

AUDITED FINANCIAL STATEMENTS

CLARENDON COUNTY

MANNING, SOUTH CAROLINA

JUNE 30, 2008

AUDITED FINANCIAL STATEMENTS

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JUNE 30, 2008

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February 6, 2009

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental 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, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Clarendon County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Business Development Corporation of Clarendon County, a component unit of Clarendon County. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Clarendon County Business Development Corporation, is based on the report of another auditor.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clarendon County as of June 30, 2008, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT
(continued)

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2009, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis on pages 3 through 10 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying 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 of Clarendon County. The combining and individual fund schedules, the statistical section, and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

McBurger & Co. LLP

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2008**

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, 2008. 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

This is the fifth year of applying the revised financial reporting requirements under Governmental Accounting Standards Board (GASB) Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and related statements. Features include this Management's Discussion and Analysis, the Government-wide Statement of Net Assets, the Government-wide Statement of Activities, the concept of major fund reporting, and the reporting of infrastructure capital assets and long-term debt liabilities in the governmental activities. These concepts are explained throughout this Discussion and Analysis

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, 2008 by \$23,990,856 (net assets). Of this amount, \$5,468,048 (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets increased \$1,679,346 over the previous year with said increase resulting from governmental activities.
- At June 30, 2008, the County's governmental fund balance sheet reported a combined ending fund balance of \$9,530,318, an increase of \$1,467,538 over the previous fiscal year. Of this amount, \$4,745,614 remains in the various funds of the County as unreserved
- The General Fund reported a fund balance of \$3,381,039 a decrease from last fiscal year of \$1,567,616 as the county transferred funds to both the Capital Projects Fund and Industrial Park Fund (\$2,002,514 and \$208,699, respectively). This ending balance equates to 19% of General Fund expenditures for the year.
- Total bonded debt decreased \$275,000 in fiscal year 2008

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2008**

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.

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 assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 11 and 12 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.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2008**

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.

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 16 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 and Industrial Park Funds 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 schedules elsewhere in this report.

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

The basic governmental funds financial statements can be found on pages 13 through 14 of this report.

Proprietary funds: Clarendon County currently does not have any proprietary funds.

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 17 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 19 through 43 of this report.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2008**

Other information: In addition to the basic financial statements and accompanying notes, the combining schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund schedules can be found on pages 44 through 64 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Clarendon County, assets exceeded liabilities by \$23,990,856 at the close of the most recent fiscal year. The County's increase in net assets for this fiscal year amounts to \$1,679,346.

The largest portion of the County's net assets (59%) 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 Assets

	Governmental Activities (Dollars in Thousands)	
	2008	2007
Current and other assets	\$ 12,339	\$ 10,120
Capital assets	17,161	17,555
Other noncurrent assets	<u>147</u>	<u>160</u>
Total assets	<u>29,647</u>	<u>27,835</u>
Long-term liabilities outstanding	3,249	3,681
Other liabilities	<u>2,407</u>	<u>1,843</u>
Total liabilities	<u>5,656</u>	<u>5,524</u>
Net Assets		
Invested in capital assets, net of related debt	14,185	14,042
Restricted	4,338	4,086
Unrestricted	<u>5,468</u>	<u>4,183</u>
Total net assets	<u>\$ 23,991</u>	<u>\$ 22,311</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2008**

An additional portion of the County's net assets (18%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$5,468,048) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Clarendon County is able to report positive balances in all three categories of net assets as a whole.

The changes in net assets displayed below shows the governmental activities during the fiscal year. The increase in net assets resulted primarily from greater grant activity within the County.

Clarendon County's Changes in Net Assets

	Governmental Activities (Dollars in Thousands)	
	2008	2007
Revenues		
Program Revenues:		
Charges from Services	\$ 4,531	\$ 6,057
Grants and Contributions	2,557	3,796
General revenues:		
Ad valorem taxes	12,089	11,121
Other taxes	2,735	2,434
State shared	1,963	1,803
Interest	198	241
Other	<u>1,049</u>	<u>162</u>
Total revenues	25,122	25,614
 Expenses:		
General government	7,094	4,708
Public safety	8,262	7,675
Physical environment	4,121	3,941
Transportation	204	183
Economic environment	967	3,035
Court related	1,502	1,243
Cultural and recreational	451	386
Agencies	677	1,201
Interest on long-term debt	<u>164</u>	<u>170</u>
Total expenses	23,442	22,542
 Transfer	-	(55)
 Increase in net assets	1,680	3,017
 Beginning net assets	<u>22,311</u>	<u>19,294</u>
 Ending net assets	<u>\$ 23,991</u>	<u>\$ 22,311</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2008**

Governmental Activities: Revenues for the County's governmental activities were \$25 million for fiscal year 2008. Taxes constitute the largest source of County revenues, amounting to approximately \$14.8 million for the fiscal year 2008. Real property taxes (\$8.9 million) represent nearly 60% of total taxes and 35% of all revenue combined. Lastly, intergovernmental revenues reduced to \$6.1 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, unreserved fund balance 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, 2008, Clarendon County governmental funds reported combined fund balances of \$9,530,318, an increase of \$1,467,538 over the prior year balances. This increase occurred primarily through the County selling a speculative building within the Industrial park, effecting a new Hospitality tax on prepared foods and managing departmental operating expenses.

The General Fund is the chief operating fund of the County. At June 30, 2008, total fund balance in the General Fund was \$3,381,039, of which \$1,869,767 was unreserved. As a measure of the General Fund's liquidity, the total and unreserved fund balances compared to total fund expenditures shows percentages of 19% and 11%, respectively. The fund balance of the General Fund decreased by 31.7%, or \$1,567,616 during the fiscal year as reserved funds were transferred to the Capital Projects Fund. Also, a transfer to the Industrial Park Fund for the acquisition of property was made from the General Fund.

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 2008 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.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2008**

Capital Asset and Debt Administration

Capital assets: Clarendon County's investment in capital assets for its governmental type activities as of June 30, 2008 amounts to \$17.2 million (net of accumulated depreciation). 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 2.2%, which was within the governmental activities.

