - Note 8	-	-	-	-	744,716
OPEB payable - Note 12	3,616,193	41,634	3,657,827	103,288	-
Capital lease - Note 8	242,018	-	242,018	-	-
Bond payable - Note 8	14,627,700	6,606,981	21,234,681	-	-
Total long-term liabilities	<u>19,381,849</u>	<u>6,651,271</u>	<u>26,033,120</u>	<u>120,435</u>	<u>744,716</u>
Total liabilities	<u>20,275,018</u>	<u>7,984,634</u>	<u>28,259,652</u>	<u>130,500</u>	<u>1,761,823</u>
<b>NET POSITION</b>					
Invested in capital assets, net of related debt	17,715,108	874,867	18,589,975	252,638	-
Restricted:					
Debt Service	976,750	653,402	1,630,152	-	-
Local option sales tax revenue	990,318	-	990,318	-	-
Unrestricted	2,873,581	10,907	2,884,488	104,158	5,071,564
Total net position	<u>\$ 22,555,757</u>	<u>\$ 1,539,176</u>	<u>\$ 24,094,933</u>	<u>\$ 356,796</u>	<u>\$ 5,071,564</u>

The accompanying notes are an integral part of the financial statements.

**CLARENDON COUNTY, SOUTH CAROLINA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Units	
	Expenses	Charges for Services	Grants and Contributions	Capital Grants and Contributions	Primary Government		Harvin Clarendon County Library	Business Development Corporation	
					Governmental Activities	Business-Type Activities			Total
<b>Primary Government:</b>									
Governmental activities:									
Public safety	\$ 10,139,658	\$ 353,078	\$ 528,582	\$ 83,088	\$ (9,174,910)	\$ -	\$ (9,174,910)		
General government	6,766,360	105,342	-	202,801	(6,458,217)	-	(6,458,217)		
Agencies	1,031,714	59,823	274,000	-	(697,891)	-	(697,891)		
Physical environment	3,247,398	1,964,618	39,458	-	(1,243,322)	-	(1,243,322)		
Court related	1,825,143	677,829	-	-	(1,147,314)	-	(1,147,314)		
Economic environment	758,469	67,860	228,424	-	(462,185)	-	(462,185)		
Culture/Recreation	651,611	70,012	-	-	(581,599)	-	(581,599)		
Transportation	228,177	36,431	-	116,755	(74,991)	-	(74,991)		
Interest	1,277,099	-	-	-	(1,277,099)	-	(1,277,099)		
Total governmental activities	<u>25,925,629</u>	<u>3,334,993</u>	<u>1,070,464</u>	<u>402,644</u>	<u>(21,117,528)</u>	<u>-</u>	<u>(21,117,528)</u>		
Business-Type Activities:									
Water & Sewer Utility	658,829	674,277	-	395,459		410,907	410,907		
Weldon Auditorium	480,350	74,951	-	-		(405,399)	(405,399)		
Total business-type activities	<u>1,139,179</u>	<u>749,228</u>	<u>-</u>	<u>395,459</u>		<u>5,508</u>	<u>5,508</u>		
<b>Total Primary Government:</b>	<u>27,064,808</u>	<u>4,084,221</u>	<u>1,070,464</u>	<u>798,103</u>	<u>(21,117,528)</u>	<u>5,508</u>	<u>(21,112,020)</u>		
<b>Component Units:</b>									
Harvin Clarendon County Library	\$ 707,389	\$ 20,738	\$ 97,398	\$ 11,552			\$ (577,701)	\$ -	
Business Development Corporation	229,893	224,262	-	-			-	(5,631)	
Total Component Units	<u>\$ 937,282</u>	<u>\$ 245,000</u>	<u>\$ 97,398</u>	<u>\$ 11,552</u>			<u>(577,701)</u>	<u>(5,631)</u>	
<b>General Revenues:</b>									
Taxes:									
Property taxes, levied for general purposes					13,844,494	-	13,844,494	-	
Property taxes, levied for debt services					1,421,043	-	1,421,043	-	
Sales and use taxes					2,814,211	-	2,814,211	-	
Franchise fees					107,496	-	107,496	-	
State shared revenues					1,593,575	-	1,593,575	-	
Interest earnings					10,442	335	10,777	37,507	
Gain on sale of fixed assets					112,697	-	112,697	39,897	
Miscellaneous					181,637	-	181,637	-	
County appropriation					-	-	-	540,000	
Total general revenues					<u>20,085,595</u>	<u>335</u>	<u>20,085,930</u>	<u>540,000</u>	
Transfers					(302,765)	313,790	11,025	-	
Special item - Note 18					-	(496,343)	(496,343)	-	
Total general revenues, transfers and special item					<u>19,782,830</u>	<u>(182,218)</u>	<u>19,600,612</u>	<u>540,000</u>	
Change in net position					<u>(1,334,698)</u>	<u>(176,710)</u>	<u>(1,511,408)</u>	<u>(37,701)</u>	
Net position - beginning of year					<u>23,890,455</u>	<u>1,715,886</u>	<u>25,606,341</u>	<u>394,497</u>	
Net position - ending of year					<u>\$ 22,555,757</u>	<u>\$ 1,539,176</u>	<u>\$ 24,094,933</u>	<u>\$ 356,796</u>	

\* As restated at Note 13

The accompanying notes are an integral part of the financial statements.

**CLARENDON COUNTY, SOUTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013**

	GENERAL	CAPITAL PROJECTS	FIRE DEPARTMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,910,832	\$ 6,433,214	\$ 1,217,588	\$ 3,419,517	\$ 12,981,151
Accounts receivable					
Property taxes	1,452,784	-	262,084	104,544	1,819,412
Other	110,878	-	-	154,655	265,533
Due from other funds	40,544	-	-	13,975	54,519
Due from fiduciary funds	89,113	-	-	-	89,113
Due from business enterprise	32,634	1,195,670	-	-	1,228,304
Due from other governments	1,650,757	-	-	-	1,650,757
Supplies inventory	47,504	-	-	-	47,504
Total assets	<u>\$ 5,335,046</u>	<u>\$ 7,628,884</u>	<u>\$ 1,479,672</u>	<u>\$ 3,692,691</u>	<u>\$ 18,136,293</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 291,488	\$ 68,468	\$ 19,168	\$ 218,244	\$ 597,368
Accrued payroll and withholdings	266,959	-	-	-	266,959
Due to other funds	13,975	-	-	40,544	54,519
Due to fiduciary funds	267,325	-	-	-	267,325
Due to other governments	112,962	-	-	-	112,962
Deferred revenue	1,424,130	-	217,981	89,187	1,731,298
Advance mobile home revenue	4,103	-	-	-	4,103
Other liabilities	33,647	-	-	-	33,647
Total liabilities	<u>2,414,589</u>	<u>68,468</u>	<u>237,149</u>	<u>347,975</u>	<u>3,068,181</u>
Fund balances:					
Nonspendable	47,504	-	-	-	47,504
Restricted	990,318	5,951,947	-	2,109,356	9,051,621
Committed	-	497,623	-	-	497,623
Assigned	318,037	-	1,242,523	1,235,360	2,795,920
Unassigned	1,564,598	1,110,846	-	-	2,675,444
Total fund balances	<u>2,920,457</u>	<u>7,560,416</u>	<u>1,242,523</u>	<u>3,344,716</u>	<u>15,068,112</u>
Total Liabilities and Fund balances	<u>\$ 5,335,046</u>	<u>\$ 7,628,884</u>	<u>\$ 1,479,672</u>	<u>\$ 3,692,691</u>	
Amounts reported for governmental activities in the statement of net position are different because					
Capital assets used in governmental activities are not financial resources, therefore, are not reported in funds					25,977,305
Long-term liabilities, including bonds payable (\$15,092,700), capital lease (\$368,819), accrued compensated absences (\$396,495) and closure and maintenances costs payable (\$551,800) are not reported in funds.					(16,409,814)
Other Post Employment Benefits (OPEB) liability represents the future unfunded costs associated with current benefits design					(3,616,193)
Delinquent taxes receivable are not financial resources in the current period and, therefore, are reported as deferred revenue in the funds.					1,536,347
					<u>\$ 22,555,757</u>

The accompanying notes are an integral part of the financial statements.

**CLARENDON COUNTY, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	GENERAL	CAPITAL PROJECTS	FIRE DEPARTMENT	OTHER GOVERNMENTAL FUNDS	TOTAL
<b>REVENUES</b>					
Taxes	\$ 13,816,835	\$ -	\$ 2,193,594	\$ 1,864,672	\$ 17,875,101
Licenses and permits	96,475	-	-	-	96,475
Intergovernmental	2,373,212	-	-	1,680,393	4,053,605
Charges for services	1,160,954	-	-	259,817	1,420,771
Fines and forfeitures	448,592	-	-	59,833	508,425
Special assessments	-	-	-	59,823	59,823
Interest	1,900	3,454	1,625	3,463	10,442
Miscellaneous	458,345	-	-	-	458,345
Total revenues	<u>18,356,313</u>	<u>3,454</u>	<u>2,195,219</u>	<u>3,928,001</u>	<u>24,482,987</u>
<b>EXPENDITURES</b>					
Current:					
General government	5,078,382	18,738	-	733,177	5,830,297
Public safety	6,707,366	-	1,826,518	444,485	8,978,369
Physical environment	3,081,993	-	-	-	3,081,993
Transportation	218,779	-	-	-	218,779
Economic environment	725,700	-	-	-	725,700
Agencies	1,022,764	-	-	-	1,022,764
Culture/Recreation	488,002	-	-	70,952	558,954
Court Related	1,516,331	-	-	204,286	1,720,617
Debt service:					
Principal	-	-	-	501,328	501,328
Interest and fiscal charges	-	809,506	-	467,593	1,277,099
Capital outlay	107,267	843,169	20,300	511,078	1,481,814
Total expenditures	<u>18,946,584</u>	<u>1,671,413</u>	<u>1,846,818</u>	<u>2,932,899</u>	<u>25,397,714</u>
Excess of revenues over (under) expenditures	(590,271)	(1,667,959)	348,401	995,102	(914,727)
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of assets	192,141	-	-	-	192,141
Bond proceeds	-	6,970,000	-	269,600	7,239,600
Transfers	(17,975)	-	-	(284,790)	(302,765)
Net other financing sources (uses)	<u>174,166</u>	<u>6,970,000</u>	<u>-</u>	<u>(15,190)</u>	<u>7,128,976</u>
Net changes in fund balances	<u>(416,105)</u>	<u>5,302,041</u>	<u>348,401</u>	<u>979,912</u>	<u>6,214,249</u>
Fund balances at beginning of year, as restated - Note 13	<u>3,336,562</u>	<u>2,258,375</u>	<u>894,122</u>	<u>2,364,804</u>	<u>8,853,863</u>
Fund balances at end of year	<u>\$ 2,920,457</u>	<u>\$ 7,560,416</u>	<u>\$ 1,242,523</u>	<u>\$ 3,344,716</u>	<u>\$ 15,068,112</u>

The accompanying notes are an integral part of the financial statements.

**CLARENDON COUNTY, SOUTH CAROLINA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013**

Net Changes in fund balances - total governmental funds		\$ 6,214,249
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.		
Expenditures for capital assets	1,481,814	
Contribution of capital assets	202,801	
Less current year depreciation	<u>(1,623,503)</u>	61,112
Lease and bond proceeds provide current financial resources to government funds, but incurring debt increases long-term liabilities in the statement of net assets.		
Bond proceeds	(7,239,600)	
Bond principal payment	419,900	
Capital lease payment	<u>122,069</u>	(6,697,631)
Gains or losses on the sale of capital assets are not presented in this financial statement because they do not provide or use current financial resources but they are presented in the statement of activities.		
		(79,444)
Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences	(54,478)	
Change in OPEB liability	(856,741)	
Change in closure and maintenance costs payable	<u>(16,975)</u>	(928,194)
Some property tax will not be collected for several months after the County's fiscal year-end, they are not considered "available" revenues in the governmental funds.		
		<u>95,210</u>
Change in net position of governmental activities.		<u><u>\$ (1,334,698)</u></u>

The accompanying notes are an integral part of the financial statements.

**CLARENDON COUNTY, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Budget Basis (Note 2)</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 14,628,253	\$ 14,628,253	\$ 13,816,835	\$ (811,418)
Licenses and permits	108,000	108,000	96,475	(11,525)
Intergovernmental	1,467,620	1,467,620	2,373,212	905,592
Charges for services	1,161,400	1,161,400	1,160,954	(446)
Fines and forfeitures	574,000	574,000	448,592	(125,408)
Interest	5,000	5,000	1,900	(3,100)
Miscellaneous	421,210	421,210	458,345	37,135
Total revenues	<u>18,365,483</u>	<u>18,365,483</u>	<u>18,356,313</u>	<u>(9,170)</u>
<b>EXPENDITURES</b>				
Current:				
General government	4,524,708	4,405,650	5,047,178	(641,528)
Public safety	6,877,897	6,964,706	6,805,212	159,494
Physical environment	3,111,243	3,127,926	3,081,733	46,193
Transportation	400,303	403,324	218,779	184,545
Economic environment	736,235	745,952	729,400	16,552
Culture/Recreation	480,616	486,573	488,002	(1,429)
Court related	1,592,030	1,588,901	1,517,465	71,436
Agencies	1,013,451	1,013,451	1,022,764	(9,313)
Total expenditures	<u>18,736,483</u>	<u>18,736,483</u>	<u>18,910,533</u>	<u>(174,050)</u>
Excess of revenues over (under) expenditures	(371,000)	(371,000)	(554,220)	(183,220)
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of assets	205,000	205,000	192,141	(12,859)
Transfers In/(Out)	(29,000)	(29,000)	(17,975)	11,025
Net other financing sources (uses)	<u>176,000</u>	<u>176,000</u>	<u>174,166</u>	<u>(1,834)</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	<u>\$ (195,000)</u>	<u>\$ (195,000)</u>	(380,054)	<u>\$ (185,054)</u>
Fund balances at beginning of year as restated - Note 13			<u>3,224,670</u>	
Fund balances at end of year			<u>\$ 2,844,616</u>	

The accompanying notes are an integral part of the financial statements.

**CLARENDON COUNTY, SOUTH CAROLINA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2013**

	<b>WATER &amp; SEWER FUND</b>	<b>WELDON AUDITORIUM</b>	<b>TOTAL ENTERPRISE FUNDS</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 108,537	\$ 11,404	\$ 119,941
Accounts receivable, net of allowance	62,755	-	62,755
Prepaid expense	-	1,375	1,375
Total current assets	<u>171,292</u>	<u>12,779</u>	<u>184,071</u>
<b>Noncurrent Assets</b>			
Restricted cash and cash equivalents	18,807	634,595	653,402
Capital assets:			
Land	117,152	-	117,152
Buildings and improvements	1,978	3,438,173	3,440,151
Machinery and equipment	213,437	-	213,437
Water and sewer system	5,294,025	-	5,294,025
Construction in Progress	69,337	-	69,337
Less: Accumulated Depreciation	<u>(232,880)</u>	<u>(214,885)</u>	<u>(447,765)</u>
Total noncurrent assets	<u>5,481,856</u>	<u>3,857,883</u>	<u>9,339,739</u>
<b>TOTAL ASSETS</b>	<u>5,653,148</u>	<u>3,870,662</u>	<u>9,523,810</u>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts payable	18,639	4,239	22,878
Accrued payroll and withholdings	-	291	291
Due to other funds	1,228,304	-	1,228,304
Due to other governments	-	27	27
Deferred revenue	6,749	-	6,749
Accrued compensated absences	349	946	1,295
Bond payable	8,819	65,000	73,819
Total current liabilities	<u>1,262,860</u>	<u>70,503</u>	<u>1,333,363</u>
<b>Noncurrent Liabilities:</b>			
Accrued compensated absences	715	1,941	2,656
Bond payable	3,531,981	3,075,000	6,606,981
Net OPEB liability - Note 12	26,397	15,237	41,634
Total noncurrent liabilities	<u>3,559,093</u>	<u>3,092,178</u>	<u>6,651,271</u>
<b>TOTAL LIABILITIES</b>	<u>4,821,953</u>	<u>3,162,681</u>	<u>7,984,634</u>
<b>NET POSITION:</b>			
Invested in capital assets, net of related debt	726,579	148,288	874,867
Restricted:			
Debt service	18,807	634,595	653,402
Unrestricted	85,809	(74,902)	10,907
<b>TOTAL NET POSITION</b>	<u>\$ 831,195</u>	<u>\$ 707,981</u>	<u>\$ 1,539,176</u>

The accompanying notes are an integral part of the financial statements.

**CLARENDON COUNTY, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<b>WATER &amp; SEWER UTILITY</b>	<b>WELDON AUDITORIUM</b>	<b>TOTAL ENTERPRISE FUNDS</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 674,277	\$ 74,951	\$ 749,228
Total operating revenues	<u>674,277</u>	<u>74,951</u>	<u>749,228</u>
<b>OPERATING EXPENSES</b>			
Cost of sales & services	285,223	-	285,223
Production expense	-	77,732	77,732
Personnel & benefits	145,041	97,047	242,088
Administration	32,597	81,726	114,323
Depreciation	103,599	85,954	189,553
Total operating expenses	<u>566,460</u>	<u>342,459</u>	<u>908,919</u>
<b>OPERATING INCOME (LOSS)</b>	<u>107,817</u>	<u>(267,508)</u>	<u>(159,691)</u>
<b>NON-OPERATING REVENUE (EXPENSES)</b>			
Investment income	125	210	335
Interest expense	(92,369)	(137,891)	(230,260)
Total non-operating revenue (expenses)	<u>(92,244)</u>	<u>(137,681)</u>	<u>(229,925)</u>
<b>NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>			
	15,573	(405,189)	(389,616)
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>			
Capital contributions	395,459	-	395,459
Special Item - Note 18	(496,343)	-	(496,343)
Transfers	(6,000)	319,790	313,790
Net other financing sources (uses)	<u>(106,884)</u>	<u>319,790</u>	<u>212,906</u>
<b>CHANGE IN NET POSITION</b>	(91,311)	(85,399)	(176,710)
Net positions at beginning of year - Note 13	<u>922,506</u>	<u>793,380</u>	<u>1,715,886</u>
<b>NET POSITION AT END OF YEAR</b>	<u>\$ 831,195</u>	<u>\$ 707,981</u>	<u>\$ 1,539,176</u>

The accompanying notes are an integral part of the financial statements.