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

	2008	2007
Land	\$ 1,649	\$ 1,809
Infrastructure	2,375	2,560
Construction in progress	1,153	182
Buildings and Improvements	8,800	9,749
Machinery and Equipment	<u>3,184</u>	<u>3,255</u>
 Total	 <u>\$ 17,161</u>	 <u>\$ 17,555</u>

Additional information on the County's capital assets can be found in note 6 on pages 32 and 33 of this report.

Long-term debt: At the end of the current fiscal year, Clarendon County had a total bonded debt outstanding of \$2.9 million, all of which is backed by the full faith and credit of the County.

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

	2008	2007
General Obligation Bonds	\$ 2,865	\$ 3,140
Capital lease	<u>111</u>	<u>3</u>
	<u>\$ 2,976</u>	<u>\$ 3,513</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2008**

The County's total debt decreased \$474,765 as scheduled debt service requirements were made on bond indebtedness; as well as, the paying off of a large capital lease. This reduction in debt was tempered with an increase in both compensated absences and landfill closure accruals. The County currently has ratings of "Baa1" and "A" from Moody's Investors Service and Standard & Poor's Corporation, respectively, on general obligation bond issues. As of June 30, 2008, the County's general obligation debt and capital lease approximated ninety two dollars per capita.

Additional information on Clarendon County's long-term debt can be found in note 8 on pages 34 through 36 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Clarendon County is currently 9.1%, which represents a slight increase from a year ago. This compares to the state's average unemployment rate of 6.1% and the national average rate of 5.5%.
- Taxable property valuation increased \$1 million to \$80 million in 2008 as slight increases in real and other personal property (0.2%) and business personal property were greater than reductions in vehicles and joint industrial park assessments.
- County-wide taxable sales increased 3.2%, from \$222 million in 2007 to \$229 million in 2008.

All of these factors were considered in preparing the County's budget for the 2009 fiscal year. Per the Fiscal Year 2009 Adopted Budget, disbursements are budgeted at \$17.5 million, a 4.2% increase from the fiscal year 2008 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 Lynden Anthony, County Controller, Post Office Box 486, Manning, South Carolina 29102. Complete financial statements for each individual component unit may be obtained at each respective administrative office.

CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2008

	<u>Primary Government</u>	<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Harvin Clarendon County Library</u>	<u>C.C. Business Development Corp.</u>
ASSETS			
Current assets:			
Cash and cash equivalents - Note 3	\$ 8,258,352	\$ 70,440	\$ 371,602
Receivables:			
Delinquent taxes	1,117,214	-	-
Other	234,827	13,452	-
Due from fiduciary funds	166,498	-	-
Due from other governments	2,536,367	-	-
Inventories	12,888	-	-
Notes receivable - Note 5	13,317	-	18,563
Total current assets	<u>12,339,463</u>	<u>83,892</u>	<u>390,165</u>
Non-current assets:			
Notes receivable - Note 5	146,566	-	-
Capital Assets-net - Note 6	17,160,542	462,280	3,651,302
Capital Lease receivable (net of current portion) - Note 5	-	-	643,741
Total non-current assets	<u>17,307,108</u>	<u>462,280</u>	<u>4,295,043</u>
Total assets	<u>29,646,571</u>	<u>546,172</u>	<u>4,685,208</u>
LIABILITIES			
Current liabilities (payable from current assets):			
Accounts payable	354,167	150	-
Due to other governments	112,861	-	-
Due to fiduciary funds - Note 7	21,182	-	-
Deferred revenue	1,549,281	-	-
Taxes to be distributed	15,763	-	-
Note Payable	-	-	76,195
Other liabilities	11,388	-	-
Accrued compensated absences - Note 8	23,502	1,147	-
Closures and maintenance costs payable - Note 8	15,500	-	-
Capital lease - Note 8	13,315	-	-
Bond payable - Note 8	290,000	-	-
Total current liabilities	<u>2,406,959</u>	<u>1,297</u>	<u>76,195</u>
Non-current liabilities:			
Accrued compensated absences - Note 8	242,876	14,539	-
Closures and maintenance costs payable - Note 8	333,251	-	-
Note Payable	-	-	1,900,557
Capital lease - Note 8	97,629	-	-
Bond payable - Note 8	2,575,000	-	-
Total long-term liabilities	<u>3,248,756</u>	<u>14,539</u>	<u>1,900,557</u>
Total liabilities	<u>5,655,715</u>	<u>15,836</u>	<u>1,976,752</u>
NET ASSETS			
Invested in capital assets, net of related debt	14,184,598	462,280	1,674,550
Restricted for:			
Capital projects	1,900,048	-	280,000
Debt services	389,073	-	-
Other	984,311	-	-
Local option sales tax reserve	1,064,778	-	-
Unrestricted	5,468,048	68,056	753,906
Total net assets	<u>\$ 23,990,856</u>	<u>\$ 530,336</u>	<u>\$ 2,708,456</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, 2008**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions		Total	Harvin Clarendon County Library	C.C. Business Development Corp.	
			Operating Grants and Contributions	Capital Grants and Contributions				Primary Governmental Activities
Primary Government:								
Governmental activities:								
Public safety	\$ 8,262,134	\$ 343,363	\$ 137,309	\$ 450,516	\$ (7,330,946)			
General government	7,093,881	198,430	-	946,296	(5,949,155)			
Physical environment	4,120,976	2,097,820	65,744	-	(1,957,412)			
Economic environment	966,614	161,672	21,375	739,823	(43,744)			
Court related	1,502,349	1,388,177	-	-	(114,172)			
Agencies	677,300	265,721	-	-	(411,579)			
Culture/Recreation	450,644	52,408	64,559	131,521	(202,156)			
Transportation	204,373	23,695	-	-	(180,678)			
Interest	164,090	-	-	-	(164,090)			
Total governmental activities	<u>23,442,361</u>	<u>4,531,286</u>	<u>288,987</u>	<u>2,268,156</u>	<u>(16,353,932)</u>			
Component Units:								
Harvin Clarendon County Library	659,111	16,814	100,352	-		\$ (541,945)	\$ -	
C.C. Business Development Corp.	287,913	221,098	-	-			(66,815)	
Total Component Units	<u>\$ 947,024</u>	<u>\$ 237,912</u>	<u>\$ 100,352</u>	<u>\$ -</u>		<u>(541,945)</u>	<u>(66,815)</u>	
General Revenues:								
Taxes:								
Property taxes, levied for general purposes					11,621,266		385,400	4,249
Property taxes, levied for debt services					467,393		-	-
Sales and use taxes					2,734,993		-	-
Franchise fees					38,213		-	-
State shared revenues					1,962,529		-	-
Interest earnings					198,053		2,656	59,965
Gain on sale of fixed assets					27,343		-	(129,015)
Miscellaneous					983,488		-	-
Total general revenues					<u>18,033,278</u>		<u>388,056</u>	<u>(64,801)</u>
Transfers								948,521
Total general revenues, transfers and special item					<u>18,033,278</u>		<u>388,056</u>	<u>883,720</u>
Change in net assets					<u>1,679,346</u>		<u>(153,889)</u>	<u>816,905</u>
Net assets - beginning, as restated - Note 13					<u>22,311,510</u>		<u>684,225</u>	<u>1,891,551</u>
Net assets - ending					<u>\$ 23,990,856</u>		<u>\$ 530,336</u>	<u>\$ 2,708,456</u>