**CLARENDON COUNTY, SOUTH CAROLINA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<b>WATER &amp; SEWER UTILITY</b>	<b>WELDON AUDITORIUM</b>	<b>TOTAL ENTERPRISE FUNDS</b>
<b>Cash Flows From Operating Activities:</b>			
Cash received from customers	\$ 804,931	\$ 74,951	\$ 879,882
Cash paid to suppliers for goods and services	(496,778)	(142,706)	(639,484)
Cash paid to employees for services	(137,812)	(87,870)	(225,682)
Internal activity-payments to other funds	(154,637)	-	(154,637)
<b>Net Cash Provided (Used) By Operating Activities</b>	<u>15,704</u>	<u>(155,625)</u>	<u>(139,921)</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers	<u>(6,000)</u>	<u>319,790</u>	<u>313,790</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Bond proceeds	230,781	-	230,781
Principal payments	-	(65,000)	(65,000)
Interest paid on debt	(92,369)	(137,891)	(230,260)
Net position restatement	301	176	477
Grant proceeds	395,459	-	395,459
Purchase of capital assets	(541,256)	-	(541,256)
<b>Net Cash Provided (Used) By Capital and Related Financing Activities</b>	<u>(7,084)</u>	<u>(202,715)</u>	<u>(209,799)</u>
<b>Cash Flow From Investing Activities:</b>			
Interest income	<u>125</u>	<u>210</u>	<u>335</u>
<b>Net Cash Provided (Used) By Investing Activities</b>	<u>125</u>	<u>210</u>	<u>335</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,745	(38,340)	(35,595)
Cash and Cash Equivalents at Beginning of Year	<u>124,599</u>	<u>684,339</u>	<u>808,938</u>
Cash and Cash Equivalents at End of Year	<u>\$ 127,344</u>	<u>\$ 645,999</u>	<u>\$ 773,343</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by operating Activities</b>			
Operating income (loss)	\$ 107,817	\$ (267,508)	\$ (159,691)
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities</b>			
Depreciation expense	103,599	85,954	189,553
<b>Changes in assets and liabilities:</b>			
(Increase) decrease in accounts receivable	169,707	-	169,707
(Increase) decrease in prepaids	-	17,625	17,625
Increase (decrease) in accounts payable	(178,958)	(873)	(179,831)
Increase (decrease) in due to other funds	(154,637)	-	(154,637)
Increase (decrease) in accrue compensated absences	1,064	2,887	3,951
Increase (decrease) in OPEB liability	6,165	6,290	12,455
Increase (decrease) in deferred revenue	(39,053)	-	(39,053)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>\$ 15,704</u>	<u>\$ (155,625)</u>	<u>\$ (139,921)</u>

The accompanying notes are an integral part of the financial statements.

**CLARENDON COUNTY, SOUTH CAROLINA  
STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS  
JUNE 30, 2013**

**ASSETS**

Cash	\$ 3,518,447
Delinquent taxes receivable	1,822,352
Due from credit card	400
Due from other funds	267,325
Due from other magistrates	60
Total Assets	<u>\$ 5,608,584</u>

**LIABILITIES**

Due to trust fund holders	\$ 3,935,136
Due to Treasurer - cash overage (shortage)	17,583
Due to other funds	89,113
Deferred revenue	1,566,692
Due to other magistrates	60
Total Liabilities	<u>\$ 5,608,584</u>

The accompanying notes are an integral part of the financial statements.

**CLARENDON COUNTY  
COMBINING BALANCE SHEETS  
DISCRETELY PRESENTED COMPONENT UNITS  
JUNE 30, 2013**

	<b>GOVERNMENTAL FUNDS</b>		
	<b>HARVIN CLARENDON COUNTY LIBRARY</b>	<b>BUSINESS DEVELOPMENT CORPORATION</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash	\$ 211,817	\$ 2,607,048	\$ 2,818,865
Prepaid items	5,079	-	5,079
Notes and interest receivable	-	222,234	222,234
Capital and operating lease receivable	-	483,518	483,518
Grant receivable	17,762	-	17,762
<b>TOTAL ASSETS</b>	<b>\$ 234,658</b>	<b>\$ 3,312,800</b>	<b>\$ 3,547,458</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts and payroll withholdings payable	\$ 10,065	\$ -	\$ 10,065
Refundable advances	-	442,375	442,375
<b>Total Liabilities</b>	<b>10,065</b>	<b>442,375</b>	<b>452,440</b>
<b>Fund Balances</b>			
Nonspendable	5,079	169,505	174,584
Committed	70,000	-	70,000
Unassigned	149,514	2,700,920	2,850,434
<b>Total Fund Balances</b>	<b>224,593</b>	<b>2,870,425</b>	<b>3,095,018</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 234,658</b>	<b>\$ 3,312,800</b>	<b>\$ 3,547,458</b>
Amounts reported for governmental activities in the statement of net position are different because:			
Total fund balance	\$ 224,593	\$ 2,870,425	\$ 3,095,018
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	252,638	3,520,587	3,773,225
Liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
Accrued compensated absences	(17,147)	-	(17,147)
Notes payable	-	(1,319,448)	(1,319,448)
Net OPEB liability	(103,288)	-	(103,288)
<b>Total net position</b>	<b>\$ 356,796</b>	<b>\$ 5,071,564</b>	<b>\$ 5,428,360</b>

The accompanying notes are an integral part of the financial statements.

**CLARENDON COUNTY  
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 DISCRETELY PRESENTED COMPONENT UNITS  
 FOR THE YEAR ENDED JUNE 30, 2013**

	<u>GORVERNMENTAL FUNDS</u>		
	<u>HARVIN CLARENDON COUNTY LIBRARY</u>	<u>BUSINESS DEVELOPMENT CORPORATION</u>	<u>TOTAL</u>
<b>REVENUES</b>			
Federal	\$ 20,379	\$ -	\$ 20,379
State	68,197	-	68,197
Local	581,112	261,769	842,881
<b>TOTAL REVENUES</b>	<u>669,688</u>	<u>261,769</u>	<u>931,457</u>
<b>EXPENDITURES</b>			
General operations	662,114	34,479	696,593
Debt service	-	236,434	236,434
<b>TOTAL EXPENDITURES</b>	<u>662,114</u>	<u>270,913</u>	<u>933,027</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>7,574</u>	<u>(9,144)</u>	<u>(1,570)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of assets	-	869,670	869,670
Total other financing sources (uses)	<u>-</u>	<u>869,670</u>	<u>869,670</u>
<b>NET CHANGE IN FUND BALANCES</b>	7,574	860,526	868,100
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>217,019</u>	<u>2,009,899</u>	<u>2,226,918</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 224,593</u>	<u>\$ 2,870,425</u>	<u>\$ 3,095,018</u>

The accompanying notes are an integral part of the financial statements.

**CLARENDON COUNTY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF COMPONENT UNITS**  
**TO THE STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<b>HARVIN CLARENDON COUNTY LIBRARY</b>	<b>BUSINESS DEVELOPMENT CORPORATION</b>	<b>TOTAL</b>
Net change in fund balances - total governmental funds	\$ 7,574	\$ 860,526	\$ 868,100
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.			
Expenditures for capital assets	34,578	-	34,578
Less current year depreciation	(44,622)	(82,657)	(127,279)
Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.			
Change in compensated absences	(1,868)	-	(1,868)
Change in net OPEB liability	(33,363)	-	(33,363)
Incurring debt increases long-term liabilities in the statement of activities			
Principal payments	-	123,677	123,677
Gains on the sale of capital assets are not presented in this financial statement because they do not provide or use current financial resources but they are presented in the statement of activities.	-	(829,773)	(829,773)
Change in net position of governmental activities	<u>\$ (37,701)</u>	<u>\$ 71,773</u>	<u>\$ 34,072</u>

The accompanying notes are an integral part of the financial statements.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

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**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Clarendon County, South Carolina (the "County") is a political subdivision of the State. Incorporated in 1855, the County encompasses 599 square miles of land with an estimated population of 34,971. The County is governed by an elected five member council.

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

**A. Reporting Entity**

The concept underlying the definition of the reporting entity is that elected officials are accountable to their constituents for their actions. The reporting entity's financial statements should allow users to distinguish between the primary government (the County) and its component units. However, some component units, because of the closeness of their relationships with the County, should be blended as though they are part of the County. Otherwise, most component units should be discretely presented.

The following entities have been determined to be blended and discretely presented component units of Clarendon County:

**Blended Component Unit:**

The Clarendon Facilities Corporation (Facilities Corporation), a not-for-profit organization, was established in 2011 to acquire, construct and lease facilities to be used by the County. While the County does not appoint members to the Facilities Corporation's Board of Directors, it has a financial burden to the Facilities Corporation in that it is obligated for lease payments equaling the amount of debt to be relieved and associated interest payments. Activities of the Facilities Corporation are reported as major capital projects and debt service funds. Separate financial statements for the Facilities Corporation are not issued.

**Discretely Presented Component Units:**

**Harvin Clarendon County Library**

Clarendon County provides a significant portion of the Library funding and has the ability to influence operations significantly. Separate financial statements for the Library are available.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**A. Reporting Entity (continued)**

**Discretely Presented Component Units: (continued)**

**Clarendon County Business Development Corporation (BDC)**

Clarendon County has the ability to influence operations of the Business Development Corporation of Clarendon County significantly. Separate financial statements for the BDC are available.

Because the component units have been reported as if they are part of the County, there are limited instances where special note reference or separation will be required. If no separate note reference or categorization is made, the user should assume that information presented is equally applicable.

**B. Measurement Focus and Basis of Accounting**

The basic financial statements of the County are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

**1. Government-wide Financial Statements**

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as its discretely presented component units. For the most part, 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. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Measurement Focus and Basis of Accounting (continued)**

**1. Government-wide Financial Statements (continued)**

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and agency fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement 33 - Accounting and Financial Reporting for Non-exchange Transactions.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. The County chooses to eliminate the indirect costs between governmental activities to avoid a "doubling up" effect.

**2. Fund Financial Statements**

The underlying accounting system of the County is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Measurement Focus and Basis of Accounting (continued)**

**2. Fund Financial Statements**

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. The fiduciary statement includes financial information for the agency funds. The agency funds of the County primarily represent assets held by the County in a custodial capacity for other individuals or governments.

**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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Franchise fees, licenses, sales taxes, gas taxes, operating and capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the County.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources". Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Non-current portions of long-term receivables (special assessments) due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

Non-current portions of other long-term receivables are offset by fund balance reserve accounts.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Measurement Focus and Basis of Accounting (continued)**

Because of their spending measurement focus, expenditure recognition for governmental fund types exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as another financing source rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**Proprietary Funds**

There are two proprietary funds representing the Water and Sewer fund and the Weldon Auditorium. The Water and Sewer fund is used to account for the cost of providing water and sewer services to unincorporated areas of the County. The Weldon Auditorium Fund is used to account for the operations of the Weldon Auditorium.

**C. Basis of Presentation**

GASB Statement 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category and the governmental and enterprise combined) for the determination of major funds. The County has used GASB 34 minimum criteria for major fund determination and has also electively disclosed funds which either had debt outstanding or specific community focus as major funds. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

**1. Governmental Major Funds:**

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

**Capital Projects Fund** – The Capital Projects Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities.

**Fire Department** – The Fire Department accounts for ad valorem taxes and other revenues to be used for the operations of the Fire Department.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Basis of Presentation (continued)**

**1. Governmental Major Funds: (continued)**

**Other Governmental Funds**

**Special Revenue Funds** – These funds are established to account for the proceeds of specific revenue sources and certain special assessments that are legally restricted to expenditures for specified purposes. It is the County's policy not to budget for all Special Revenue Funds in the form of a legally adopted budget format.

**Debt Service Funds** – These funds are established for the purpose of accumulating resources for the payment of principal and interest on general long-term debt other than those payable from Special Revenue Funds.

**2. Other Fund Types:**

**Agency Fund** – The Agency Fund is used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, child support payments and ad valorem taxes.

**3. Non-current Governmental Assets/Liabilities:**

GASB Statement 34 requires non-current governmental assets, such as land and buildings and non-current governmental liabilities, such as general obligation bonds and capital leases, be reported in the governmental activities column in the government-wide statement of net position.

**D. Assets, Liabilities, and Net Position or Equity**

**1. Cash and Cash Equivalents**

Cash includes operating accounts and cash invested in the South Carolina Local Government Investment Pool with maturities less than three months. These investments are presented at cost which reasonably approximate fair value.

**2. Receivables and Payables**

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

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Assets, Liabilities, and Net Position or Equity (continued)**

**3. Inventory**

Inventory represents the parts available for use by fleet maintenance. This inventory is stated at cost.

**4. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, right-of-ways, water and sewer distribution systems and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<b>Assets</b>	<b>Years</b>
Buildings and improvements	15 – 50
Machinery and equipment	3 – 10
Infrastructure	25

**5. Deferred Revenues**

Deferred revenues reported in government-wide financial statements represent unearned revenues. The deferred revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Deferred revenues reported in governmental fund financial statements represent unearned revenues or revenues which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as deferred revenues.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Assets, Liabilities, and Net Position or Equity (continued)**

**6. Accrued Compensated Absences**

The County accrues accumulated unpaid vacation and sick leave when earned by the employee. The current portion is the amount estimated to be used in the following year. The non-current portion is the amount estimated to be used in subsequent fiscal years. Both the current and non-current estimated accrued compensated absences amounts for governmental funds are maintained separately and represent a reconciling item between the fund and government-wide presentations.

**7. Landfill Closure Costs**

Under the terms of current state and federal regulations, the County is required to place a final cover on closed landfill areas, and to perform certain monitoring and maintenance functions for a period of up to thirty years after closure. The County recognizes these costs of closure and post-closure maintenance over the active life of each landfill area, based on landfill capacity use during the period. Required obligations for closure and post-closure costs are recognized in the governmental activities column in the governmental-wide statement of net assets.

**8. Nature and Purpose of Restrictions of Fund Equity**

GASB Statement 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 governmental funds.

GASB Statement 54 provides for two major types of fund balances, which are non-spendable and spendable. Non-spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items and inventories. The County has inventories that are considered non-spendable; however, the County does not have any prepaid items.

In addition to the non-spendable fund balances, GASB Statement 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints:

- Restricted – fund balances that are constrained by external parties, constitutional provisions or enabling legislation;

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Assets, Liabilities, and Net Position or Equity (continued)**

**8. Nature and Purpose of Restrictions of Fund Equity (continued)**

- Committed – fund balances that contain self-imposed constraints of the County from its highest level of decision making authority; that is, County Council;
- Assigned – fund balances that contain self-imposed constraints of the County to be used for a particular purpose; and,
- Unassigned – fund balance of the general fund that is not constrained for any particular purpose.

Committed fund balances are identified by County Council through the enactment of various ordinances. County Council, through ordinances can remove a self-imposed constraint as well. Additionally, encumbrances are considered as assigned through the issuance of a purchase order or contract; thus the County has approved the purchase activity even though the other party has not performed. In other words, even though a formal “liability” does not exist, assets are assigned to the purchase of these goods or services.

For the purposes of fund balance classification, expenditures are to be spent from restricted fund balances first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The County Controller has the authority to deviate from this policy if it is in the best interest of the County.

**9. Net Position**

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

The County follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. Each year, the County Administrator submits to the County Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Three public readings are conducted by County Council and one public hearing to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. The County Administrator is authorized to transfer budgeted amounts between departments within any fund, but this transfer cannot exceed \$10,000 or 10% of said department's budget; however, any revisions that alter the total expenditures of any fund must be approved by the County Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Revenue Funds (Accommodation Tax Fund and the Fire Department).
6. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP) except for encumbrances. Budgetary comparisons presented for the General Fund in this report are on this non-GAAP budgetary basis.
7. Budgeted amounts are as originally adopted, or as amended by the County Council as close to June 30 as possible. Individual amendments were not material in relation to the original appropriations which were adopted.

**Budgetary Basis Of Accounting**

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual presents a comparison of the County's legally adopted budget with actual data on the budgetary basis of accounting. Budgetary accounting principles, however, differ from generally accepted accounting principles (GAAP). These different accounting principles result in the following differences in the excess (deficiency) of revenues and other financing sources (uses) over expenditures at June 30, 2013:

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)**

**Budgetary Basis Of Accounting (continued)**

	<b>General Fund</b>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - budgetary basis	\$ (380,054)
Timing differences:	
Net change in encumbrances	<u>(36,051)</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - GAAP basis	<u>\$ (416,105)</u>

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the County's general fund. Encumbrances outstanding at year end are reported as assignments of fund balances since they do not constitute expenditures or liabilities. Encumbrances are reported as expenditures in all budgetary basis statements.

Actual expenditures exceeded those budgeted by \$174,050 because grant expenditures are not budgeted (as grant revenues are not budgeted).

**NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Primary Government**

At June 30, 2013, the carrying amount of the County's deposits and investments was \$17,270,611 and the bank balances and investment pool balances were \$17,796,369. To reconcile this information to the financial statements, we include the following:

Cash and investments	\$ 17,270,611
Cash on hand	<u>2,330</u>
Total cash	<u>\$ 17,272,941</u>
Proprietary fund	\$ 773,343
Fiduciary funds	3,518,447
Governmental funds	<u>12,981,151</u>
Total all funds	<u>\$ 17,272,941</u>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)**

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of June 2013, none of the County's bank balance of \$7,202,027 was exposed to custodial credit risk.

State law limits investments to obligations of the U.S. and its agencies, general obligations of this State or any of its political subdivisions, savings and loan associations if their deposits are insured by an agency of the federal government, and certificates of deposits. Also no load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940 are allowed under state law.

The County has investments in the State Treasurer's Investment Pool and Morgan Stanley Institutional Liquidity Government Portfolio Money Market Fund.

	<b>Maturities</b>	<b>Fair Value</b>
State investment pool	18 months to 2 years	\$ 3,282,340
Treasury money market	21 day weighted average	<u>7,312,002</u>
		<u>\$ 10,594,342</u>

**Discretely Presented Component Units**

**Harvin Clarendon County Library**

As of June 30, 2013, the bank balance of the Library's deposits totaled \$225,265. Of the bank balance, \$225,265 was covered by the Federal Depository Insurance Corporation (FDIC) insurance.

**Clarendon County Business Development Corporation (BDC)**

As of June 30, 2013, the book balance of the BDC's deposits totaled \$2,607,048. Of the bank balance of \$2,104,691 and an additional \$504,123 in certificates of deposit, \$2,537,478 was covered by the Federal Depository Insurance Corporation (FDIC) or collateralized by collateral pledged by the bank in the Corporation's name, and \$71,736 was uncollateralized.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 4 - PROPERTY TAXES**

Property taxes are levied by the County at varying rates per one hundred dollars (\$100) of assessed valuation of real estate and personal property owned and used in the County except exempt property as provided by the constitution and laws of the State of South Carolina and attach an enforceable lien when levied.

In Clarendon County, taxes are collected for county and school purposes as a single tax bill which must be paid in full by the individual taxpayer. Taxes are collected on a calendar year basis. Real and personal taxes in the County are payable without penalty on or before January 15 of each year (except taxes on motor vehicles, which are payable on a monthly basis). If taxes are not paid on or before January 15, a penalty of 3% is added thereon. If taxes are not paid on or before February 1, an additional penalty of 7% is added. If taxes are not paid on or before March 16, an additional 5% thereon is added plus all costs incurred and the property goes into execution. In September, properties on which the taxes have not been paid are advertised for public sale in a local newspaper for three consecutive weeks. The first Monday in October the property is sold. The County Tax Collector is responsible for the collection of delinquent taxes and is empowered to sell so much of the defaulting taxpayer's estate - real, personal or both - as may be sufficient to satisfy the taxes. As collections are made, the delinquent tax revenue is remitted to the County Treasurer.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with generally accepted accounting principles have been recognized as revenue.

**NOTE 5 - NOTES RECEIVABLE AND LEASE AGREEMENTS**

**Discretely Presented Component Units**

**Clarendon County Business Development Corporation (BDC)**

The Corporation has a note receivable from a local industry dated January 14, 2013. Loan amount is \$150,000 with no interest. Credit will be given at the rate of \$2,500 for each full time or full time equivalent job created by borrower, measured as of December 31, 2017. The entire outstanding principal balance of this Note shall be due and payable in full on the maturity date of January 1, 2018. Any principal unpaid after said date shall bear interest at a rate of 3% per annum, or the highest applicable lawful rate, whichever is less.

As of year end, the BDC had entered into lease agreements with the following companies who are leasing buildings owned by the BDC:

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 - NOTES RECEIVABLE AND LEASE AGREEMENTS (continued):**

**Meritor Heavy Vehicle Systems, LLC**

The BDC leases a building to Meritor Heavy Vehicle Systems, LLC for \$16,567.50 per month. Meritor also makes an annual payment in December to reimburse the BDC for the property taxes on the property. These payments are used by the BDC to pay the note payable on the property and the property taxes. This lease is classified as an operating lease. The cost of the building is \$1,800,000 and the accumulated depreciation is \$875,000. The future minimum lease payments are as follows:

<b>June 30,</b>	
2014	\$ 198,810
2015	198,810
2016	198,810
2017	198,810
2018	198,810
2019	<u>165,675</u>
Total minimum lease payments	<u>\$ 1,159,725</u>

**Select Laboratories - SC, LLC**

The BDC leases a building to Select Laboratories-SC, LLC for \$3,962.67 per month. These payments are used by the BDC to pay the notes payable on the property. The lease amount is fixed for an initial period of five years. After the initial term expires, and every five years thereafter, the amount of rent will be renegotiated based on the recalculation of interest on the note and mortgage entered into between the corporation and the bank. At the end of the lease, the building reverts to Select Laboratories – SC, LLC. This lease is classified as a capital lease. The future minimum lease payments are as follows:

<b>June 30,</b>	
2014	<u>\$ 498,038</u>
Total minimum lease payments	498,038
Less amount representing interest	<u>(31,087)</u>
Present value of minimum lease payment	<u>\$ 466,951</u>

**Lee County, South Carolina**

The Corporation has a note receivable from an adjacent county of the State dated June 24, 2008. The loan was made so that the County could participate in a multi-county development project located within Clarendon County. Original loan amount for \$319,505 with an interest rate at 0% per annum, payable in six yearly installments of \$50,000 starting August 1, 2008 and a final payment of \$19,505 due August 1, 2014.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 - NOTES RECEIVABLE AND LEASE AGREEMENTS (continued)**

	\$ 69,505
Less Current Portion	<u>(50,000)</u>
Long Term Portion	<u>\$ 19,505</u>

**Agricultural Leases**

Farming agreements exist with various farmers to grow hay on unimproved and unleased BDC property.

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Adjustments	Additions	Retire- ments	Ending Balance
<b>Governmental Activities</b>					
Capital assets not being depreciated:					
Land	\$ 3,069,340	\$ (219,749)	\$ -	\$ 20,800	\$ 2,828,791
Construction in progress	<u>5,654,261</u>	<u>-</u>	<u>611,314</u>	<u>5,648,239</u>	<u>617,336</u>
Total capital assets not being depreciated	<u>8,723,601</u>	<u>(219,749)</u>	<u>611,314</u>	<u>5,669,039</u>	<u>3,446,127</u>
Capital assets being depreciated:					
Buildings and improvements	15,495,921	93,361	6,191,354	57,293	21,723,343
Infrastructure	5,909,568	1,000	6,700	-	5,917,268
Equipment	<u>10,276,388</u>	<u>-</u>	<u>320,685</u>	<u>237,492</u>	<u>10,359,581</u>
Total capital assets being depreciated	<u>31,681,877</u>	<u>94,361</u>	<u>6,518,739</u>	<u>294,785</u>	<u>38,000,192</u>
Less accumulated depreciation for:					
Buildings and improvements	4,296,384	-	383,856	-	4,680,240
Infrastructure	1,941,226	(95,134)	497,522	-	2,533,882
Equipment	<u>7,748,908</u>	<u>-</u>	<u>742,125</u>	<u>236,141</u>	<u>8,254,892</u>
Total accumulated depreciation	<u>13,986,518</u>	<u>(95,134)</u>	<u>1,623,503</u>	<u>236,141</u>	<u>15,469,014</u>
Total capital assets being depreciated, net	<u>17,695,359</u>	<u>(773)</u>	<u>4,895,236</u>	<u>58,644</u>	<u>22,531,178</u>
Governmental activities capital assets, net	<u>\$ 26,418,960</u>	<u>\$ (220,522)</u>	<u>\$ 5,506,550</u>	<u>\$ 5,727,683</u>	<u>\$ 25,977,305</u>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6 - CAPITAL ASSETS (continued)**

Depreciation expense was charged as direct expense to programs of the primary government as follows:

Governmental activities:	
General Government	\$ 801,461
Public Safety	639,786
Physical Environment	99,488
Cultural/Recreation	72,590
Court	6,394
Economic Environment	3,507
Transportation	<u>277</u>

Total depreciation expense-governmental activities \$ 1,623,503

**Business Type Activities**

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Water and Sewer</b>				
Capital assets not being depreciated:				
Land	\$ 118,827	\$ -	\$ 1,675	\$ 117,152
Construction in Progress	<u>4,268,538</u>	<u>69,337</u>	<u>4,268,538</u>	<u>69,337</u>
Total capital assets not being depreciated	<u>4,387,365</u>	<u>69,337</u>	<u>4,270,213</u>	<u>186,489</u>
Capital assets being depreciated:				
Buildings and improvements	1,978	-	-	1,978
Water system	1,053,443	4,740,457	499,875	5,294,025
Equipment	<u>213,437</u>	<u>-</u>	<u>-</u>	<u>213,437</u>
Total capital assets being depreciated	<u>1,268,858</u>	<u>4,740,457</u>	<u>499,875</u>	<u>5,509,440</u>
Less accumulated depreciation for:				
Buildings and improvements	709	198	-	907
Water system	91,039	79,193	5,207	165,025
Equipment	<u>42,740</u>	<u>24,208</u>	<u>-</u>	<u>66,948</u>
Total accumulated depreciation	<u>134,488</u>	<u>103,599</u>	<u>5,207</u>	<u>232,880</u>
Total capital assets being depreciated, net	<u>1,134,370</u>	<u>4,636,858</u>	<u>494,668</u>	<u>5,276,560</u>
Business-Type activities capital assets, net	<u><u>\$ 5,521,735</u></u>	<u><u>\$ 4,706,195</u></u>	<u><u>\$ 4,764,881</u></u>	<u><u>\$ 5,463,049</u></u>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6 - CAPITAL ASSETS (continued)**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Ending Balance</b>
<b>Weldon Auditorium</b>			
Capital assets being depreciated:			
Buildings and improvements	<u>\$ 3,438,173</u>	\$ -	<u>\$ 3,438,173</u>
Total capital assets being depreciated	<u>3,438,173</u>	-	<u>3,438,173</u>
Less accumulated depreciation for:			
Buildings and improvements	<u>128,931</u>	<u>85,954</u>	<u>214,885</u>
Total accumulated depreciation	<u>128,931</u>	<u>85,954</u>	<u>214,885</u>
Total capital assets being depreciated, net	<u>3,309,242</u>	<u>(85,954)</u>	<u>3,223,288</u>
Business-Type activities capital assets, net	<u>\$ 3,309,242</u>	<u>\$ (85,954)</u>	<u>\$ 3,223,288</u>

**Component Units**

**Harvin Clarendon County Library**

Capital assets included in the financial statements consist of the following:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
Capital assets, not being depreciated:				
Land	<u>\$ 24,000</u>	\$ -	\$ -	<u>\$ 24,000</u>
Capital assets being depreciated:				
Building	405,413	-	-	405,413
Equipment	355,969	34,578	-	390,547
Books	<u>476,864</u>	<u>-</u>	<u>81,540</u>	<u>395,324</u>
Total Capital Assets being depreciated	<u>1,238,246</u>	<u>34,578</u>	<u>81,540</u>	<u>1,191,284</u>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6 - CAPITAL ASSETS (continued)**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
Less accumulated depreciation for:				
Building	274,953	10,741	-	285,694
Equipment	247,747	33,881	-	281,628
Books	<u>476,864</u>	<u>-</u>	<u>(81,540)</u>	<u>395,324</u>
Total accumulated depreciated	<u>999,564</u>	<u>44,622</u>	<u>(81,540)</u>	<u>962,646</u>
Total Capital Assets, being depreciated, net	<u>238,682</u>	<u>(10,044)</u>	<u>-</u>	<u>228,638</u>
Total Capital Assets, net	<u>\$ 262,682</u>	<u>\$ (10,044)</u>	<u>\$ -</u>	<u>\$ 252,638</u>

Depreciation expense for the year ended June 30, 2013 was \$44,622.

**Clarendon County Business Development Corporation (BDC)**

Capital asset activity for the year ended June 30, 2013 was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	<u>\$ 2,415,063</u>	<u>\$ -</u>	<u>\$ 22,697</u>	<u>\$ 2,392,366</u>
Total capital assets not being depreciated	<u>2,415,063</u>	<u>-</u>	<u>22,697</u>	<u>2,392,366</u>
Capital assets being depreciated:				
Buildings and improvements	2,649,556	-	849,556	1,800,000
Infrastructure	<u>254,911</u>	<u>-</u>	<u>-</u>	<u>254,911</u>
Total capital assets being depreciated	<u>2,904,467</u>	<u>-</u>	<u>849,556</u>	<u>2,054,911</u>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6 - CAPITAL ASSETS (continued)**

**Component Units (continued)**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
Less accumulated depreciation for:				
Buildings and improvements	843,319	74,160	42,479	875,000
Infrastructure	<u>43,193</u>	<u>8,497</u>	<u>-</u>	<u>51,690</u>
Total accumulated depreciation	<u>886,512</u>	<u>82,657</u>	<u>42,479</u>	<u>926,690</u>
Total capital assets being depreciated, net	<u>2,017,955</u>	<u>(82,657)</u>	<u>807,077</u>	<u>1,128,221</u>
Total capital assets, net	<u>\$ 4,433,018</u>	<u>\$ (82,657)</u>	<u>\$ 829,774</u>	<u>\$ 3,520,587</u>

The Corporation uses the following estimated useful lives to compute depreciation:

Building and Improvements 30 years

Depreciation expense for the year ended June 30, 2013 was \$82,657.

**NOTE 7 - INTERFUND BALANCES**

Individual fund interfund receivable and payable balances at June 30, 2013, were as follows:

	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
<b>Governmental Funds</b>		
General Fund	\$ 40,544	\$ 13,975
Special Revenue Funds:		
Special purpose districts	4,331	-
Law Enforcement	-	40,544
Debt Service Funds:		
Fire Department	1,525	-
General Obligations	<u>8,119</u>	<u>-</u>
Governmental Funds	<u>54,519</u>	<u>54,519</u>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 7 - INTERFUND BALANCES (continued)**

	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
<b>Enterprise Funds</b>		
General Fund	32,634	-
Capital Projects Fund	1,195,670	-
Water & Sewer Fund	<u>-</u>	<u>1,228,304</u>
Enterprise Fund	<u>1,228,304</u>	<u>1,228,304</u>
<b>Fiduciary Funds</b>		
General Fund	89,113	267,325
Fiduciary Fund types:		
Town of Turbeville	932	-
City of Manning	20,794	-
Town of Summerton	1,067	-
Tax Collector	-	628
Magistrates:		
General and Civil	-	62,064
Clerk of Court	-	26,421
Hospital Debt Service	24,562	-
School Debt Service	18,698	-
School Operating	<u>201,272</u>	<u>-</u>
Fiduciary Funds	<u>356,438</u>	<u>356,438</u>
	<u>\$ 1,639,261</u>	<u>\$ 1,639,261</u>

Interfund balances reflect amounts due for the last month's collections, amounts loaned for the water system purchase or other short term interfund arrangements.

<b>Operating Transfers</b>	<b>Transfers In</b>	<b>Transfers Out</b>
General Fund	\$ 22,025	\$ 40,000
Water & Sewer	-	6,000
Weldon Auditorium	319,790	-
Non Major Funds	-	284,790
Agency Fund – Delinquent Tax	<u>-</u>	<u>11,025</u>
	<u>\$ 341,815</u>	<u>\$ 341,815</u>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 8 - LONG-TERM DEBT**

**A. Primary Government**

**Governmental Activities**

**General Obligation Bonds**

\$2,100,000 Refunding Bond issued March 31, 2010 (original issue to finance various capital projects). Due in annual installments beginning March 1, 2011 of \$302,000 and ending March 1, 2016 of \$403,000. Interest accrues at rate of 2.82% and is payable semi-annually on March 1 and September 1 each year to maturity. \$ 1,140,000

\$139,000 Bond issued August 17, 2011 (Series 2011) to fund semi-annual installment lease purchase obligation on Administrative complex. Due in annual installments beginning March 1, 2012 of \$17,000 and ending March 1, 2016 of \$36,000. Interest accrues at a rate of 2.49% and is payable semi-annually on March 1 and September 1 each year to maturity. 105,000

\$156,000 Bond issued February 17, 2012 (Series 2012) to fund semi-annual installment lease purchase obligation on Administrative complex. Due in annual installments beginning March 1, 2013 of \$29,700 and ending March 1, 2016 of \$32,700. Interest accrues at a rate of 1.99% and is payable semi-annually on March 1 and September 1 each year to maturity. 126,300

\$156,000 Bond issued August 14, 2012 (Series 2012B) to fund semi-annual installment lease purchase obligation on Administrative complex. Due in annual installments beginning March 1, 2013 of \$18,200 and ending March 1, 2017 of \$35,300. Interest accrues at a rate of 1.63% and is payable semi-annually on March 1 and September 1 each year to maturity. 137,800

\$113,600 Bond issued February 13, 2013 (Series 2013A) to fund semi-annual installment lease purchase obligation on Courthouse Project. Due in annual installments beginning March 1, 2017 of \$80,482 and ending March 1, 2018 of \$33,118. Interest accrues at a rate of 1.82% and is payable semi-annually on March 1 and September 1 each year to maturity. 113,600

Total General Obligations Bonds Payable \$ 1,622,700

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 8 - LONG-TERM DEBT (continued)**

**A. Primary Government (continued)**

**Governmental Activities (continued)**

The annual debt service payments for General Obligation bonds outstanding at June 30, 2013, are as follows:

**General Obligation Bonds**

June 30,	Principal	Interest
2014	\$ 455,000	\$ 41,693
2015	480,400	29,523
2016	505,700	16,757
2017	148,482	3,294
2018	<u>33,118</u>	<u>603</u>
	<u>\$ 1,622,700</u>	<u>\$ 91,870</u>

**Blended Component Unit – Clarendon Facilities Corporation**

In December, 2010, the Clarendon Facilities Corporation (CFC) issued \$6,500,000 Installment Purchase Revenue Bonds (Administration Building Project) Series 2010 pursuant to an Installment Purchase and Use Agreement ("Agreement") between the County and the CFC. Proceeds were used to construct an Administrative building to house all of the County's non-court related governmental functions.

In October, 2012, the Clarendon Facilities Corporation (CFC) issued \$6,970,000 Installment Purchase Revenue Bonds (Courthouse Renovation Project) Series 2012 pursuant to an Installment Purchase and Use Agreement ("Agreement") between the County and the CFC. Proceeds were used to make improvements to and renovate the County Courthouse.