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

CLARENDON COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	GENERAL	CAPITAL PROJECTS	INDUSTRIAL PARKS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	\$ 2,356,872	\$ 1,900,048	\$ 1,156,821	\$ 2,844,611	\$ 8,258,352
Accounts receivable					
Property taxes	864,559	-	-	252,655	1,117,214
Other	114,364	-	-	120,463	234,827
Due from other funds	479,895	-	-	72,889	552,784
Due from fiduciary funds	166,498	-	-	-	166,498
Due from other governments	2,177,040	-	359,327	-	2,536,367
Supplies inventory	12,888	-	-	-	12,888
Notes receivable	-	-	159,883	-	159,883
Total assets	6,172,116	1,900,048	1,676,031	3,290,618	13,038,813
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	318,079	-	5,550	30,538	354,167
Accrued payroll and withholdings	2,746	-	-	-	2,746
Due to other funds	72,889	-	297,693	182,202	552,784
Due to fiduciary funds	21,182	-	-	-	21,182
Due to other governments	112,861	-	-	-	112,861
Deferred revenue	2,238,915	-	-	201,435	2,440,350
Advance mobile home revenue	15,763	-	-	-	15,763
Other liabilities	8,642	-	-	-	8,642
Total liabilities	2,791,077	-	303,243	414,175	3,508,495
Fund balances:					
Reserved for:					
Debt service	-	-	-	389,073	389,073
Capital projects	-	1,900,048	-	-	1,900,048
Other purposes	1,511,272	-	-	984,311	2,495,583
Unreserved, reported in:					
General fund	1,869,767	-	-	-	1,869,767
Special revenue funds	-	-	1,372,788	1,503,059	2,875,847
Total fund balances	3,381,039	1,900,048	1,372,788	2,876,443	9,530,318
Total Liabilities and Fund balances	\$ 6,172,116	\$ 1,900,048	\$ 1,676,031	\$ 3,290,618	
Amounts reported for governmental activities in the statement of net assets are different because					
Capital assets used in governmental activities are not financial resources, therefore, are not reported in funds					17,160,542
Long-term liabilities, including bonds payable (\$2,865,000), capital lease (\$110,944), accrued compensated absences (\$266,378) and closure and maintenances costs payable (\$348,751) are not reported in funds					(3,591,073)
Delinquent taxes receivable are not financial resources in the current period and, therefore, are reported as deferred revenue in the funds.					891,069
					\$ 23,990,856

Moved
 2,000,000 to
 Cap Proj.

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, 2008**

	GENERAL	CAPITAL PROJECTS	INDUSTRIAL PARKS	OTHER GOVERNMENTAL FUNDS	TOTAL
REVENUES					
Taxes	\$ 11,763,772	\$ -	\$ -	\$ 2,898,153	\$ 14,661,925
Licenses and permits	154,350	-	-	-	154,350
Intergovernmental	3,751,903	941,825	39,823	1,410,832	6,144,383
Charges for services	1,259,185	-	-	309,724	1,568,909
Fines and forfeitures	931,652	-	-	42,338	973,990
Special assessments	-	-	-	115,721	115,721
Interest	109,424	7,855	8,871	71,903	198,053
Miscellaneous	273,685	-	871,602	-	1,145,287
Total revenues	<u>18,243,971</u>	<u>949,680</u>	<u>920,296</u>	<u>4,848,671</u>	<u>24,962,618</u>
EXPENDITURES					
Current:					
General government	5,231,661	987,146	-	570,230	6,789,037
Public safety	6,256,408	-	-	1,811,752	8,068,160
Physical environment	2,984,567	-	-	1,183,080	4,167,647
Transportation	205,062	-	-	-	205,062
Economic environment	622,227	65,000	257,174	-	944,401
Agencies	576,001	-	-	100,521	676,522
Culture/Recreation	380,072	-	-	61,470	441,542
Court Related	1,371,719	-	-	157,294	1,529,013
Debt service:					
Principal	-	-	-	536,949	536,949
Interest and fiscal charges	-	-	-	164,090	164,090
Total expenditures	<u>17,627,717</u>	<u>1,052,146</u>	<u>257,174</u>	<u>4,585,386</u>	<u>23,522,423</u>
Excess of revenues over (under expenditures)	616,254	(102,466)	663,122	263,285	1,440,195
OTHER FINANCING SOURCES (USES)					
Sale of Assets	27,343	-	-	-	27,343
Transfers	(2,211,213)	2,002,514	208,699	-	-
Net other financing sources (uses)	<u>(2,183,870)</u>	<u>2,002,514</u>	<u>208,699</u>	<u>-</u>	<u>27,343</u>
Net changes in fund balances	(1,567,616)	1,900,048	871,821	263,285	1,467,538
Fund balances at beginning of year, as restated - Note 13	<u>4,948,655</u>	<u>-</u>	<u>500,967</u>	<u>2,613,158</u>	<u>8,062,780</u>
Fund balances at end of year	<u>\$ 3,381,039</u>	<u>\$ 1,900,048</u>	<u>\$ 1,372,788</u>	<u>\$ 2,876,443</u>	<u>\$ 9,530,318</u>