The County will purchase the capital projects from CFC over twenty (20) years as required by the Agreements. Said Agreements obligates the County to make payments to CFC in amounts calculated to be sufficient to enable CFC to pay the principal and interest on the outstanding bonds. The County's obligations under the Agreements are from year to year only and do not constitute a mandatory payment obligation of the County in any fiscal year in which funds are not appropriated by the County to pay the installment payments of the purchase price due in such fiscal year. It is anticipated that the payments will be funded by the County with the future issuance of short-term general obligation bonds or restricted Fee-in-Lieu of revenue.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 8 - LONG-TERM DEBT (continued)**

**A. Primary Government (continued)**

**Governmental Activities (continued)**

The CFC bonds are not a debt of the County; however, as CFC is blended with the operations of the County, the debt of CFC is included with the County's other obligations as required by GAAP.

**June 30, 2013** \$ 13,470,000

The annual debt service payments for Blended Component Unit Installment Purchase Revenue bonds outstanding at June 30, 2013, are as follows:

**Revenue Bonds**

June 30,	Principal	Interest
2014	\$ 10,000	\$ 535,028
2015	10,000	534,778
2016	10,000	534,528
2017	10,000	534,278
2018	370,000	528,178
2019 – 2023	2,030,000	2,437,926
2024 – 2028	2,475,000	1,975,936
2029 – 2033	2,720,000	1,341,632
2034 – 2038	2,655,000	846,439
2039 – 2043	<u>3,180,000</u>	<u>307,121</u>
	<u>\$ 13,470,000</u>	<u>\$ 9,575,844</u>

**Capital Leases**

\$400,000 – Lease/purchase agreement to finance the purchase of two fire engines. Due in semi-annual payments of \$44,330, Includes interest, due on February 21 and August 21 of each year. First payment due February 21, 2010 and ending payment due August 21, 2014. The fire engines' gross cost is \$735,273 and the accumulated depreciation is \$306,364.

\$ 127,982

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 8 - LONG-TERM DEBT (continued)**

**A. Primary Government (continued)**

**Governmental Activities (continued)**

\$132,297 – Lease/purchase agreement to finance the purchase of one crawler/dozer. Due in annual payments of \$16,649, including interest, due on August 1 of each year. First payment due August 1, 2009 and ending payment due August 1, 2014. The dozer's gross cost is \$132,297 and the accumulated depreciation is \$51,816. 76,686

\$160,423 – Lease/purchase agreement to finance the purchase of one motor grader. Due in annual payments of \$22,929, including interest, due on September 10 of each year. First payment due September 10, 2010 and ending payment due September 10, 2015. The grader's gross cost is \$160,723 and the accumulated depreciation is \$45,538. 101,454

\$83,700 – Lease/purchase agreement to finance the purchase of one backhoe loader. Due in annual payments of \$12,163, including interest, due on August 31 of each year. First payment due August 31, 2011 and ending payment due August 31, 2016. The backhoe's gross cost is \$83,200 and the accumulated depreciation is \$15,253. 62,697

Total Capital Leases \$ 368,819

Future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 2013:

<b>Year Ending June 30,</b>	
2014	\$ 140,400
2015	144,421
2016	77,163
2017	<u>35,200</u>
Total Minimum Lease Payment	397,184
Less Amount Representing Interest	<u>28,365</u>
Present Value of Net Minimum Lease Payment	<u>\$ 368,819</u>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 8 - LONG-TERM DEBT (continued)**

**B. Business Type Activities**

**Enterprise Revenue Bond – Weldon Auditorium**

\$3,250,000 Enterprise Charge Limited Obligation Bond issued May 13, 2010 to finance a capital project. Due in annual installments beginning July 1, 2011 of \$45,000 and ending July 1, 2040 of \$190,000. Interest accrues at rates varying from 2.0% to 4.75% and is payable semi-annually on January 1 and July 1 each year until maturity. Revenue from County's Hospitality charge has been dedicated for required debt service. \$ 3,140,000

The annual debt service payments for Weldon Auditorium Enterprise Charge Limited Obligation bonds outstanding at June 30, 2013, are as follows:

Revenue Bonds June 30,	Principal	Interest
2014	\$ 65,000	\$ 134,859
2015	65,000	133,234
2016	70,000	131,209
2017	70,000	129,065
2018	70,000	126,878
2019 – 2023	400,000	592,906
2024 – 2028	490,000	502,727
2029 – 2033	600,000	383,431
2034 – 2038	760,000	223,963
2039 – 2041	<u>550,000</u>	<u>39,900</u>
	<u>\$ 3,140,000</u>	<u>\$ 2,398,172</u>

**Enterprise Revenue Bonds – Water & Sewer**

\$2,533,000 Bond issued April 19, 2012 (Series 2012A) to fund water system expansion. Interest only, due April 19, 2013 and April 19, 2014. Due in equal monthly installments thereafter beginning May 1, 2014 of \$8,967 and ending April 19, 2052. Interest accrues at a rate of 2.75%. \$ 2,533,000

\$1,007,800 Bond issued April 19, 2012 (Series 2012B) to fund water system expansion. Interest Only, due April 19, 2013 and April 19, 2014. Due in equal monthly installments thereafter beginning May 1, 2014 of \$3,568 and ending April 19, 2052. Interest accrues at a rate of 2.75%. 1,007,800

Balance at June 30, 2013 \$ 3,540,800

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 8 - LONG-TERM DEBT (continued)**

**B. Business Type Activities (continued)**

The annual debt service payments for Water and Sewer Enterprise Revenue bonds outstanding at June 30, 2013, are as follows:

**Revenue Bonds**

June 30,	Principal	Interest
2014	\$ 8,819	\$ 97,393
2015	53,774	96,646
2016	55,275	95,145
2017	56,817	93,603
2018	58,404	92,016
2019 – 2023	317,391	434,709
2024 – 2028	364,217	387,883
2029 – 2033	417,950	334,150
2034 – 2038	479,611	272,489
2039 – 2043	550,368	201,732
2044 – 2048	631,565	120,535
2049 – 2052	546,609	30,002
	<u>\$ 3,540,800</u>	<u>\$ 2,256,303</u>

**A. Primary Government**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
General Obligation Bonds					
- 2010 Refunding Series	\$ 1,478,000	\$ -	\$ 338,000	\$ 1,140,000	\$ 357,000
- Series 2011	139,000	-	34,000	105,000	34,000
- Series 2012	156,000	-	29,700	126,300	30,400
- Series 2012B	-	156,000	18,200	137,800	33,600
- Series 2013A	-	113,600	-	113,600	-
Revenue Bonds					
- IPRB (Administration)	6,500,000	-	-	6,500,000	-
-IPRB (Courthouse)	-	6,970,000	-	6,970,000	10,000
<b>Total Bonds</b>	<u>8,273,000</u>	<u>7,239,600</u>	<u>419,900</u>	<u>15,092,700</u>	<u>465,000</u>
Other Liabilities					
Compensated Absences	342,017	54,478	-	396,495	32,757
Closure & Maintenance	534,825 *	16,975	-	551,800	19,600
Capital Leases	490,888	-	122,069	368,819	126,801
<b>Total Other Liabilities</b>	<u>1,367,730</u>	<u>71,453</u>	<u>122,069</u>	<u>1,317,114</u>	<u>179,158</u>
<b>Governmental Activities Long Term Liabilities</b>	<u>9,640,730</u>	<u>7,311,053</u>	<u>541,969</u>	<u>16,409,814</u>	<u>644,158</u>

\* As restated

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 8 - LONG-TERM DEBT (continued)**

**B. Business Type Activities (continued)**

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
<b>Business Type Activities</b>					
Revenue Bonds					
Weldon 2010 Series	3,250,000	-	65,000	3,140,000	65,000
Water Expansion (2012A)	2,533,000	-	-	2,533,000	6,309
Water Expansion (2012B)	<u>777,019</u>	<u>230,781</u>	-	<u>1,007,800</u>	<u>2,510</u>
Total Bonds	<u>6,515,019</u>	<u>230,781</u>	<u>65,000</u>	<u>6,680,800</u>	<u>73,819</u>
Other Liabilities					
Compensated Absences	-	<u>3,951</u>	-	<u>3,951</u>	<u>1,295</u>
Total Other Liabilities	-	<u>3,951</u>	-	<u>3,951</u>	<u>1,295</u>
<b>Business Type Activities Long Term Liabilities</b>	<u>6,515,019</u>	<u>234,732</u>	<u>65,000</u>	<u>6,684,751</u>	<u>75,114</u>
<b>Total Combined</b>	<u>\$ 16,155,749</u>	<u>\$ 7,545,785</u>	<u>\$ 606,969</u>	<u>\$ 23,094,565</u>	<u>\$ 719,272</u>

**C. Discretely Presented Component Units**

**Clarendon County Business Development Corporation (BDC)**

Note payable to bank, with monthly payments of \$15,740.15 including interest at 8.5%, final payment due April 10, 2019. Collateralized by real property leased by Meritor Heavy Vehicle Systems, LLC. with a carrying value, net of accumulated depreciation of \$948,220.

\$ 864,701

Note payable to bank with monthly payments of \$3,962.67, including interest at 6.95% for 48 payments. First payment due June 10, 2010 with balloon payment due June 10, 2014. The balloon payment will be refinanced at a recalculated interest rate at that time.

454,747

Subtotal of notes payable

1,319,448

Less current portion

(574,732)

Notes payable – noncurrent portion

\$ 744,716

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 8 - LONG-TERM DEBT** (continued)

**C. Discretely Presented Component Units** (continued)

The maturities of long-term debt is as follows:

June 30,	<u>Principal</u>	<u>Interest</u>
2014	\$ 574,732	\$ 98,984
2015	130,677	58,205
2016	142,227	46,684
2017	154,799	34,083
2018	168,482	20,400
2019	<u>148,531</u>	<u>5,678</u>
	<u>\$ 1,319,448</u>	<u>\$ 264,034</u>

**NOTE 9 - OPERATING LEASES**

The County entered into an operating lease for its judicial building. The thirty (30) year lease term began October 1, 2004 and ends September 30, 2034. There is a renewal option for an additional ten years with a thirty-day notice. The rental amount is \$7,000 per month for a term of fifteen years. The remaining rental amount is \$3,000 plus the percentage of increase or decrease in the Consumer Price Index of all urban consumers for the next fifteen years. The lease does contain cancellation provisions and is subject to annual appropriations. The lease expense for 2012-13 is \$84,000.

The County entered into an operating lease for a 613C Caterpillar Scraper for use at its Landfill. The 60 month lease term began January 30, 2010 and ends December 30, 2015. Monthly lease payments are \$3,869.

The County entered into an operating lease for a Pitney Bowes document processing and postage system. The 48 month lease term began November 30, 2010 and ends October 30, 2014. Monthly lease payments are \$2,243.

The County entered into an operating lease for a 7230 John Deere Tractor for use in its Public Works area. The 60 month lease term began November 18, 2011 and ends November 18, 2016. Annual lease payments are \$19,634.

The County entered into an operating lease for a 670G John Deere motor grader. The 60 month lease term began September 25, 2012 and ends September 25, 2017. Annual lease payments are \$21,779.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9 - OPERATING LEASES** (continued)

The future minimum rental payments are as follows:

2014	\$ 198,763
2015	180,819
2016	148,630
2017	125,414
2018	105,779
2019 - 2023	240,000
2024 - 2028	180,000
2029 - 2033	180,000
2034 - 2035	<u>45,000</u>
	<u>\$ 1,404,405</u>

The County entered an operating lease as of November 1, 2007 with Waste Management of South Carolina to lease the Transfer Station built by the County and located at the Landfill. The lease expired October 31, 2012 and had an annual rent of \$60,000. The cost of the building was \$753,270 with accumulated depreciation of \$246,382.

**NOTE 10 - PROVISION FOR CLOSURE COSTS**

State and federal laws and regulations as governed by Solid Waste management Regulation R.61-107.258, Subpart C, Section (c) and the South Carolina Solid Waste Policy and Management Act of 1991, Section 44-96-390 require that Clarendon County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. In August 1993, the GASB issued GASB-18, Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs, in order to reduce the diversity of acceptable accounting practices in this area. GASB-18 applies to all governmental municipal solid waste landfills irrespective of what type of accounting model is used to account for the activities of a landfill. As defined by GASB-18, the basic objective is to recognize all landfill costs by the time a landfill is closed. The costs to be identified for closure and postclosure care include (1) capital assets, (2) final cover and (3) monitoring and maintenance activities.

While Clarendon County's original landfill was closed and capped in 2002 to municipal waste, the construction demolition and land clearing debris (C&D) landfill is still open with a life expectancy of twenty five years. In order to reflect the 20 years post closure care monitoring of this landfill, the liability of \$197,200 at June 30, 2012 was reflected as a restatement of net position. This is based on the filled capacity at June 30, 2012 and increased by \$11,600 in the current year to a \$208,800 liability at June 30, 2013. The municipal landfill's liability at June 30, 2013 is \$343,000. See Note 8.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 10 - PROVISION FOR CLOSURE COSTS (continued)**

The nature and source of landfill closure and postclosure care requirements are monitored by both federal and State of South Carolina environmental protection agencies. Levels of ground water pollutants are set by State agencies and the monitoring of these amounts have been reported to County officials to be in conformity with guidelines. The County annually obtains updated and revised estimates of total future closure and post-closure costs from its consulting engineers. The provision for closure costs reported in the financial statements as operating expense represents the portion of these estimated future outlays which are allocable to the current year based on the amount of capacity used. The estimated total current cost of the landfill closure and post-closure care is based on the amount that would be paid if all equipment, facilities and services required to close, monitor and maintain the landfill were acquired as of June 30, 2013. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Clarendon County has not accumulated or segregated funds to meet this reserve.

**NOTE 11 - RETIREMENT PLANS**

The South Carolina Retirement System (SCRS) and Police Officer's Retirement System (PORS) are cost-sharing, multi-employer defined benefit pension plans administered by the Retirement Division of the SC Public Employees Benefit Authority (SC PEBA). The State Optional Retirement Program (ORP) is a defined contribution plan that is offered as an alternative to certain state, public school, and higher education employees. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. The SC PEBA assumes no liability for State ORP benefits, as they are the liability of the investment providers.

Both the SCRS and PORS offer retirement, disability, survivor and death benefits to eligible members or beneficiaries. Death benefits are also available to active State ORP participants. The Plans' provisions are established under Title 9 of the SC Code of Laws.

The SC PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the SCRS and PORS, which is publicly available on their website at [www.retirement.sc.gov](http://www.retirement.sc.gov) or a copy may be obtained by submitting a request to the SC PEBA, PO Box 11960, Columbia, South Carolina 29211-1960.

Both employees and employers are required to contribute to the Plans under authority of Title 9 of the SC Code of Laws.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 11 - RETIREMENT PLANS** (continued)

Required employee contributions to the Plans for fiscal year 2012-2013 are as follows:

<b>SCRS Class II</b>	7.0% of earnable compensation
<b>PORS Class I</b>	\$21 per month
<b>PORS Class II</b>	7.0% of earnable compensation

Employer contributions are established by the State Budget and Control Board at the actuarially determined rates recommended by the Systems' actuary. All employers are required to contribute at these actuarially determined rates.

Required employer contributions for fiscal year 2012-2013 are as follows:

**SCRS**

Class II	10.45% of earnable compensation
Group Life Insurance	0.15% of earnable compensation

**PORS**

Class I	7.80% of earnable compensation
Class II	11.90% of earnable compensation
Group Life Insurance	0.20% of earnable compensation
Accidental Death Program	0.20% of earnable compensation

The Summary of Basis Provisions can be found at the website.

Information as to employer and employee contributions to the plans is as follows:

	2011		2012		2013	
	SCRS	PORS	SCRS	PORS	SCRS	PORS
Employee contributions	\$ 291,700	\$ 246,950	\$ 298,735	\$ 252,164	\$ 326,090	\$ 278,917
Employer contributions	\$ 414,660	\$ 422,854	\$ 438,220	\$ 456,340	\$ 493,606	\$ 490,896

The County's 2012 – 2013 contributions represented less than one percent of total contributions required of all participating entities. Also, employer group-life contributions of \$22,926 were paid by the County in the current fiscal year. All employers contribute at the actuarially required contribution rates.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 11 - RETIREMENT PLANS (continued)**

**Discretely Presented Component Units**

**Clarendon County Library**

	<b>2011 SCRS</b>	<b>2012 SCRS</b>	<b>2013 SCRS</b>
Employee contributions	\$ 17,141	\$ 17,673	\$ 20,449
Employer contributions	\$ 24,366	\$ 25,475	\$ 30,528

The Library's 2012 – 2013 contributions represented less than one percent of total contributions required of all participating entities. Also, employer group-life contributions of \$438 were paid by the Library in the current fiscal year. All employers contribute at the actuarially required contribution rates.

**NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS**

**Background**

Beginning in the fiscal year ending June 30, 2009, Clarendon County implemented Governmental Accounting Standards Board (GASB) Statement No. 45 for other postemployment benefits (OPEB) offered to retirees. This standard addresses how local governments should account for and report their costs related to postemployment health care and other non-pension benefits, such as the County's retiree health benefit subsidy. Historically, the County's subsidy was funded on a pay-as-you-go basis but GASB 45 requires that the County accrue the cost of the retiree health subsidy and other postemployment benefits during the period of employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability in order to accurately account for the total future cost of postemployment benefits and the financial impact on the County. This funding methodology mirrors the funding approach used for pension benefits.

**Plan Description**

Other postemployment benefits provided by the County include a retiree health insurance premium contribution plan that covers retirees.

Some retirees, who are referred to as "non-funded retirees," are eligible for insurance but must pay the full premium, which includes the retiree share plus the employer contribution. These retirees worked in an insurance-eligible position prior to May 2, 2008, with an employer participating in the state insurance program and include:

- Employees who are eligible to retire and have at least five years, but fewer than 10 years, of earned SCRS service credit with a participating state insurance program employer.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)**

**Plan Description (continued)**

- Former County Council members who served on Council for at least 12 years and were covered under the state's plan when they left the Council. It is up to the County Council to decide whether to allow former members to have this coverage.