**CLARENDON COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2008**

Net Changes in fund balances - total governmental funds		\$ 1,467,538
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	1,890,213	
Recognize disposal of assets (net)	(945,528)	
Less current year depreciation	<u>(1,339,388)</u>	(394,703)
Repayment of bond principal and capital lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Bond principal payment	275,000	
Capital lease payment	<u>261,949</u>	536,949
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	(18,346)	
Change in closure and maintenance costs payable	<u>(43,838)</u>	(62,184)
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>131,746</u>
Change in net assets of governmental activities.		<u><u>\$ 1,679,346</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Budget Basis (Note 2)</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 11,537,346	\$ 11,537,346	\$ 11,763,772	\$ 226,426
Licenses and permits	194,000	194,000	154,350	(39,650)
Intergovernmental	2,189,020	2,189,020	3,751,903	1,562,883
Charges for services	1,285,000	1,285,000	1,259,185	(25,815)
Fines and forfeitures	1,280,000	1,280,000	931,652	(348,348)
Interest	80,000	80,000	109,424	29,424
Miscellaneous	201,000	201,000	273,685	72,685
Total revenues	<u>16,766,366</u>	<u>16,766,366</u>	<u>18,243,971</u>	<u>1,477,605</u>
EXPENDITURES				
Current:				
General government	4,875,897	4,372,251	5,472,765	(1,100,514)
Public safety	5,768,888	6,253,148	6,247,860	5,288
Physical environment	2,801,201	2,855,702	2,979,871	(124,169)
Transportation	351,108	355,394	191,387	164,007
Economic environment	785,995	672,530	627,227	45,303
Culture/Recreation	355,732	369,090	380,072	(10,982)
Court related	1,264,165	1,324,871	1,370,409	(45,538)
Agencies	583,380	583,380	576,001	7,379
Total expenditures	<u>16,786,366</u>	<u>16,786,366</u>	<u>17,845,592</u>	<u>(1,059,226)</u>
OTHER FINANCING SOURCES (USES)				
Sale of assets	20,000	20,000	27,343	7,343
Transfers In/(Out)	-	-	(2,211,213)	(2,211,213)
Net other financing sources (uses)	<u>20,000</u>	<u>20,000</u>	<u>(2,183,870)</u>	<u>(2,203,870)</u>
Net change in fund balances	-	-	(1,785,491)	(1,785,491)
Fund balances at beginning of year as restated - Note 13	<u>4,720,036</u>	<u>4,720,036</u>	<u>4,720,036</u>	<u>-</u>
Fund balances at end of year	<u>\$ 4,720,036</u>	<u>\$ 4,720,036</u>	<u>\$ 2,934,545</u>	<u>\$ (1,785,491)</u>

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

**CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
JUNE 30, 2008**

ASSETS

Cash	\$ 3,298,805
Delinquent taxes receivable	915,055
Due from credit card	930
Due from other funds	21,356
Due from trust fund holders	<u>2,551</u>
Total Assets	<u>4,238,697</u>

LIABILITIES

Due to trust fund holders	3,284,778
Due to other funds	189,232
Deferred revenue	<u>76,687</u>
Total Liabilities	<u>4,238,697</u>

NET ASSETS

Total Net Assets	<u><u>\$ -</u></u>
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The accompanying notes are an integral part of the financial statements.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

Note	Page	Note	Page
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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 32,500. The County is governed by the County Council and five elected constitutional officers (Clerk of Court, Auditor, Sheriff, Treasurer, and Probate Judge) in accordance with state statutes and regulations.

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. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which along with subsequent GASB pronouncements (Statements of Interpretations), constitutes GAAP for governmental units.

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. As required by generally accepted accounting principles, the financial reporting entity consists of (1) the primary government (the County), (2) organizations for which the County is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The County is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. The County may be financially accountable if an organization is fiscally dependent on the County regardless of whether the organization has (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board. Based on these criteria, County management examined all organizations which are legally separate in order to determine which organizations, if any should be included in the County's financial statements. Management determined that the Harvin Clarendon County Library and the Clarendon County Business Development Corporation should be included in the County's financial statements as component units. Certain other political subdivisions, including the various school boards, commissions, city governments and other entities, are excluded from the County Government funds because County Council does not exert significant influence or control over the usual operations of the separate entities and, accordingly, each entity has sufficient

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity

discretion in the management of its own affairs. However, the County Treasurer is responsible for collection of property taxes, intergovernmental and other revenues for the other political subdivisions, and the balances and the results of the fiduciary responsibility have been included as agency and trust funds in the combining financial statements.

Based upon the foregoing criteria, the following entities have been determined to be component units of Clarendon County:

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 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 basis financial statements of the County are composed of the following:

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

**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

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 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.

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 "doubling up" effect.

**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

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.

Fund financial statements for the primary government's governmental 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 fund. The agency fund 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. Reserves 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.

**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)

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

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 is no proprietary fund at June 30, 2008.

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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Governmental Major Funds: (continued)

Industrial Parks Fund – The Industrial Parks fund accounts for financial resources to be used for the business development efforts of the County within its designated industrial parks.

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 assets.

D. Assets, Liabilities, and Net Assets 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 Assets 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 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:

Assets	Years
Building 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 Assets or Equity (continued)

6. Accrued Compensated Absences

The County accrues accumulated unpaid vacation and compensatory time 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 government activities column in the governmental-wide statement of net assets.

8. Nature and Purpose of Reservations and Designations of Fund Equity

County Council has defined the criteria by which certain reservations have been made in fund equity (i.e., capital projects, local option sales tax excesses, etc.). All other activities give rise to unreserved fund balance.

Equity in Governmental Funds is segregated into reserved and unreserved components. Unreserved fund equity is sub-segregated into designated and undesignated.

9. Net Assets

Net assets represent the difference between assets and liabilities. Net assets 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. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the county or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide statement of net assets reports \$4,338,210 of restricted net assets, of which \$2,049,089 is restricted by enabling legislation. The County first utilizes restricted resources to finance qualifying activities.

**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, 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, 2008:

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

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

Budgetary Basis Of Accounting (continued)

Excess (deficiency) of revenues and other financing sources (uses) over expenditures - budgetary basis	\$ (1,785,491)
--	----------------

Timing differences: Net change in encumbrances	<u>217,875</u>
---	----------------

Excess (deficiency) of revenues and other financing sources (uses) over expenditures - GAAP basis	<u>\$ (1,567,616)</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 reservations 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 \$1,059,226 because grant expenditures are not budgeted (as are grant revenues not budgeted).

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Primary Government

At June 30, 2008, the carrying amount of the County's deposits and investments was \$11,557,157 and the bank balances were \$11,555,411. To reconcile this information to the financial statements, we include the following:

Cash and investments	\$ 11,556,557
Cash on hand	<u>600</u>
	<u>11,557,157</u>
 Fiduciary funds	 <u>(3,298,805)</u>
	 <u>\$ 8,258,352</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL 30, 2008**

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 2008, none of the County's bank balance of \$10,171,853 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 investment in the State Treasurer's Investment Pool.

	Maturities	Fair Value
State investment pool	18 months to 2 years	<u>\$ 1,383,557</u>

Discretely Presented Component Units

Harvin Clarendon County Library

As of June 30, 2008, the bank balance of the Library's deposits totaled \$133,149. Of the bank balance, \$133,149, was covered by the Federal Depository Insurance Corporation (FDIC) insurance.

Clarendon County Business Development Corporation (BDC)

At year end, the carrying amount of the BDC's deposits (checking accounts) was \$371,602 and the bank balance was also \$371,602. This includes the two (2) checking account balances. Of the bank balances, all funds were covered by federal depository insurance.

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.

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

NOTE 4 - PROPERTY TAXES (continued)

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 - NOTE RECEIVABLE AND LEASE AGREEMENTS

The following note is due to the Industrial Park Fund (Special Revenue Fund) at June 30, 2008:

Note receivable from a local industry dated April 9, 2003. Loan amount for \$200,000. Interest rate at 1% per annum for the first three years. 4% for years four through seven and 6% for years eight through fifteen. Credit will be given at the rate of \$2,500 per new permanent employee added after March 11, 2003 up to a maximum of \$125,000.	\$ 159,883
Current portion	<u>(13,317)</u>
Long-term portion	<u>\$ 146,566</u>

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

NOTE 5 - NOTE RECEIVABLE AND LEASE AGREEMENTS (continued)

Discretely Presented Component Units

Clarendon County Business Development Corporation (BDC)

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

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.

Freeman Millwork Company, Inc.

The BDC leases a building to Freeman Millwork Company, Inc. for \$5,838 per month. These payments are used by the BDC to pay the notes payable on the property. At the end of the lease the building reverts to Freeman Millwork Co., Inc. This lease is classified as a capital lease. The future minimum lease payments are as follows:

June 30, 2009	\$ 70,058
June 30, 2010	70,058
June 30, 2011	70,058
June 30, 2012	70,058
June 30, 2013	70,058
Thereafter	<u>851,277</u>
 Total minimum lease payments	 1,201,567
 Less amount representing interest	 <u>(539,263)</u>
 Present value of minimum lease payment	 <u>\$ 662,304</u>

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

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008 was as follows:

	Beginning Balance	Adjust- ments	Additions	Retirements	Ending Balance
Governmental Activities Capital assets not being depreciated:					
Land	\$ 1,809,421	\$ -	\$ -	\$ 160,000	\$ 1,649,421
Construction in Progress	<u>182,185</u>	<u>-</u>	<u>971,038</u>	<u>-</u>	<u>1,153,223</u>
Total capital assets not being depreciated	<u>1,991,606</u>	<u>-</u>	<u>971,038</u>	<u>160,000</u>	<u>2,802,644</u>
Capital assets being depreciated:					
Buildings and improvements	12,775,938	(853,845)	62,708	1,000	11,983,801
Infrastructure	3,102,104	-	-	-	3,102,104
Equipment	<u>9,100,984</u>	<u>-</u>	<u>856,467</u>	<u>520,582</u>	<u>9,436,869</u>
Total capital assets being depreciated	<u>24,979,026</u>	<u>(853,845)</u>	<u>919,175</u>	<u>521,582</u>	<u>24,522,774</u>
Less accumulated depreciation for:					
Buildings and improvements	3,027,479	(78,269)	235,188	596	3,183,802
Infrastructure	541,843	-	185,748	-	727,591
Equipment	<u>5,846,065</u>	<u>-</u>	<u>918,452</u>	<u>511,034</u>	<u>6,253,483</u>
Total accumulated depreciation	9,415,387	(78,269)	1,339,388	511,630	10,164,876
Total capital assets being depreciated	<u>15,563,639</u>	<u>(775,576)</u>	<u>(420,213)</u>	<u>9,952</u>	<u>14,357,898</u>
Governmental activities capital assets, net	<u>\$ 17,555,245</u>	<u>\$ (775,576)</u>	<u>\$ 550,825</u>	<u>\$ 169,952</u>	<u>\$ 17,160,542</u>

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

NOTE 6 - CAPITAL ASSETS (continued)

The adjustments above reflect the transfer of real property to the Clarendon County Business Development Corp. (a component unit) not identified in the previous year audit report that was sold in 2007-08 to a private entity.

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

Governmental activities:	
Public Safety	\$ 833,854
General Government	396,542
Physical Environment	85,163
Cultural/Recreation	16,320
Economic Environment	6,650
Court Related	<u>859</u>
 Total depreciation expense-governmental activities	 <u>\$ 1,339,388</u>

NOTE 7 - INTERFUND BALANCES

Individual fund interfund receivable and payable balances at June 30, 2008, were as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 479,895	\$ 72,889
Industrial Parks Fund		297,693
Special Revenue Funds:		
Special purpose districts	61,512	-
E-911 Fund	-	182,202
Law Enforcement	10,471	-
Fire Department	516	-
Debt Service Funds:		
General Obligations	<u>390</u>	<u>-</u>
General Fund	<u>552,784</u>	<u>552,784</u>
 General Fund	 166,498	 21,182
Fiduciary Fund types:		
Town of Manning	372	-
Tax Collector	-	2,422
Magistrates:		
General and Civil	-	119,858
Clerk of Court	-	44,218
School Debt Service	7,662	-
School Operating	<u>13,148</u>	<u>-</u>
	<u>187,680</u>	<u>187,680</u>
	 <u>\$ 740,464</u>	 <u>\$ 740,464</u>