Whether you are a funded or a non-funded retiree, the following types of service do not count toward your earned service credit requirement for insurance eligibility: non-qualified, federal, military, out-of-state employment, educational service, leave of absence, unused sick leave or service with employers that do not participate in the state insurance program.

Retirees under the retiree health plan prior to July 1, 2005 will be grandfathered into the system, with their (retiree) monthly premiums paid by the County. A retiree who has elected to cover their spouse and/or eligible dependent children will continue to be responsible for paying the entire cost of the dependent's monthly insurance premium as set by the State Employee Insurance Program.

All current retirees and all future retirees hired prior to May 2, 2008, are eligible for trust fund paid premiums as follows:

An employee must meet the following criteria to be eligible for retiree health insurance: The employees must have at least 10 years of earned SCRS service credit and must qualify for retirement under the South Carolina Retirement System guidelines.

- Employees who leave employment before they are eligible to retire and who have at least 20 years of earned SCRS service credit with an employer that participates in the state insurance program. These employees are not eligible for insurance coverage until age 60 when they are eligible to receive a retirement check. Employees who qualify under the Police Officers Retirement System (PORS) become eligible at age 55.
- Employees who left employment before 1990 and who were not eligible to retire, but who had 18 years of earned SCRS service credit and returned to work with a participating group, enrolled in a state health and dental plan, and worked for at least two consecutive years in a full-time, permanent position.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)**

**Plan Description (continued)**

Based on the state policy change, Clarendon County will follow the guidelines set by the state regarding retiree insurance. Employees who commence employment on or after May 2, 2008 and retire from the County are eligible for Plan coverage; they are eligible for trust fund paid premiums as follows:

- a) If the retiree's earned service credit in a state retirement system is five or more years, but fewer than fifteen years with a state-covered entity, then the retiree shall pay the full premium for the Plan. (There will be no employer contribution for individuals in this category, and they will be obligated to pay the entire premium.)
- b) If the retiree's earned service credit in a state retirement system is fifteen or more years, but fewer than twenty-five years with a state-covered entity, then the retiree is eligible for fifty percent trust fund paid premiums and the retiree shall pay the remainder of the premiums cost. (Individuals in this category will receive an employer contribution equal to half of the "regular" State contribution, and will be obligated to pay the difference of the total premium and partial State contribution.)
- c) If the retiree's earned service credit in a state retirement system is twenty-five or more years with a state-covered entity, then the retiree is eligible for trust fund paid premiums, and the retiree is responsible for the retiree's share of the premium. The County pays 100 percent of the employer's share of the premium. (Individuals in this category will receive the full State contribution, as is the case at present for employer-funded retirees, and under current policy, will generally pay the same premium as do active employees.)

**Funding Policy**

The County has elected not to pre-fund OPEB liabilities and to fund healthcare benefits on a pay-as-you-go basis.

**Annual OPEB Cost and Net OPEB Obligation**

The annual cost of other postemployment benefits (OPEB) under GASB 45 is called the annual required contribution or ARC. 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. The current employer contribution rates for the County are 0 percent.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)**

The County's annual OPEB cost and the net OPEB obligation is based on a 4.5% discount rate, including an inflation component of 3%, and amortizing the initial unfunded actuarial liability over 30 years based on a level percent of payroll method for 2013 is as follows:

Annual required contribution	\$ 1,180,806
Interest on net OPEB obligation	125,467
Adjustment to annual required contribution	<u>(116,244)</u>
Annual OPEB cost (expense)	1,190,029
Contributions made	<u>(320,356)</u>
Increase (decrease) in net OPEB obligation	869,673
Net OPEB obligation, beginning of year - restated	<u>2,788,154</u>
Net OPEB obligation, end of year	<u><u>\$ 3,657,827</u></u>

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The 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 Projected Unit Credit, Level Percent of Payroll actuarial cost method has been used to calculate the GASB ARC for this valuation. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability. If experience is in accordance with the assumptions used, the ARC will increase at approximately the same rate as active member payroll, and the ARC as a percentage of payroll will remain basically level on a year to year basis. This is both an accepted and reasonable cost method.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)**

**Trend Information:**

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

Fiscal Year Ending	Annual OPEB Cost	Employer Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	\$ 1,190,029	\$ 320,356	26.9%	\$ 3,657,827
June 30, 2012	\$ 1,007,757	\$ 282,542	28.0%	\$ 2,788,154
June 30, 2011	\$ 976,171	\$ 240,633	24.7%	\$ 2,062,939

**Funded Status and Funding Progress:**

As of July 1, 2012, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$11,805,065, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$11,805,065. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the County's retiree health care plan are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future.

**Harvin Clarendon County Library**

**Background**

Beginning in fiscal year ended June 30, 2010, Harvin Clarendon County Library implemented Governmental Accounting Standards Board (GASB) Statement No. 45 for other post-employment benefits (OPEB) offered to retirees.

**Plan Description**

Other postemployment benefits provided by the Library include a retiree health insurance premium contribution plan that covers retirees with the same benefits provided by the County as described above.

**Funding Policy**

The Library has elected not to pre-fund OPEB liabilities and to fund healthcare benefits on a pay as you go basis.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)**

**Annual OPEB Cost and Net OPEB Obligation**

The Library has elected to calculate the annual required contribution of the Library (ARC) and related information using the Alternative Measurement Method permitted by GASB Statement No. 45 for employers in plans with fewer than one hundred total plan members. The Library's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 25 years.

The Library's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

**Schedule of Employer Contributions**

Fiscal Year Ending	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	\$ 28,266	\$ 4,964	17.6%	\$ 46,155
6/30/2012	\$ 29,007	\$ 5,237	18.1%	\$ 69,925
6/30/2013	\$ 39,022	\$ 5,659	14.5%	\$ 103,285

**Funded Status and Funding Progress**

As of June 30, 2013, the plan assets were \$-0-, the actuarial accrued liability for benefits was \$374,485, the total unfunded actuarial liability is \$374,485, and the actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio) is 0%. The covered payroll (annual payroll of active employees covered by the plan) was \$236,347, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 158%.

Annual required contribution	\$ 39,368
Interest on net OPEB obligation	3,147
Adjustment to annual required contribution	<u>(3,493)</u>
Annual OPEB cost (expense)	39,022
Estimated contributions made	<u>(5,659)</u>
Increase (decrease) in net OPEB obligation	33,363
Net OPEB obligation, beginning of year	<u>69,925</u>
Net OPEB obligation, end of year	<u><u>\$ 103,288</u></u>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)**

**Methods and Assumptions**

These are detailed in the Library's separate notes to the financial statements.

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

**NOTE 13 - FUND EQUITY**

The fund balance as of June 30, 2012 was restated as follows:

**Primary Government**

	Net Position	General Fund Balance GAAP Basis	Fire Service Fund Balance GAAP Basis	Other Govern- mental Fund Balance GAAP Basis	General Fund Balance Budgetary Basis	Proprietary Funds: Water & Sewer GAAP Basis	Weldon GAAP Basis
<b>As previously reported, June 30, 2012</b>	\$ 26,050,447	\$ 3,209,920	\$ 892,607	\$ 2,364,374	\$ 3,098,028	\$ 920,717	\$ 793,204
<b>General Fund</b>							
Void stale dated checks	175,024	175,024	-	-	175,024	-	-
Correct for grant revenue	(47,604)	(47,604)	-	-	(47,604)	-	-
Encumbrances to actual	(778)	(778)	-	-	(778)	-	-
C&D Landfill Closure	(197,200)	-	-	-	-	-	-
<b>Fire Department</b>							
Void stale dated checks	1,515	-	1,515	-	-	-	-
<b>Other Governmental</b>							
Void stale dated checks	430	-	-	430	-	-	-
<b>Proprietary Funds Water &amp; Sewer</b>							
Deposit in transit	1,253	-	-	-	-	1,253	-
Void stale dated checks	235	-	-	-	-	235	-
<b>Capital asset restatement</b>	(423,323)	-	-	-	-	301	176
<b>OPEB restatement</b>	<u>46,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>As restated, June 30, 2012</b>	<u>\$ 25,606,341</u>	<u>\$ 3,336,562</u>	<u>\$ 894,122</u>	<u>\$ 2,364,804</u>	<u>\$ 3,224,670</u>	<u>\$ 922,506</u>	<u>\$ 793,380</u>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 14 - FUND BALANCE REPORTING**

The County and Library have classified their fund balances with the following hierarchy: Nonspendable, Restricted, Committed, Assigned and Unassigned according to GASB Statement 54.

The County fund balance as of June 30, 2013 was classified as follows:

Description	General Fund	Capital Projects	Fire Department	Other Governmental	Total Governmental Funds
<b>Nonspendable:</b>					
Inventory	\$ 47,504	\$ -	\$ -	\$ -	\$ 47,504
<b>Restricted:</b>					
LOST Reserve	990,318	-	-	-	990,318
Courthouse bldg project	-	5,951,947	-	-	5,951,947
Local drug interdiction	-	-	-	64,575	64,575
Justice grant program revenue	-	-	-	69,406	69,406
Solicitor's office	-	-	-	160,311	160,311
Debt service	-	-	-	976,750	976,750
911 Center improvements	-	-	-	838,314	838,314
<b>Committed:</b>					
Fire station improvements	-	497,623	-	-	497,623
<b>Assigned:</b>					
Encumbrances	75,839	-	31,434	-	107,273
Airport expansion	195,000	-	-	-	195,000
Fire protection	-	-	1,211,089	-	1,211,089
Local law enforcement	36,780	-	-	-	36,780
Road improvements	-	-	-	898,673	898,673
Vocational school appropriation	-	-	-	8,565	8,565
Tourism related efforts	-	-	-	328,122	328,122
Clerk of Court discretionary	4,994	-	-	-	4,994
Archives collection acquisitions	5,424	-	-	-	5,424
<b>Unassigned:</b>	<u>1,564,598</u>	<u>1,110,846</u>	<u>-</u>	<u>-</u>	<u>2,675,444</u>
<b>Total fund balances</b>	<u>\$ 2,920,457</u>	<u>\$ 7,560,416</u>	<u>\$ 1,242,523</u>	<u>\$ 3,344,716</u>	<u>\$ 15,068,112</u>

The Library fund balance as of June 30, 2013 was classified as follows:

Description	General Fund
Non-spendable	\$ 5,079
Committed:	
Capital building fund	70,000
Unassigned	<u>149,514</u>
<b>Total fund balances</b>	<u>\$ 224,593</u>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 15 - RISK MANAGEMENT**

The County is exposed to various risks of loss and maintains elements of both self-insurance and purchased insurance policies divided into coverage for worker's compensation, property and casualty and employee health insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. The County also pays insurance premiums to certain other commercial insurers to cover risks that may occur in normal operations. The insurers promise to pay to or on behalf of the insured for covered economic losses sustained during the policy in accordance with insurance policy and benefit program limits. State funds accumulate assets and the State itself assumes substantially all risks for the following:

- 1) Claims of covered public employees for health and dental insurance benefits (Office of Insurance Services) and
- 2) Claims of covered public employees for long-term disability and group-life insurance benefits (Retirement System).

The County assumes the risk for unemployment compensation benefits by paying directly to the Employment Security Commission actual claims filed against the County.

Employees elect health coverage of either a health maintenance organization or through the State's self-insured plan. All other insurance coverages listed above are through the applicable State self-insured plan except dependent and optional life premiums which are remitted to commercial carriers.

The County has recorded insurance premium expenditures in the applicable functional expenditure categories of the unrestricted current funds. These expenditures do not include estimated claim losses and estimable premium adjustments.

The County has not reported a supplemental premium assessment expenditure, and the related liability at June 30, 2013, because the requirements of GASB Statement No. 10, which state that a liability for supplemental assessments must be reported if information prior to issuance of the financial statements indicates that it is probable that an asset has been impaired or a liability has been incurred on or before June 30, 2013, and that the amount of the premium is reasonably estimable, have not been satisfied.

In management's opinion, supplemental premium assessments, if any, would not be significant enough to have a material adverse effect on the financial position of the County.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 16 - CONTINGENCIES AND COMMITMENTS**

**Grants:**

The County participates in a number of federally assisted grant programs and state funded grant programs. These programs are subject to financial compliance audits by the County's auditors and by auditors of the federal or state grantor agencies. Upon audit, should it be determined that the County has failed to comply with applicable requirements of the grants, then some or all of the grant expenditures may be disallowed and a portion of the grant expenditures may become reimbursable to the grantor.

**Construction Commitments:**

As of June 30, 2013, the County had incurred \$87,449 in costs on an uncompleted construction project, new fire station in the Town of Summerton. Additional costs to complete the project for the contract signed on December 5, 2012 are expected to be approximately \$614,239. The Project is being funded through the Capital Projects Fund with available fund balance.

In October, 2012, through the blended component unit, the Clarendon Facilities Corporation, the County issued \$6,970,000 in installment purchase revenue bonds for renovations and improvements to the county courthouse. Final architectural renderings and project specifications are complete and the County intends to solicit construction bids by the end of calendar year 2013. The construction period is anticipated to last 24 months.

**NOTE 17 - REFUNDABLE ADVANCES**

The Business Development Corporation records grant awards as refundable advances until the related services are performed, at which time they are recognized as revenue.

The activity in the refundable advance account is reported as follows:

Refundable advances, beginning of year (deferred revenue)	\$ 6,704
Restatement of beginning balance – Black River Electric	<u>302,375</u>
Restated	<u>309,079</u>
Grant awards received	136,200
Grant expenditures	<u>(2,904)</u>
Refundable advances, end of year	<u>\$ 442,375</u>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 18 - SPECIAL ITEMS**

In June 2013, the County transferred waterlines on Raccoon Road to the City of Manning. These waterlines were constructed by the County in order to connect its water system to the City water tank until the County's water tank was constructed. The total cost to the County for these waterlines was \$501,550 less accumulated depreciation is \$496,343.

**NOTE 19 - SUBSEQUENT EVENTS**

The County has informed the Lake Marion Regional Water Authority (LMRWA) of its intent to terminate its membership. The withdrawal provision requires that LMRWA reimburse the County the original membership fees, as well as subsequent payments. The sum of the payments is \$145,374; said payments are to begin on July 1, 2013 in the amount of \$3,461.30 a month for 42 months.

In August, 2013 the County issued General Obligation debt (Series 2013C) in the amount of \$151,650 to mature March 1, 2018. Proceeds will be used to make semi-annual payments for component unit, the Clarendon Facilities Corporation, on installment purchase revenue bonds for renovations and improvements to the county courthouse.

In September, 2013 the County issued General Obligation debt (Series 2013B) in the amount of \$720,000 to mature September 1, 2028. Proceeds will be used to acquire self contained breathing apparati for the Fire service and will be repaid in fifteen (15) equal annual installments of \$62,518.00 (principal and interest).

In September, 2011, the County received a Letter of Conditions from the US Department of Agriculture for a \$2,000,000 and a \$4,000,000 expansion project of its water system. The \$2,000,000 project will be primarily financed through a \$821,000 RDA grant and an RDA loan of \$1,179,000, at 3.375% amortized over 40 years. The \$4,000,000 project will be primarily financed through a \$1,481,000 RDA grant and an RDA loan of \$2,501,000, at 3.375% amortized over 40 years. These expansion projects are pending final approval from the US Department of Agriculture prior to going out for bid by the end of calendar year 2013.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN  
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
YEAR ENDED JUNE 30, 2013**

		(1)	(2)	(3)	(4)	(5)	(6)
	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (2)-(1)	Funded Ratio (1)/(2)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll ((2)-(1))/(5))
Clarendon County	6/30/2008	\$ -	\$ 9,405,998	\$ 9,405,998	0.00%	\$ 6,918,209	135.96%
	6/30/2010	\$ -	\$ 9,541,664	\$ 9,541,664	0.00%	\$ 7,490,632	127.38%
	6/30/2012	\$ -	\$ 11,805,065	\$ 11,805,065	0.00%	\$ 7,352,588	160.60%

The County implemented GASB 45 in Fiscal Year 2009; therefore, six years of data is not available, but will be accumulated over time. The valuation has been calculated using the Projected Unit Credit Actuarial Cost Method, discount rates of 4.5%, and the initial unfunded actuarial liability is amortized over 30 years based on a level percent of payroll method. It should be noted that an actuarial cost method determines a contribution or expense by assigning portions of the present value of projected benefits to various years with the general goal of accruing the cost of benefits over the working lifetime of the employees.

## **COMBINING AND INDIVIDUAL FUND SCHEDULES**

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Bureau of Tourism Accommodations	To account for the County's portion of accommodations taxes.
Hospitality Tax	To account for the County's collection of hospitality taxes.
C-Program	To account for fuel taxes collected for the construction and repair of public roads.
Drug Enforcement and Other Sheriff's Funds	To account for restricted revenues received by the Sheriff.
Special Purpose District	To account for ad valorem taxes collected to be used for F. E. DuBose Career Center (vocational training).
E-911	To account for fees collected by telephone companies to be used to provide emergency assistance through the nationwide 911 system.
Victims Advocate	To account for state assessments and surcharges on fines to be used for victim services.
Third Circuit Drug Court	To account for restricted revenue for operation of drug court.

### **DEBT SERVICE FUNDS**

Fire Protection	To account for the accumulation of ad valorem taxes to pay the principal, interest, and fiscal charges related to the 2009 capital lease payable on fire trucks.
General County Debt Service	To account for the accumulation of ad valorem taxes to pay the principal, interest, and fiscal charges related to the General Obligation Bond.