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

NOTE 7 - INTERFUND BALANCES (continued)

Individual fund transfers at June 30, 2008, were as follows:

	Transfer In	Transfer Out
General Fund	\$ -	\$ 2,211,213
Special Revenue		
Capital Projects	2,002,514	
Industrial Park	<u>208,699</u>	<u>-</u>
	<u>\$ 2,211,213</u>	<u>\$ 2,211,213</u>

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

NOTE 8 - LONG-TERM DEBT

A. Primary Government

Governmental Activities

General Obligation Bond

\$4,500,000 issued June 1, 2001 to finance various capital projects. Due in annual installments beginning March 1, 2002 of \$195,000 and ending March 1, 2016 of \$435,000. Interest accrues at rate varying from 6.25% to 4.25% and is payable semi-annually on March 1 and September 1 each year until maturity.

\$ 2,865,000

Total Bonds Payable

\$ 2,865,000

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

NOTE 8 - LONG-TERM DEBT (continued)

A. Primary Government (continued)

Annual Debt Service Payments – Governmental Activities

The annual debt service payments for bonds outstanding at June 30, 2008, are as follows:

General Obligation Bonds

June 30,	Principal	Interest
2009	\$ 290,000	\$ 124,938
2010	310,000	111,888
2011	325,000	97,938
2012	345,000	83,313
2013	365,000	67,788
2014-2016	<u>1,230,000</u>	<u>106,675</u>
	<u>\$ 2,865,000</u>	<u>\$ 592,540</u>

Capital Leases

\$149,650 – Lease/purchase agreement to finance the purchase of one motor grader. Due in annual payments of \$18,120, including interest, due on October 20 of each year. First payment due October 20, 2005 and ending payment due October 20, 2010. The motorgrader's gross cost is \$149,650 and the accumulated depreciation is \$39,907.

\$ 110,944

Future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 2008:

Year Ending June 30,	
2009	\$ 18,120
2010	18,120
2011	<u>85,000</u>
Total Minimum Lease Payment	121,240
Less Amount Representing Interest	<u>10,296</u>
Present Value of Net Minimum Lease Payment	<u>\$ 110,944</u>

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

NOTE 8 - LONG-TERM DEBT (continued)

Changed in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2008 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
General Obligation Bonds					
- 2001 Series	\$ 3,140,000	\$ -	\$ (275,000)	\$ 2,865,000	\$ 290,000
Total bond payable	<u>3,140,000</u>	<u>-</u>	<u>(275,000)</u>	<u>2,865,000</u>	<u>290,000</u>
Other liabilities:					
Compensated absences	248,032	18,346	-	266,378	23,502
Closure and maintenance cost payable	304,913	43,838	-	348,751	15,500
Capital leases	<u>372,893</u>	<u>-</u>	<u>(261,949)</u>	<u>110,944</u>	<u>13,315</u>
Total other liabilities	<u>925,838</u>	<u>62,184</u>	<u>(261,949)</u>	<u>726,073</u>	<u>52,317</u>
Governmental activities long-term liabilities	<u>\$ 4,065,838</u>	<u>\$ 62,184</u>	<u>\$ (536,949)</u>	<u>\$ 3,591,073</u>	<u>\$ 342,317</u>

B. 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 \$ 1,327,788

Note payable to bank, with monthly payments of \$4,210.87 including interest at 8%, final payment due January 1, 2025. Collateralized by real property leased by Freeman Millwork Co., Inc. 471,290

Note payable to Santee Lynch Regional Council of Governments, with monthly payments of \$1,627.30 including interest at 7.5%, final payment due January 3, 2015. Collateralized by real property leased by Freeman Millwork Co., Inc. 177,674

Subtotal of notes payable 1,976,752

Less current portion (76,195)

Notes payable – noncurrent portion \$ 1,900,557

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

NOTE 8 - LONG-TERM DEBT (continued)

B Discretely Presented Component Units (continued)

The maturities of long-term debt is as follows:

June 30, 2009	\$ 76,195
June 30, 2010	77,188
June 30, 2011	80,303
June 30, 2012	83,549
June 30, 2013	86,931
Thereafter	<u>1,572,586</u>
	<u>\$ 1,976,752</u>

NOTE 9 - OPERATING LEASES

The County entered into an operating lease for the new Judicial building. The 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 2007-08 is \$84,000.

The future minimum rental payments are as follows:

2009	\$ 84,000
2010	84,000
2011	84,000
2012	84,000
2013	84,000
2014 – 2018	420,000
2019 - 2023	240,000
2024 - 2028	180,000
2029 - 2033	180,000
2034 - 2035	<u>45,000</u>
	<u>\$ 1,485,000</u>

The County entered into an operating lease for a new Caterpillar scraper for the Landfill. The 5-year lease term began June 1, 2005 and ends May 1, 2010. The rental amount is \$3,543.70 per month. The lease does contain cancellation provisions and subject to annual appropriations. The lease expense for 2007-08 is \$42,524

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

NOTE 9 - OPERATING LEASES (continued)

The future minimum rental payments are as follows:

2009	\$ 42,524
2010	<u>38,981</u>
	<u>\$ 81,505</u>

The County entered an operating lease as of November 1, 2007 with Waste Management of South Carolina to lease to them the Transfer Station built by the County and located at the Landfill. The lease expires October 31, 2012 and has an annual rent of \$60,000. The cost of the building was \$753,270 with the accumulated depreciation of \$152,223.

The future minimum lease payments to be received are as follows:

June 30, 2009	\$ 60,000
June 30, 2010	60,000
June 30, 2011	60,000
June 30, 2012	60,000
June 30, 2013	<u>20,000</u>
	<u>\$ 260,000</u>

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.

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 and guidelines.

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

NOTE 10 - PROVISION FOR CLOSURE COSTS (continued)

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, 2008. 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 and Police Officer's Retirement System are cost-sharing multiple-employer defined benefit pension plans administered by the South Carolina Retirement Systems, a Division of the State Budget and Control Board. 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 SCRS assumes no liability for State ORP benefits, as they are the liability of the investment providers.