**CLARENDON COUNTY, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013**

	<b>Special Revenue</b>					
	<b>Bureau of Tourism Accommodation Fund</b>	<b>Hospitality Tax Fund</b>	<b>C-Program Fund</b>	<b>Drug Enforcement and Other Sheriff's Fund</b>	<b>Special Purpose District</b>	<b>E-911</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 126,661	\$ 181,028	\$ 1,020,250	\$ 174,525	\$ -	\$ 798,926
Accounts receivable	-	21,663	93,604	-	-	39,388
Due from other funds	-	-	-	-	4,331	-
Delinquent taxes receivable	-	-	-	-	32,824	-
<b>Total Assets</b>	<b>\$ 126,661</b>	<b>\$ 202,691</b>	<b>\$ 1,113,854</b>	<b>\$ 174,525</b>	<b>\$ 37,155</b>	<b>\$ 838,314</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 1,230	\$ -	\$ 215,181	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	28,590	-
Due to other funds	-	-	-	40,544	-	-
<b>Total Liabilities</b>	<b>1,230</b>	<b>-</b>	<b>215,181</b>	<b>40,544</b>	<b>28,590</b>	<b>-</b>
<b>Fund Balances:</b>						
Restricted	-	-	-	133,981	-	838,314
Assigned	125,431	202,691	898,673	-	8,565	-
<b>Total Fund Balances</b>	<b>125,431</b>	<b>202,691</b>	<b>898,673</b>	<b>133,981</b>	<b>8,565</b>	<b>838,314</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 126,661</b>	<b>\$ 202,691</b>	<b>\$ 1,113,854</b>	<b>\$ 174,525</b>	<b>\$ 37,155</b>	<b>\$ 838,314</b>

**CLARENDON COUNTY, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013**

	<u>Special Revenue</u>		<u>Debt Service</u>		<b>Total Nonmajor Governmental Funds</b>
	<b>Victims Advocate Fund</b>	<b>Third Circuit Drug Court</b>	<b>Fire Protection</b>	<b>General County Debt Service</b>	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 594	\$ 161,550	\$ 93,557	\$ 862,426	\$ 3,419,517
Accounts receivable	-	-	-	-	154,655
Due from other funds	-	-	1,525	8,119	13,975
Delinquent taxes receivable	-	-	12,518	59,202	104,544
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 594</u>	<u>\$ 161,550</u>	<u>\$ 107,600</u>	<u>\$ 929,747</u>	<u>\$ 3,692,691</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 594	\$ 1,239	\$ -	\$ -	\$ 218,244
Deferred revenue	-	-	10,799	49,798	89,187
Due to other funds	-	-	-	-	40,544
Total Liabilities	<hr/> 594	<hr/> 1,239	<hr/> 10,799	<hr/> 49,798	<hr/> 347,975
Fund Balances:					
Restricted	-	160,311	96,801	879,949	2,109,356
Assigned	-	-	-	-	1,235,360
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<hr/> -	<hr/> 160,311	<hr/> 96,801	<hr/> 879,949	<hr/> 3,344,716
Total Liabilities and Fund Balances	<u>\$ 594</u>	<u>\$ 161,550</u>	<u>\$ 107,600</u>	<u>\$ 929,747</u>	<u>\$ 3,692,691</u>

**CLARENDON COUNTY, SOUTH CAROLINA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013**

	<b>Special Revenue</b>					
	<b>Bureau of Tourism Accommodation Fund</b>	<b>Hospitality Tax Fund</b>	<b>C-Program Fund</b>	<b>Drug Enforcement and Other Sheriff's Fund</b>	<b>Special Purpose District</b>	<b>E-911</b>
<b>REVENUES</b>						
Taxes	\$ -	\$ 265,712	\$ -	\$ -	\$ 199,062	\$ -
Intergovernmental	113,691	-	1,078,918	-	-	213,784
Charges for services	-	-	-	-	-	259,817
Fines and forfeitures	-	-	-	59,833	-	-
Special assessments	-	-	-	-	-	-
Interest	45	103	1,444	107	-	1,158
Total Revenues	<u>113,736</u>	<u>265,815</u>	<u>1,080,362</u>	<u>59,940</u>	<u>199,062</u>	<u>474,759</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	538,636	-	194,541	-
Public safety	-	-	-	114,922	-	245,310
Culture/Recreation	70,952	-	-	-	-	-
Court related	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fees	-	-	-	-	-	-
Capital outlay	-	-	297,609	83,423	-	130,046
Total Expenditures	<u>70,952</u>	<u>-</u>	<u>836,245</u>	<u>198,345</u>	<u>194,541</u>	<u>375,356</u>
Excess of revenues over (under) expenditures	<u>42,784</u>	<u>265,815</u>	<u>244,117</u>	<u>(138,405)</u>	<u>4,521</u>	<u>99,403</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Bond proceeds	-	-	-	-	-	-
Transfers in (out)	(8,000)	(271,790)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(8,000)</u>	<u>(271,790)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>34,784</u>	<u>(5,975)</u>	<u>244,117</u>	<u>(138,405)</u>	<u>4,521</u>	<u>99,403</u>
Fund balances at beginning of year - as restated Note 13	<u>90,647</u>	<u>208,666</u>	<u>654,556</u>	<u>272,386</u>	<u>4,044</u>	<u>738,911</u>
Fund balances at end of year	<u>\$ 125,431</u>	<u>\$ 202,691</u>	<u>\$ 898,673</u>	<u>\$ 133,981</u>	<u>\$ 8,565</u>	<u>\$ 838,314</u>

**CLARENDON COUNTY, SOUTH CAROLINA  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Special Revenue</u>		<u>Debt Service</u>		<b>Total Nonmajor Governmental Funds</b>
	<b>Victims Advocate Fund</b>	<b>Third Circuit Drug Court</b>	<b>Fire Protection</b>	<b>County General Debt Service</b>	
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ 86,597	\$ 1,313,301	\$ 1,864,672
Intergovernmental	24,000	250,000	-	-	1,680,393
Charges for services	-	-	-	-	259,817
Fines and forfeitures	-	-	-	-	59,833
Special assessments	59,823	-	-	-	59,823
Interest	-	84	206	316	3,463
Total Revenues	<u>83,823</u>	<u>250,084</u>	<u>86,803</u>	<u>1,313,617</u>	<u>3,928,001</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	733,177
Public safety	84,253	-	-	-	444,485
Culture/Recreation	-	-	-	-	70,952
Court related	-	204,286	-	-	204,286
Debt service:					
Principal	-	-	81,428	419,900	501,328
Interest and fees	-	-	7,231	460,362	467,593
Capital outlay	-	-	-	-	511,078
Total Expenditures	<u>84,253</u>	<u>204,286</u>	<u>88,659</u>	<u>880,262</u>	<u>2,932,899</u>
Excess of revenues over (under) expenditures	<u>(430)</u>	<u>45,798</u>	<u>(1,856)</u>	<u>433,355</u>	<u>995,102</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds	-	-	-	269,600	269,600
Transfers in (out)	-	(5,000)	-	-	(284,790)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(5,000)</u>	<u>-</u>	<u>269,600</u>	<u>(15,190)</u>
Net change in fund balances	<u>(430)</u>	<u>40,798</u>	<u>(1,856)</u>	<u>702,955</u>	<u>979,912</u>
Fund balances at beginning of year - as restated Note 13	<u>430</u>	<u>119,513</u>	<u>98,657</u>	<u>176,994</u>	<u>2,364,804</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 160,311</u>	<u>\$ 96,801</u>	<u>\$ 879,949</u>	<u>\$ 3,344,716</u>

CLARENDON COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
<b>REVENUES</b>						
<b>Taxes</b>						
Real estate taxes	\$ 8,869,983	\$ 8,869,983	\$ 8,652,648	\$ -	\$ 8,652,648	\$ (217,335)
Local option sales tax	2,500,000	2,500,000	2,257,879	-	2,257,879	(242,121)
Vehicle taxes	1,243,920	1,243,920	1,160,309	-	1,160,309	(83,611)
Delinquent taxes	1,540,000	1,540,000	1,352,575	-	1,352,575	(187,425)
Local accommodations	225,000	225,000	176,929	-	176,929	(48,071)
Payment in lieu of taxes	80,000	80,000	45,059	-	45,059	(34,941)
Treasurer's cost to cities	4,350	4,350	4,254	-	4,254	(96)
Payment in lieu - motor carrier	165,000	165,000	167,182	-	167,182	2,182
<b>Total taxes</b>	<b>14,628,253</b>	<b>14,628,253</b>	<b>13,816,835</b>	<b>-</b>	<b>13,816,835</b>	<b>(811,418)</b>
<b>Licenses and permits</b>						
Moving permits	3,000	3,000	2,400	-	2,400	(600)
Building permits	105,000	105,000	94,075	-	94,075	(10,925)
<b>Total licenses and permits</b>	<b>108,000</b>	<b>108,000</b>	<b>96,475</b>	<b>-</b>	<b>96,475</b>	<b>(11,525)</b>
<b>Charges for services</b>						
Assessors fees	5,000	5,000	4,613	-	4,613	(387)
Master in Equity fees	30,000	30,000	20,448	-	20,448	(9,552)
Probate fees	75,000	75,000	81,036	-	81,036	6,036
Planning and public service fees	8,700	8,700	8,120	-	8,120	(580)
ROD fees and charges	125,000	125,000	129,998	-	129,998	4,998
Animal control fees	1,800	1,800	2,055	-	2,055	255
Landfill fees	177,900	177,900	174,104	-	174,104	(3,796)
County road user fee	716,000	716,000	711,596	-	711,596	(4,404)
Municipal inmate housing	22,000	22,000	28,984	-	28,984	6,984
<b>Total charges for services</b>	<b>1,161,400</b>	<b>1,161,400</b>	<b>1,160,954</b>	<b>-</b>	<b>1,160,954</b>	<b>(446)</b>
<b>Fines and forfeitures</b>						
Clerk of court fines and fees	130,000	130,000	123,281	-	123,281	(6,719)
Magistrate fines and fees	440,000	440,000	323,066	-	323,066	(116,934)
Sheriff's fines and fees	4,000	4,000	2,245	-	2,245	(1,755)
	<b>574,000</b>	<b>574,000</b>	<b>448,592</b>	<b>-</b>	<b>448,592</b>	<b>(125,408)</b>
<b>Investment income</b>						
	5,000	5,000	1,900	-	1,900	(3,100)
<b>Miscellaneous</b>						
Hargar rent	42,000	42,000	36,431	-	36,431	(5,569)
Multi-County Industrial Park	50,000	50,000	59,740	-	59,740	9,740
Miscellaneous revenue	148,050	148,050	181,636	-	181,636	33,586
Recreation Programs	91,660	91,660	70,012	-	70,012	(21,648)
Franchise fees	85,000	85,000	107,496	-	107,496	22,496
Central SC Alliance grant	-	-	2,886	-	2,886	2,886
House arrest system	4,500	4,500	144	-	144	(4,356)
	<b>421,210</b>	<b>421,210</b>	<b>458,345</b>	<b>-</b>	<b>458,345</b>	<b>37,135</b>

CLARENDON COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
<b>Intergovernmental</b>						
State						
Accommodations tax	\$ 31,500	\$ 31,500	\$ 30,984	\$ -	\$ 30,984	\$ (516)
Merchant's inventory tax	48,220	48,220	48,909	-	48,909	689
Solid waste tire fees	14,000	14,000	8,667	-	8,667	(5,333)
State aid and allocations	1,160,000	1,160,000	1,286,432	-	1,286,432	126,432
Election commission	-	-	24,608	-	24,608	24,608
Clerk/Sheriff/Probate Judge supplements	7,900	7,900	7,875	-	7,875	(25)
Vital records fees	7,500	7,500	8,015	-	8,015	515
Emergency Watershed	-	-	2,900	-	2,900	2,900
EMS Grant in aid	-	-	18,682	-	18,682	18,682
EMS Trauma grant	-	-	1,451	-	1,451	1,451
Waste oil grant(s)	-	-	1,670	-	1,670	1,670
Waste tire grant(s)	-	-	30,390	-	30,390	30,390
Solid waste grant(s)	-	-	4,498	-	4,498	4,498
SC Aeronautics	-	-	18,905	-	18,905	18,905
Economic Development grant(s)	-	-	225,538	-	225,538	225,538
Federal						
Drug Task Force	-	-	185,122	-	185,122	185,122
V-Safe	-	-	6,499	-	6,499	6,499
Veterans affairs	4,500	4,500	4,467	-	4,467	(33)
DSS - Clerk of Court	155,000	155,000	141,899	-	141,899	(13,101)
DSS - Revenue	30,000	30,000	28,716	-	28,716	(1,284)
DSS - Sheriff	9,000	9,000	3,003	-	3,003	(5,997)
USDA facilities grant(s)	-	-	43,829	-	43,829	43,829
Emergency management grants	-	-	95,226	-	95,226	95,226
FEMA Safer grant	-	-	34,450	-	34,450	34,450
Airport improvement program	-	-	97,850	-	97,850	97,850
Justice Assistance grants	-	-	12,627	-	12,627	12,627
	<u>1,467,620</u>	<u>1,467,620</u>	<u>2,373,212</u>	<u>-</u>	<u>2,373,212</u>	<u>905,592</u>
<b>TOTAL REVENUES</b>	<b>\$ 18,365,483</b>	<b>\$ 18,365,483</b>	<b>\$ 18,356,313</b>	<b>\$ -</b>	<b>\$ 18,356,313</b>	<b>\$ (9,170)</b>

CLARENDON COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
<b>General Government and Administration:</b>						
Administration:						
Salaries and related	\$ 190,613	\$ 191,325	\$ 208,039	\$ -	\$ 208,039	\$ (16,714)
Operations	16,540	16,540	17,010	-	17,010	(470)
	<u>207,153</u>	<u>207,865</u>	<u>225,049</u>	<u>-</u>	<u>225,049</u>	<u>(17,184)</u>
County Council:						
Salaries and related	150,690	151,469	151,102	-	151,102	367
Operations	15,300	15,300	15,734	(3,085)	12,649	2,651
	<u>165,990</u>	<u>166,769</u>	<u>166,836</u>	<u>(3,085)</u>	<u>163,751</u>	<u>3,018</u>
Assessor:						
Salaries and related	456,382	464,215	435,428	-	435,428	28,787
Operations	34,595	34,595	32,970	(3,719)	29,251	5,344
	<u>490,977</u>	<u>498,810</u>	<u>468,398</u>	<u>(3,719)</u>	<u>464,679</u>	<u>34,131</u>
Auditor:						
Salaries and related	165,741	168,455	167,905	-	167,905	550
Operations	15,900	15,900	13,479	(951)	12,528	3,372
	<u>181,641</u>	<u>184,355</u>	<u>181,384</u>	<u>(951)</u>	<u>180,433</u>	<u>3,922</u>
Treasurer:						
Salaries and related	165,754	168,506	160,732	-	160,732	7,774
Operations	12,188	12,188	12,288	(967)	11,321	867
	<u>177,942</u>	<u>180,694</u>	<u>173,020</u>	<u>(967)</u>	<u>172,053</u>	<u>8,641</u>
Finance:						
Salaries and related	214,319	218,061	217,293	-	217,293	768
Operations	6,850	6,850	7,228	-	7,228	(378)
	<u>221,169</u>	<u>224,911</u>	<u>224,521</u>	<u>-</u>	<u>224,521</u>	<u>390</u>
Human Resources:						
Salaries and related	144,881	148,100	152,231	-	152,231	(4,131)
Operations	22,330	22,330	19,514	-	19,514	2,816
	<u>167,211</u>	<u>170,430</u>	<u>171,745</u>	<u>-</u>	<u>171,745</u>	<u>(1,315)</u>
Grants Administration						
Salaries and related	103,626	105,429	105,184	-	105,184	245
Operations	7,199	7,199	5,099	-	5,099	2,100
	<u>110,825</u>	<u>112,628</u>	<u>110,283</u>	<u>-</u>	<u>110,283</u>	<u>2,345</u>
Procurement						
Salaries and related	104,654	106,441	100,718	-	100,718	5,723
Operations	7,517	7,517	4,337	-	4,337	3,180
	<u>112,171</u>	<u>113,958</u>	<u>105,055</u>	<u>-</u>	<u>105,055</u>	<u>8,903</u>
Tax Collector:						
Salaries and related	88,872	95,088	94,652	-	94,652	436
Operations	57,190	57,190	74,899	-	74,899	(17,709)
	<u>146,062</u>	<u>152,278</u>	<u>169,551</u>	<u>-</u>	<u>169,551</u>	<u>(17,273)</u>
Voter Registration:						
Salaries and related	94,000	95,647	113,194	-	113,194	(17,547)
Operations	11,536	11,536	9,306	-	9,306	2,230
	<u>105,536</u>	<u>107,183</u>	<u>122,500</u>	<u>-</u>	<u>122,500</u>	<u>(15,317)</u>
Information Technology:						
Salaries and related	93,865	94,998	65,646	-	65,646	29,352
Operations	282,050	292,050	289,351	(8,000)	281,351	10,699
	<u>375,915</u>	<u>387,048</u>	<u>354,997</u>	<u>(8,000)</u>	<u>346,997</u>	<u>40,051</u>
Veterans Affairs:						
Salaries and related	50,903	66,071	61,144	-	61,144	4,927
Operations	5,370	5,370	5,643	-	5,643	(273)
	<u>56,273</u>	<u>71,441</u>	<u>66,787</u>	<u>-</u>	<u>66,787</u>	<u>4,654</u>

**CLARENDON COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with
	Original	Final				Final Budget Favorable (Unfavorable)
<b>Nondepartmental Expenditures:</b>						
Special Projects	\$ 215,000	\$ 200,680	\$ 142,312	\$ -	\$ 142,312	\$ 58,368
Legal Assistance	50,000	50,000	27,821	-	27,821	22,179
Rent - Judicial Annex	106,500	106,500	106,401	-	106,401	99
Workmen's compensation	185,000	185,000	125,550	-	125,550	59,450
Audit fee	32,000	32,000	32,558	-	32,558	(558)
Unemployment	30,000	30,000	11,858	-	11,858	18,142
Electricity	300,000	300,000	389,113	-	389,113	(89,113)
Printing and postage	120,000	120,000	105,488	-	105,488	14,512
Christmas bonus	39,300	39,300	37,950	-	37,950	1,350
Property and liability insurance	230,000	230,000	250,957	-	250,957	(20,957)
Drug screening	4,000	4,000	4,478	-	4,478	(478)
Water	26,000	26,000	31,908	-	31,908	(5,908)
Retirees' insurance	250,000	250,000	255,512	-	255,512	(5,512)
Telephone	156,000	156,000	131,002	-	131,002	24,998
Personnel	169,243	5,000	7,472	-	7,472	(2,472)
Holiday compensation	57,500	57,500	60,781	-	60,781	(3,281)
Retirement expense	1,200	1,200	1,332	-	1,332	(132)
FICA expense	8,400	8,400	7,493	-	7,493	907
Police retirement	5,700	5,700	5,930	-	5,930	(230)
Bank fees and charges	20,000	20,000	18,991	-	18,991	1,009
	<u>2,005,843</u>	<u>1,827,280</u>	<u>1,754,907</u>	<u>-</u>	<u>1,754,907</u>	<u>72,373</u>
<b>Grant Expense:</b>						
Santee Cooper airport improvement	-	-	86,225	-	86,225	(86,225)
Business Development Corp	-	-	225,000	-	225,000	(225,000)
SC Aeronautics commission	-	-	20,275	-	20,275	(20,275)
Emergency watershed	-	-	2,900	-	2,900	(2,900)
Emergency management plan(s)	-	-	83,751	(2,496)	81,255	(81,255)
EMS Grant in aid	-	-	36,725	(17,975)	18,750	(18,750)
EMS Trauma grant	-	-	1,451	-	1,451	(1,451)
Waste oil grant(s)	-	-	1,669	-	1,669	(1,669)
Waste tire grant(s)	-	-	28,615	-	28,615	(28,615)
Solid waste grant(s)	-	-	4,528	-	4,528	(4,528)
Drug Task Force	-	-	208,320	(193)	208,127	(208,127)
Central SC Alliance	-	-	2,886	-	2,886	(2,886)
FEMA Safer grant	-	-	2,454	-	2,454	(2,454)
V-Safe	-	-	14,306	(4,923)	9,383	(9,383)
Justice Assistance grant(s)	-	-	15,924	-	15,924	(15,924)
Economic Development grant(s)	-	-	538	-	538	(538)
USDA Facilities grant(s)	-	-	66,949	(8,062)	58,887	(58,887)
	<u>-</u>	<u>-</u>	<u>802,516</u>	<u>(33,649)</u>	<u>768,867</u>	<u>(768,867)</u>
<b>Total General Government and Administration</b>	<u>4,524,708</u>	<u>4,405,650</u>	<u>5,097,549</u>	<u>(50,371)</u>	<u>5,047,178</u>	<u>(641,528)</u>

**CLARENDON COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>				
<b>Court Related:</b>						
<b>Clerk of Court:</b>						
Salaries and related Operations	\$ 149,816	\$ 154,038	\$ 158,641	\$ -	\$ 158,641	\$ (4,603)
	191,425	141,425	76,362	-	76,362	65,063
	<u>341,241</u>	<u>295,463</u>	<u>235,003</u>	<u>-</u>	<u>235,003</u>	<u>60,460</u>
<b>Magistrates:</b>						
Salaries and related Operations	436,092	440,046	456,734	-	456,734	(16,688)
	21,750	21,750	14,905	-	14,905	6,845
	<u>457,842</u>	<u>461,796</u>	<u>471,639</u>	<u>-</u>	<u>471,639</u>	<u>(9,843)</u>
<b>Probate Judge:</b>						
Salaries and related Operations	116,770	118,861	118,264	-	118,264	597
	11,105	11,105	7,161	1,134	8,295	2,810
	<u>127,875</u>	<u>129,966</u>	<u>125,425</u>	<u>1,134</u>	<u>126,559</u>	<u>3,407</u>
<b>Family Court:</b>						
Salaries and related Operations	83,194	84,720	84,161	-	84,161	559
	6,700	6,700	6,805	-	6,805	(105)
	<u>89,894</u>	<u>91,420</u>	<u>90,966</u>	<u>-</u>	<u>90,966</u>	<u>454</u>
<b>Register of Deeds:</b>						
Salaries and related Operations	104,059	106,478	105,586	-	105,586	892
	60,050	60,050	53,935	-	53,935	6,115
	<u>164,109</u>	<u>166,528</u>	<u>159,521</u>	<u>-</u>	<u>159,521</u>	<u>7,007</u>
<b>Master in Equity:</b>						
Salaries and related Operations	23,932	24,241	24,068	-	24,068	173
	10,020	10,020	8,449	-	8,449	1,571
	<u>33,952</u>	<u>34,261</u>	<u>32,517</u>	<u>-</u>	<u>32,517</u>	<u>1,744</u>
<b>DSS Funds - Clerk of Court:</b>						
Salaries and related Operations	139,144	141,494	139,729	-	139,729	1,765
	12,000	12,000	10,294	-	10,294	1,706
	<u>151,144</u>	<u>153,494</u>	<u>150,023</u>	<u>-</u>	<u>150,023</u>	<u>3,471</u>
<b>Circuit Court Judges:</b>						
Allowance	22,160	22,160	17,424	-	17,424	4,736
<b>Solicitor:</b>						
Allowance	143,813	158,813	158,813	-	158,813	-
<b>Public Defender:</b>						
Allowance	60,000	75,000	75,000	-	75,000	-
	<u>225,973</u>	<u>255,973</u>	<u>251,237</u>	<u>-</u>	<u>251,237</u>	<u>4,736</u>
<b>Total Court Related</b>	<b>1,592,030</b>	<b>1,588,901</b>	<b>1,516,331</b>	<b>1,134</b>	<b>1,517,465</b>	<b>71,436</b>
<b>Public Safety:</b>						
<b>Sheriff:</b>						
Salaries and related Operations	2,284,380	2,312,274	2,247,823	-	2,247,823	64,451
	723,629	707,523	704,279	404	704,683	2,840
	<u>3,008,009</u>	<u>3,019,797</u>	<u>2,952,102</u>	<u>404</u>	<u>2,952,506</u>	<u>67,291</u>
<b>Emergency Preparedness:</b>						
Salaries and related Operations	69,983	71,283	70,740	-	70,740	543
	15,200	25,200	16,738	5,346	22,084	3,116
	<u>85,183</u>	<u>96,483</u>	<u>87,478</u>	<u>5,346</u>	<u>92,824</u>	<u>3,659</u>
<b>Correctional Center:</b>						
Salaries and related Operations	1,476,319	1,501,928	1,461,369	-	1,461,369	40,559
	454,600	454,600	415,654	(318)	415,336	39,264
	<u>1,930,919</u>	<u>1,956,528</u>	<u>1,877,023</u>	<u>(318)</u>	<u>1,876,705</u>	<u>79,823</u>

**CLARENDON COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
<b>Coroner:</b>						
Salaries and related	\$ 45,707	\$ 46,746	\$ 46,535	\$ -	\$ 46,535	\$ 211
Operations	96,510	96,510	95,509	398	95,907	603
	<u>142,217</u>	<u>143,256</u>	<u>142,044</u>	<u>398</u>	<u>142,442</u>	<u>814</u>
<b>Communications:</b>						
Salaries and related	628,707	638,264	646,984	-	646,984	(8,720)
Operations	6,400	6,400	3,724	-	3,724	2,676
	<u>635,107</u>	<u>644,664</u>	<u>650,708</u>	<u>-</u>	<u>650,708</u>	<u>(6,044)</u>
<b>EMS:</b>						
Contract	929,462	929,462	929,462	-	929,462	-
<b>Animal Control:</b>						
Salaries and related	-	11,416	8,055	-	8,055	3,361
Operations	147,000	163,100	148,594	3,916	152,510	10,590
	<u>147,000</u>	<u>174,516</u>	<u>156,649</u>	<u>3,916</u>	<u>160,565</u>	<u>13,951</u>
<b>Total Public Safety</b>	<u>6,877,897</u>	<u>6,964,706</u>	<u>6,795,466</u>	<u>9,746</u>	<u>6,805,212</u>	<u>159,494</u>
<b>Physical Environment:</b>						
<b>Facilities Management:</b>						
Salaries and related	275,756	280,437	291,133	-	291,133	(10,696)
Operations	185,902	185,902	200,301	-	200,301	(14,399)
	<u>461,658</u>	<u>466,339</u>	<u>491,434</u>	<u>-</u>	<u>491,434</u>	<u>(25,095)</u>
<b>Landfill:</b>						
Salaries and related	157,187	159,609	159,373	-	159,373	236
Operations	1,593,890	1,593,890	1,514,948	-	1,514,948	78,942
	<u>1,751,077</u>	<u>1,753,499</u>	<u>1,674,321</u>	<u>-</u>	<u>1,674,321</u>	<u>79,178</u>
<b>Public Works:</b>						
Salaries and related	594,633	604,213	584,635	-	584,635	19,578
Operations	303,875	303,875	331,603	(260)	331,343	(27,468)
	<u>898,508</u>	<u>908,088</u>	<u>916,238</u>	<u>(260)</u>	<u>915,978</u>	<u>(7,890)</u>
<b>Total Physical Environment</b>	<u>3,111,243</u>	<u>3,127,926</u>	<u>3,081,993</u>	<u>(260)</u>	<u>3,081,733</u>	<u>46,193</u>
<b>Economic Environment:</b>						
<b>Planning and Public Service Commission:</b>						
Salaries and related	354,330	361,147	373,563	-	373,563	(12,416)
Operations	45,325	45,325	29,208	(2,500)	26,708	18,617
	<u>399,655</u>	<u>406,472</u>	<u>402,771</u>	<u>(2,500)</u>	<u>400,271</u>	<u>6,201</u>
<b>Development Board:</b>						
Salaries and related	166,060	168,960	167,814	-	167,814	1,146
Operations	170,520	170,520	155,115	6,200	161,315	9,205
	<u>336,580</u>	<u>339,480</u>	<u>322,929</u>	<u>6,200</u>	<u>329,129</u>	<u>10,351</u>
<b>Total Economic Environment</b>	<u>736,235</u>	<u>745,952</u>	<u>725,700</u>	<u>3,700</u>	<u>729,400</u>	<u>16,552</u>

**CLARENDON COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>				
<b>Transportation:</b>						
<b>Fleet Maintenance:</b>						
Salaries and related Operations	\$ 169,813	\$ 172,834	\$ 171,126	\$ -	\$ 171,126	\$ 1,708
	11,040	11,040	9,631	-	9,631	1,409
	<u>180,853</u>	<u>183,874</u>	<u>180,757</u>	<u>-</u>	<u>180,757</u>	<u>3,117</u>
<b>Airport Commission:</b>						
Operations	219,450	219,450	38,022	-	38,022	181,428
	<u>219,450</u>	<u>219,450</u>	<u>38,022</u>	<u>-</u>	<u>38,022</u>	<u>181,428</u>
<b>Total Transportation</b>	<b>400,303</b>	<b>403,324</b>	<b>218,779</b>	<b>-</b>	<b>218,779</b>	<b>184,545</b>
<b>Recreation and Culture:</b>						
<b>Recreation:</b>						
Salaries and related Operations	244,035	248,990	258,341	-	258,341	(9,351)
	180,410	180,410	174,949	-	174,949	5,461
	<u>424,445</u>	<u>429,400</u>	<u>433,290</u>	<u>-</u>	<u>433,290</u>	<u>(3,890)</u>
<b>County Archives:</b>						
Salaries and related Operations	50,266	51,268	49,356	-	49,356	1,912
	5,905	5,905	5,356	-	5,356	549
	<u>56,171</u>	<u>57,173</u>	<u>54,712</u>	<u>-</u>	<u>54,712</u>	<u>2,461</u>
<b>Total Recreation and Culture</b>	<b>480,616</b>	<b>486,573</b>	<b>488,002</b>	<b>-</b>	<b>488,002</b>	<b>(1,429)</b>
<b>Miscellaneous:</b>						
<b>Agencies:</b>						
Santee-Lynches Council of Government	24,690	24,690	24,690	-	24,690	-
Clarendon Soil and Water Conservation	30,000	30,000	30,000	-	30,000	-
Election Commission - Supplies	13,000	13,000	22,326	-	22,326	(9,326)
Clemson Extension	28,900	28,900	28,887	-	28,887	13
SC Association of Counties	8,672	8,672	8,672	-	8,672	-
Delegation allowance	14,000	14,000	14,000	-	14,000	-
Behavioral Services	17,500	17,500	17,500	-	17,500	-
Clarendon County Library	540,000	540,000	540,000	-	540,000	-
Clarendon First Steps	4,000	4,000	4,000	-	4,000	-
DHEC	14,500	14,500	14,500	-	14,500	-
Santee Wateree RTA	2,500	2,500	2,500	-	2,500	-
Indigent care	69,281	69,281	69,281	-	69,281	-
Council on Aging	5,000	5,000	5,000	-	5,000	-
County Board of Education	10,408	10,408	10,408	-	10,408	-
American Red Cross	5,000	5,000	5,000	-	5,000	-
County Adult Education	25,000	25,000	25,000	-	25,000	-
Central Carolina Technical College	201,000	201,000	201,000	-	201,000	-
<b>Total Miscellaneous</b>	<b>1,013,451</b>	<b>1,013,451</b>	<b>1,022,764</b>	<b>-</b>	<b>1,022,764</b>	<b>(9,313)</b>
<b>Total Expenditures</b>	<b>\$ 18,736,483</b>	<b>\$ 18,736,483</b>	<b>\$ 18,946,584</b>	<b>\$ (36,051)</b>	<b>\$ 18,910,533</b>	<b>\$ (174,050)</b>
<b>Other Financing Sources (Uses)</b>						
Sale of Assets	\$ 205,000	\$ 205,000	\$ 192,141	\$ -	\$ 192,141	\$ (12,859)
Transfers In (Out)	(29,000)	(29,000)	(17,975)	-	(17,975)	11,025
	<u>\$ 176,000</u>	<u>\$ 176,000</u>	<u>\$ 174,166</u>	<u>\$ -</u>	<u>\$ 174,166</u>	<u>\$ (1,834)</u>

## **FIDUCIARY FUND**

### **AGENCY FUNDS**

To account for assets held solely in a custodial capacity by the County.

**CLARENDON COUNTY, SOUTH CAROLINA  
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION  
 ALL AGENCY FUNDS  
 JUNE 30, 2013**

	<b>School Districts Debt Service</b>	<b>School Districts Operations</b>	<b>Hospital Debt Service</b>	<b>Probate Judge</b>	<b>Master-In Equity</b>	<b>Municipalities</b>
<b>ASSETS</b>						
Cash	\$ 2,093,507	\$ -	\$ 289,527	\$ 720	\$ 6,675	\$ -
Delinquent taxes receivable	172,339	1,511,819	138,194	-	-	-
Due from credit card	-	-	-	-	-	-
Due from General Fund	18,698	201,272	24,562	-	-	22,793
Due from other magistrates	-	-	-	-	-	-
Total assets	<u>\$ 2,284,544</u>	<u>\$ 1,713,091</u>	<u>\$ 452,283</u>	<u>\$ 720</u>	<u>\$ 6,675</u>	<u>\$ 22,793</u>
<b>LIABILITIES</b>						
Due to trust fund holders	\$ 2,138,250	\$ 401,840	\$ 343,136	\$ 720	\$ 6,675	\$ 22,793
Due to Treasurer	-	-	-	-	-	-
Due to Treasurer - cash overage (shortage)	-	-	-	-	-	-
Deferred revenue	146,294	1,311,251	109,147	-	-	-
Due to other magistrates	-	-	-	-	-	-
Total liabilities	<u>\$ 2,284,544</u>	<u>\$ 1,713,091</u>	<u>\$ 452,283</u>	<u>\$ 720</u>	<u>\$ 6,675</u>	<u>\$ 22,793</u>

**CLARENDON COUNTY, SOUTH CAROLINA  
COMBINING SCHEDULE OF FIDUCIARY NET POSITION  
ALL AGENCY FUNDS  
JUNE 30, 2013**

	<u>Magistrates</u>			Clerk of Court	Tax Collector	Total
	General Account	Civil Account	Part- Time			
<b>ASSETS</b>						
Cash	\$ 71,700	\$ 4,925	\$ 60	\$ 426,740	\$ 624,593	\$ 3,518,447
Delinquent taxes receivable	-	-	-	-	-	1,822,352
Due from credit card	400	-	-	-	-	400
Due from General Fund	-	-	-	-	-	267,325
Due from other magistrates	60	-	-	-	-	60
Total assets	<u>\$ 72,160</u>	<u>\$ 4,925</u>	<u>\$ 60</u>	<u>\$ 426,740</u>	<u>\$ 624,593</u>	<u>\$ 5,608,584</u>
<b>LIABILITIES</b>						
Due to trust fund holders	\$ 13,270	\$ -	\$ -	\$ 384,487	\$ 623,965	\$ 3,935,136
Due to Treasurer	57,139	4,925	-	26,421	628	89,113
Due to Treasurer - cash overage (shortage)	1,751	-	-	15,832	-	17,583
Deferred revenue	-	-	-	-	-	1,566,692
Due to other magistrates	-	-	60	-	-	60
Total liabilities	<u>\$ 72,160</u>	<u>\$ 4,925</u>	<u>\$ 60</u>	<u>\$ 426,740</u>	<u>\$ 624,593</u>	<u>\$ 5,608,584</u>