Both the SCRS and PORS offer retirement and disability benefits, group life insurance benefits and survivor benefits. Group life benefits are also available to active State ORP participants. For fiscal year 2008, a guaranteed one percent cost of living adjustment (COLA) is funded under SCRS, and all other cost of living adjustments are granted on an ad hoc basis, subject to approval by the State Budget and Control Board. Effective July 1, 2008, a guaranteed two percent COLA will be funded under SCRS and PORS and further, as trustees of the state's pension trust funds, the Budget and Control Board has the authority to approve ad hoc COLAs in addition to the guaranteed two percent COLA if certain guidelines are met. The Plans' provisions are established under Title 9 of the SC Code of Laws.

Plan provisions are established under Title 9 of the SC Code of Laws.

A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System and Police Officer's Retirement System is publicly available on our website at www.retirement.sc.gov or a copy may be obtained by submitting a request to the South Carolina Retirement System, PO Box 11960, Columbia, South Carolina 29211-1960

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

NOTE 11 - RETIREMENT PLANS (continued)

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

Required employee contributions to the Plans for fiscal year 2007-2008 are as follows:

SCRS Class I	5.00% of earnable compensation
SCRS Class II	6.50% of earnable compensation
PORS Class I	\$21 per month
PORS Class II	6.50% of earnable compensation

Required employer contributions for fiscal year 2007-2008 are as follows:

SCRS	
Class I	4.25% of earnable compensation
Class II	9.06% of earnable compensation
Group Life Insurance	.015% of earnable compensation

State ORP	4.06% of earnable compensation
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PORS	
Class I	7.80% of earnable compensation
Class II	10.30% of earnable compensation
Group Life Insurance	0.20% of earnable compensation
Accidental Death Program	0.20% of earnable compensation

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

	2006		2007		2008	
	SCRS	PORS	SCRS	PORS	SCRS	PORS
Employee contributions	\$ 220,734	\$ 81,238	\$ 283,167	\$ 133,301	\$ 249,779	\$ 204,746
Employer contributions	\$ 326,567	\$ 188,058	\$ 368,949	\$ 219,434	\$ 364,632	\$ 337,373

The County's 2007 – 2008 contributions represented less than one percent of total contributions required of all participating entities. Also, employer group-life contributions of \$18,550 were paid by the County in the current fiscal year. All employers contribute at the actuarially required contribution rates.

Discretely Presented Component Units

Clarendon County Library

	2006	2007	2008
	SCRS	SCRS	SCRS
Employee contributions	\$ 10,075	\$ 13,856	\$ 14,909
Employer contributions	\$ 12,171	\$ 17,234	\$ 20,781

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

NOTE 11 - RETIREMENT PLANS (continued)

The Library's 2007 – 2008 contributions represented less than one percent of total contributions required of all participating entities. Also, employer group-life contributions of \$344 were paid by the Library in the current fiscal year. All employers contribute at the actuarially required contribution rates.

NOTE 12 - POST RETIREMENT AND OTHER EMPLOYEE BENEFITS

Primary Government

The County provides certain health care, dental and life insurance benefits to active and retired County employees. All permanent full-time employees of the County are eligible to receive these benefits. The cost of providing these insurance benefits applicable to County retirees (38 individuals) for the year ended June 30, 2008 was \$214,336 provided on a pay-as-you-go-basis. Any retiree who wishes to insure dependents is required to pay for these costs personally; however, the dependent would become a participant in the group plan for insurance coverage purposes.

NOTE 13 - FUND EQUITY

The fund balance as of June 30, 2007 was restated as follows:

Primary Government

		Fund Balance	
	Net Assets	GAAP Basis	Budgetary Basis
Fund Balance, as previously reported, June 30, 2007	\$ 22,284,068	\$ 4,945,306	\$ 4,716,687
General Fund			
Recognize expenses duplicated prior year	2,398	2,398	2,398
Recognize collection charge offs from prior year	951	951	951
Industrial Park Fund			
Recognize prior year deferred revenue overstated	23,692		
Drug Enforcement Fund			
Recognize credit for prior year expense	401	-	-
Fund balance, as restated, June 30, 2007	<u>\$ 22,311,510</u>	<u>\$ 4,948,655</u>	<u>\$ 4,720,036</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 14 - 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, 2008, 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, 2008, 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
JUNE 30, 2008**

NOTE 15 - 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, 2008, the County had incurred \$1,153,223 in costs of uncompleted construction projects. These projects include the DSN Work Force Education Center and Airport T-Hanger. Additional costs to complete projects for the contracts signed at June 30, 2008 are expected to be approximately \$153,891. The Work Force Education Center is being funded by a Community Development Block Grant. The airport hanger expansion project is being funded through Federal Aviation Administration grants.

NOTE 16 - SUBSEQUENT EVENTS

In October, 2008, County Council authorized a revenue bond, not to exceed \$3,250,000, secured by the first \$225,000 generated each year by the 1% Local Hospitality Tax. The proceeds of said indebtedness will be used to complete the Weldon Auditorium Project and bond closing is anticipated for late February, 2009.

In December 2008, the County acquired the assets and customer base of Wyboo Plantation Utilities, Inc. for \$900,000. The acquisition was funded through a transfer of funds from the Capital Projects Fund to the newly created Enterprise Fund. At acquisition, the water and wastewater system had 488 water and 347 wastewater customers.