**CLARENDON COUNTY, SOUTH CAROLINA**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**JUNE 30, 2013**

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<b>Municipalities</b>				
<b>Assets</b>				
Due from General Fund	\$ 6,729	\$ 1,592,169	\$ 1,576,105	\$ 22,793
Total Assets	<u>\$ 6,729</u>	<u>\$ 1,592,169</u>	<u>\$ 1,576,105</u>	<u>\$ 22,793</u>
<b>Liabilities</b>				
Due to trust fund holders	\$ 6,729	\$ 1,562,229	\$ 1,546,165	\$ 22,793
Total Liabilities	<u>\$ 6,729</u>	<u>\$ 1,562,229</u>	<u>\$ 1,546,165</u>	<u>\$ 22,793</u>
<b>School Districts Debt Service</b>				
<b>Assets</b>				
Cash and investments	\$ 1,943,381	\$ 5,579,568	\$ 5,429,442	\$ 2,093,507
Due from other funds	6,190	1,453,388	1,440,880	18,698
Delinquent taxes receivable	191,120	-	18,781	172,339
Total Assets	<u>\$ 2,140,691</u>	<u>\$ 7,032,956</u>	<u>\$ 6,889,103</u>	<u>\$ 2,284,544</u>
<b>Liabilities</b>				
Deferred revenue	\$ 164,363	\$ -	\$ 18,069	\$ 146,294
Due to trust fund holders	1,976,328	4,903,969	4,742,047	2,138,250
Total Liabilities	<u>\$ 2,140,691</u>	<u>\$ 4,903,969</u>	<u>\$ 4,760,116</u>	<u>\$ 2,284,544</u>
<b>School District Operations</b>				
<b>Assets</b>				
Delinquent taxes receivable	\$ 1,381,848	\$ 129,971	\$ -	\$ 1,511,819
Due from General Fund	30,683	9,164,300	8,993,711	201,272
Total Assets	<u>\$ 1,412,531</u>	<u>\$ 9,294,271</u>	<u>\$ 8,993,711</u>	<u>\$ 1,713,091</u>
<b>Liabilities</b>				
Deferred revenue	\$ 1,233,396	\$ 77,855	\$ -	\$ 1,311,251
Due to trust fund holders	179,135	44,152,097	43,929,392	401,840
Total Liabilities	<u>\$ 1,412,531</u>	<u>\$44,229,952</u>	<u>\$43,929,392</u>	<u>\$ 1,713,091</u>

**CLARENDON COUNTY, SOUTH CAROLINA**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**JUNE 30, 2013**

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<b>Hospital Debt Service</b>				
<b>Assets</b>				
Cash and investments	\$ 933,399	\$ 1,406,218	\$ 2,050,090	\$ 289,527
Due from other funds	4,963	1,476,785	1,457,186	24,562
Delinquent taxes receivable	133,297	4,897	-	138,194
Total Assets	<u>\$ 1,071,659</u>	<u>\$ 2,887,900</u>	<u>\$ 3,507,276</u>	<u>\$ 452,283</u>
<b>Liabilities</b>				
Deferred revenue	\$ 101,679	\$ 7,468	\$ -	\$ 109,147
Due to trust fund holders	969,980	1,423,246	2,050,090	343,136
Total Liabilities	<u>\$ 1,071,659</u>	<u>\$ 1,430,714</u>	<u>\$ 2,050,090</u>	<u>\$ 452,283</u>
<b>Probate Judge</b>				
<b>Assets</b>				
Cash	\$ 760	\$ -	\$ 40	\$ 720
Total Assets	<u>\$ 760</u>	<u>\$ -</u>	<u>\$ 40</u>	<u>\$ 720</u>
<b>Liabilities</b>				
Due to trust fund holders	\$ 760	\$ -	\$ 40	\$ 720
Total Liabilities	<u>\$ 760</u>	<u>\$ -</u>	<u>\$ 40</u>	<u>\$ 720</u>
<b>Master In Equity</b>				
<b>Assets</b>				
Cash	\$ 6,340	\$ 335	\$ -	\$ 6,675
Total Assets	<u>\$ 6,340</u>	<u>\$ 335</u>	<u>\$ -</u>	<u>\$ 6,675</u>
<b>Liabilities</b>				
Due to Treasurer	\$ -	\$ -	\$ -	\$ -
Due to trust fund holders	6,340	335	-	6,675
Total Liabilities	<u>\$ 6,340</u>	<u>\$ 335</u>	<u>\$ -</u>	<u>\$ 6,675</u>

**CLARENDON COUNTY, SOUTH CAROLINA**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**JUNE 30, 2013**

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<b>Magistrate: General Account</b>				
<b>Assets</b>				
Cash	\$ 88,516	\$ -	\$ 16,816	\$ 71,700
Due from credit card	1,219	-	819	400
Due from other magistrates	154	-	94	60
Total Assets	<u>\$ 89,889</u>	<u>\$ -</u>	<u>\$ 17,729</u>	<u>\$ 72,160</u>
<b>Liabilities</b>				
Due to Treasurer	\$ 63,171	\$ -	\$ 6,032	\$ 57,139
Due to trust fund holders	18,639	-	5,369	13,270
Due to Treasurer - cash overage/(shortage)	8,079	-	6,328	1,751
Total Liabilities	<u>\$ 89,889</u>	<u>\$ -</u>	<u>\$ 17,729</u>	<u>\$ 72,160</u>
<b>Magistrate: Civil Account</b>				
<b>Assets</b>				
Cash	\$ 8,038	\$ -	\$ 3,113	\$ 4,925
Total Assets	<u>\$ 8,038</u>	<u>\$ -</u>	<u>\$ 3,113</u>	<u>\$ 4,925</u>
<b>Liabilities</b>				
Due to Treasurer	\$ 8,038	\$ -	\$ 3,113	\$ 4,925
Total Liabilities	<u>\$ 8,038</u>	<u>\$ -</u>	<u>\$ 3,113</u>	<u>\$ 4,925</u>
<b>Magistrate: Part-time</b>				
<b>Assets</b>				
Cash	\$ 154	\$ -	\$ 94	\$ 60
Total Assets	<u>\$ 154</u>	<u>\$ -</u>	<u>\$ 94</u>	<u>\$ 60</u>
<b>Liabilities</b>				
Due to other magistrates	\$ 154	\$ -	\$ 94	\$ 60
Total Liabilities	<u>\$ 154</u>	<u>\$ -</u>	<u>\$ 94</u>	<u>\$ 60</u>
<b>Clerk of Court</b>				
<b>Assets</b>				
Cash	\$ 420,347	\$ 9,727	\$ 3,334	\$ 426,740
Due from trust fund holders	1,827	-	1,827	-
Total Assets	<u>\$ 422,174</u>	<u>\$ 9,727</u>	<u>\$ 5,161</u>	<u>\$ 426,740</u>

**CLARENDON COUNTY, SOUTH CAROLINA**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**JUNE 30, 2013**

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<b>Liabilities</b>				
Due to Treasurer	\$ 25,093	\$ 1,830	\$ 502	\$ 26,421
Due to trust fund holders	380,889	5,050	1,452	384,487
Due to Treasurer - cash overage/(shortage)	16,192	2,704	3,064	15,832
Total Liabilities	<u>\$ 422,174</u>	<u>\$ 9,584</u>	<u>\$ 5,018</u>	<u>\$ 426,740</u>
<b>Tax Collector</b>				
<b>Assets</b>				
Cash	\$ 482,125	\$ 960,721	\$ 818,253	\$ 624,593
Due from General Fund	-	4,394	4,394	-
Total Assets	<u>\$ 482,125</u>	<u>\$ 965,115</u>	<u>\$ 822,647</u>	<u>\$ 624,593</u>
<b>Liabilities</b>				
Due to Treasurer	\$ 920	\$ 961	\$ 1,253	\$ 628
Due to trust fund holders	481,205	948,692	805,932	623,965
Total Liabilities	<u>\$ 482,125</u>	<u>\$ 949,653</u>	<u>\$ 807,185</u>	<u>\$ 624,593</u>
<b>Total All Agency Funds</b>				
<b>Assets</b>				
Cash and Investments	\$ 3,883,060	\$ 7,956,569	\$ 8,321,182	\$ 3,518,447
Delinquent taxes receivable	1,706,265	134,868	18,781	1,822,352
Due from credit card	1,219	-	819	400
Due from General Fund	48,565	13,691,036	13,472,276	267,325
Due from other magistrates	154	-	94	60
Due from trust fund holders	1,827	-	1,827	-
Total Assets	<u>\$ 5,641,090</u>	<u>\$21,782,473</u>	<u>\$21,814,979</u>	<u>\$ 5,608,584</u>
<b>Liabilities</b>				
Due to Treasurer	\$ 97,222	\$ 2,791	\$ 10,900	\$ 89,113
Due to Treasurer - cash overage/(shortage)	24,271	2,704	9,392	17,583
Due to trust fund holders	4,020,005	52,995,618	53,080,487	3,935,136
Deferred revenue	1,499,438	85,323	18,069	1,566,692
Due to other magistrates	154	-	94	60
Total Liabilities	<u>\$ 5,641,090</u>	<u>\$53,086,436</u>	<u>\$53,118,942</u>	<u>\$ 5,608,584</u>

**CLARENDON COUNTY**  
**SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES**  
**SPECIAL REVENUE FUND - VICTIMS RIGHTS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Clerk of Court	Magistrates	Total
<b>Court Fines</b>			
Court fines collected	\$ 86,807	\$ 340,217	\$ 427,024
Court fines retained by County	<u>27,715</u>	<u>323,407</u>	<u>351,122</u>
Court fines remitted to State Treasurer	<u>\$ 59,092</u>	<u>\$ 16,810</u>	<u>\$ 75,902</u>
<b>Court Assessments</b>			
Court assessments collected	\$ 17,413	\$ 290,469	\$ 307,882
Court assessments retained by County	<u>6,058</u>	<u>29,865</u>	<u>35,923</u>
Court assessments remitted to State Treasurer	<u>\$ 11,355</u>	<u>\$ 260,604</u>	<u>\$ 271,959</u>
<b>Court Surcharges</b>			
Court surcharges collected	\$ 26,321	\$ 161,866	\$ 188,187
Court surcharges remitted to State Treasurer	<u>12,712</u>	<u>150,679</u>	<u>163,391</u>
Court surcharges retained by County	<u>\$ 13,609</u>	<u>\$ 11,188</u>	<u>\$ 24,796</u>
<b>Victims Services</b>			
Court assessments allocated to Victim Services	\$ 6,058	\$ 29,865	\$ 35,923
Court surcharges allocated to Victim Services	<u>12,712</u>	<u>11,188</u>	<u>23,900</u>
Funds allocated to Victim Services	<u>\$ 18,770</u>	<u>\$ 41,053</u>	59,823
Victim Services expenditures			<u>(84,253)</u>
Excess of expenditures over revenue for current year		\$ (24,430)	<u>\$ (24,430)</u>
Beginning balance - July 1, 2012		430	
Mutual Aid Agreement(s) - Municipalities		24,000	
Interest Income		<u>-</u>	
Ending Balance - June 30, 2013		<u>\$ -</u>	

**CLARENDON COUNTY, SOUTH CAROLINA  
COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30, 2013**

Real and Other Personal Property Assessed Value	\$ 82,373,824
Vehicles Assessed Value	10,280,734
Manufacturer's Assessed Value	2,152,350
Merchants Inventory Value	688,290
Motor Carrier Assessed Value	<u>673,387</u>
Total Taxable Assessed Value	<u>96,168,585</u>
Debt Limit - Eight Percent (8%) of Total Taxable Assessed Value	7,693,487
Amount of Debt Applicable to Debt Limit:	<u>1,622,700</u>
Legal Debt Margin	<u><u>\$ 6,070,787</u></u>

# McGregor & COMPANY, L.L.C.

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

To the Members of the  
Clarendon County Council  
Manning, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clarendon County, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Clarendon County's basic financial statements and have issued our report thereon dated January 7, 2014.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Clarendon County'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 Clarendon County's internal control. Accordingly, we do not express an opinion on the effectiveness of Clarendon County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness (2013-1).

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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Clarendon County'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*.

**Clarendon County's Response to Findings**

Clarendon County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Clarendon County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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.

*McBregan & Co. LLP*

Orangeburg, South Carolina  
January 7, 2014

# McGregor & COMPANY, L.L.C.

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Members of the  
Clarendon County Council  
Manning, South Carolina

### Report on Compliance for Each Major Federal Program

We have audited Clarendon County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Clarendon County's major federal programs for the year ended June 30, 2013. Clarendon County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Clarendon County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Clarendon County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**  
(continued)

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Clarendon County's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Clarendon County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

**Report on Internal Control Over Compliance**

Management of Clarendon County, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Clarendon County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Clarendon County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*McGregor & Co. LLP*

Orangeburg, South Carolina  
January 7, 2014

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013**

Grantor	Grantor Number	Federal CFDA Number	Award Amount	Total Awards Expended
<b>U. S. DEPARTMENT OF JUSTICE:</b>				
Through SC Department of Public Safety:				
Multijurisdictional Drug Task Force	1G11037	16.738	185,122	185,122
Justice Assistance 2012	2012-DJ-BX-0684	16.738	12,627	12,627
Ballistic Vests 2011	BA-2000S-XT01	16.607	3,838	300
Ballistic Vests 2012	BA-3A00S-MN01	16.607	3,610	3,610
<b>FEDERAL AVIATION ADMINISTRATION</b>				
Airport Improvement Program	3-45-0038-007-2010	20.106	175,750	14,850
Airport Improvement Program	3-45-0038-008-2012	20.106	529,560	83,000
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>				
Through SC Emergency Management Division:				
Local Emergency Mgmt Planning 2011	11EMPG01	97.042	58,616	40,846
Local Emergency Mgmt Planning 2012	12EMPG01	97.042	54,380	54,380
Local SAFER Assistance	EMW-2011-FF-00690	97.083	165,312	34,450
<b>U. S. DEPARTMENT OF AGRICULTURE</b>				
Communities Facilities Grants:				
Clarendon County Fire Department	N/A	10.766	40,399	37,121
Clarendon County Fire Department	N/A	10.766	49,875	6,708
Rural Utilities Service Grants:				
Clarendon County Rural Water - ARRA	SC-91-04	10.760	1,951,000	395,459
Rural Utilities Direct Loans:				
Clarendon County Rural Water Phase II	SC-91-06	10.760	1,007,800	230,781
<b>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>				
Through Department of Social Services:				
Office of Child Support Enforcement				
Filing Fees	G-04SC404	93.563		24,300
Federal Financial Assistance	G-04SC404	93.563		28,716
Clerk of Court Incentive (IV-D)	G-04SC404	93.563		23,734
Family Court	G-04SC404	93.563		112,612
Sheriff's Department	G-04SC404	93.563		3,003
<b>TOTAL FEDERAL ASSISTANCE</b>				<u>\$ 1,291,619</u>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTE TO SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013**

**NOTE A- BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Clarendon County and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013**

**A. Summary of Audit Results**

1. The auditor's report expresses an unmodified opinion on the financial statements of Clarendon County.
2. One material weakness was disclosed during the audit of the financial statements and is reported in the *Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Clarendon County were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major federal awards programs for Clarendon County were disclosed during the audit and is reported in the *Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for Clarendon County expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.
7. The program tested as major programs included:
  - Rural Utilities Service Grant and Loans                      CFDA# 10.760
  - Community Facilities Grants    CFDA# 10.766
8. The threshold used for distinguishing Type A and Type B programs was \$300,000.
9. Clarendon County was not determined to be a low-risk auditee.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013**

**B. Findings – Financial Statement Audit**

**Material Weakness**

**2013-1 Material Audit Adjustment**

**Criteria:** The identification by the auditor of a material misstatement to be corrected through one or more proposed journal entries is indicative of a material weakness in internal control.

**Condition:** During our audit, we noted a correction that needed to be made to the Capital Assets of the Governmental Activities.

**Cause:** The entry was the result of an oversight on the part of finance staff.

**Effect:** Without the proposed entries being made, the financial statements would have been materially misstated as of and for the year ended June 30, 2013.

**Recommendation:** An attempt should be made by finance staff to reconcile the equity accounts and transactions.

**County response:** This has been addressed with the finance staff and efforts will be made in the future to ensure that all material adjustments are made.

**C. Findings – Major Federal Program Audit**

None

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2013**

**2012-1 Material Audit Adjustment**

**Condition:** During our audit, we noted a correction that needed to be made to the books in order for the resulting financial statements to be presented in accordance with generally accepted accounting principles.

**Auditor's recommendation:** An attempt should be made by finance staff to reconcile the equity accounts and transactions.

**Current status:** See Finding 2013-1.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA**

**OTHER MATTERS**

**JUNE 30, 2013**

# McGregor & COMPANY<sup>LLP</sup>

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January 7, 2014

Clarendon County Council  
Clarendon County  
Manning, South Carolina

In planning and performing our audit of the financial statements of Clarendon County for the year ended June 30, 2013, we considered the County's internal control to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal control and increasing operating efficiency. The following summarizes our comments and suggestions regarding those matters. We previously reported on the County's internal control in our report dated January 7, 2014. This letter does not affect our report dated January 7, 2014, on the financial statements of Clarendon County.

## PROCUREMENT

The County has established a procurement policy relating to the purchase of goods and services. As we examined disbursements, we also examined any required bids. We noted the following:

- A golf cart was purchased with Sheriff Drug Funds. This golf cart was not purchased in accordance with the procurement policy. No bids were obtained by the procurement department.

We recommend that all purchases of goods and services follow procurement policy guidelines.

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## **MAGISTRATES**

The magistrates are to report any overages in their accounts over \$100 on an annual basis to the Court Administration. Currently this overage total is \$1,751.

We recommend that overages be investigated and reported periodically to the Court Administration. Any amount that cannot be determined to be owed to anyone should be turned over to the County Treasurer.

## **CLERK OF COURT**

We noted in reviewing the remittances to the State for Clerk of Court fines and fees that some of the monthly remittances were prepared incorrectly. This resulted in Clerk of Court personnel having to review the monthly remittances and correct them. \$27,085.48 was found to be due to the State from Family Court fines and fees after this correction.

We recommend that after the monthly State remittances are prepared, the remittances are reviewed by someone having knowledge of the preparation process before they are finalized and sent to the Treasurer for payment.

This report is intended solely for the information and use of Clarendon County, administration, and others within the organization.

*McGuever & Co. LLP*