**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 Districts	To account for ad valorem taxes collected to be used for various County purposes.
E-911	To account for fees collected by telephone companies to be used to provide emergency assistance through the nationwide 911 system.
Recreation Programs	To account for registration fees used for various recreation programs.
Fire Department	To account for ad valorem taxes and other revenues to be used for the operations of the Fire Department.
Victims Advocate	To account for state assessments and surcharges on fines to be used for victim services.
Circuit Drug Court	To account for restricted revenue for operation of drug court

DEBT SERVICE FUNDS

1980 Fire Protection	To account for the accumulation of ad valorem taxes to pay the principal, interest, and fiscal charges related to the 1980 Fire Protection Bond and the capital lease payable on fire trucks.
General Obligation Bond	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, 2008

	Special Revenue						
	Bureau of Tourism Accommodation Fund	Hospitality Tax Fund	C-Program Fund	Drug Enforcement and Other Sheriff's Fund	Special Purpose Districts	E-911	Recreation Program
ASSETS							
Cash and cash equivalents	\$ 28,854	\$ 205,500	\$ 891,894	\$ 71,743	\$ -	\$ 589,357	\$ 12,810
Accounts receivable	-	28,046	92,417	-	-	-	-
Due from other funds	-	-	-	10,471	61,512	-	-
Delinquent taxes receivable	-	-	-	-	56,695	-	-
Notes receivable	-	-	-	-	-	-	-
Total Assets	<u>\$ 28,854</u>	<u>\$ 233,546</u>	<u>\$ 984,311</u>	<u>\$ 82,214</u>	<u>\$ 118,207</u>	<u>\$ 589,357</u>	<u>\$ 12,810</u>

LIABILITIES AND FUND EQUITY

Liabilities:							
Accounts payable	\$ 317	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,372
Deferred revenue	-	-	-	-	45,884	-	-
Due to other funds	-	-	-	-	-	182,202	-
Total Liabilities	<u>317</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,884</u>	<u>182,202</u>	<u>1,372</u>
Fund Equity:							
Fund balances:							
Unreserved	28,537	233,546	-	82,214	72,323	407,155	11,438
Reserved for other purposes	-	-	984,311	-	-	-	-
Reserved for debt service	-	-	-	-	-	-	-
Total Fund Equity	<u>28,537</u>	<u>233,546</u>	<u>984,311</u>	<u>82,214</u>	<u>72,323</u>	<u>407,155</u>	<u>11,438</u>
Total Liabilities and Fund Equity	<u>\$ 28,854</u>	<u>\$ 233,546</u>	<u>\$ 984,311</u>	<u>\$ 82,214</u>	<u>\$ 118,207</u>	<u>\$ 589,357</u>	<u>\$ 12,810</u>

CLARENDON COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2008

	Special Revenue				Debt Service			Total Nonmajor Governmental Funds
	Fire Department	Victims Advocate Fund	Third Circuit Drug Court	1980 Fire Protection	General Obligation Bond			
ASSETS								
Cash and cash equivalents	\$ 640,738	\$ 17,530	\$ 7,058	\$ 82,138	\$ 296,989	\$	\$	2,844,611
Accounts receivable	-	-	-	-	-	-	-	120,463
Due from other funds	516	-	-	-	390	-	-	72,889
Delinquent taxes receivable	133,813	-	-	7,000	55,147	-	-	252,655
Notes receivable	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 775,067</u>	<u>\$ 17,530</u>	<u>\$ 7,058</u>	<u>\$ 89,138</u>	<u>\$ 352,526</u>	<u>\$</u>	<u>\$</u>	<u>3,290,618</u>
LIABILITIES AND FUND EQUITY								
Liabilities:								
Accounts payable	\$ 27,687	\$ 755	\$ 407	\$ -	\$ -	\$	\$	30,538
Deferred revenue	102,960	-	-	6,963	45,628	-	-	201,435
Due to other funds	-	-	-	-	-	-	-	182,202
Total Liabilities	<u>130,647</u>	<u>755</u>	<u>407</u>	<u>6,963</u>	<u>45,628</u>	<u>\$</u>	<u>\$</u>	<u>414,175</u>
Fund Equity:								
Fund balances:								
Unreserved	644,420	16,775	6,651	-	-	-	-	1,503,059
Reserved for other purposes	-	-	-	-	-	-	-	984,311
Reserved for debt service	-	-	-	82,175	306,898	-	-	389,073
Total Fund Equity	<u>644,420</u>	<u>16,775</u>	<u>6,651</u>	<u>82,175</u>	<u>306,898</u>	<u>\$</u>	<u>\$</u>	<u>2,876,443</u>
Total Liabilities and Fund Equity	<u>\$ 775,067</u>	<u>\$ 17,530</u>	<u>\$ 7,058</u>	<u>\$ 89,138</u>	<u>\$ 352,526</u>	<u>\$</u>	<u>\$</u>	<u>3,290,618</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	Special Revenue						
	Bureau of Tourism Accommodation Fund	Hospitality Tax Fund	C-Program Fund	Drug Enforcement and Other Sheriff's Fund	Special Purpose Districts	E-911	Recreation Program
REVENUES							
Taxes	-	\$ 246,508	\$ -	\$ -	\$ 578,693	-	-
Intergovernmental	94,638	-	1,166,194	-	-	-	-
Charges for services	-	-	-	-	-	257,316	52,408
Fines and forfeitures	-	-	-	42,338	-	-	-
Special assessments	-	-	-	-	-	-	-
Interest	415	2,038	23,187	472	-	22,303	444
Total Revenues	<u>95,053</u>	<u>248,546</u>	<u>1,189,381</u>	<u>42,810</u>	<u>578,693</u>	<u>279,619</u>	<u>52,852</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	570,230	-	-
Public safety	-	-	-	30,157	-	186,503	-
Physical environment	-	-	1,183,080	-	-	-	-
Recreation	-	15,000	-	-	-	-	46,470
Community development	100,521	-	-	-	-	-	-
Court related	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-
Interest and fees	-	-	-	-	-	249,250	-
Total Expenditures	<u>100,521</u>	<u>15,000</u>	<u>1,183,080</u>	<u>30,157</u>	<u>570,230</u>	<u>452,404</u>	<u>46,470</u>
Excess of revenues over (under) expenditures	<u>(5,468)</u>	<u>233,546</u>	<u>6,301</u>	<u>12,653</u>	<u>8,463</u>	<u>(172,785)</u>	<u>6,382</u>
OTHER FINANCING SOURCES (USES)							
Transfers in (out)	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(5,468)</u>	<u>233,546</u>	<u>6,301</u>	<u>12,653</u>	<u>8,463</u>	<u>(172,785)</u>	<u>6,382</u>
Fund balances at beginning of year	<u>34,005</u>	<u>-</u>	<u>978,010</u>	<u>69,561</u>	<u>63,860</u>	<u>579,940</u>	<u>5,056</u>
Fund balances at end of year	<u>\$ 28,537</u>	<u>\$ 233,546</u>	<u>\$ 984,311</u>	<u>\$ 82,214</u>	<u>\$ 72,323</u>	<u>\$ 407,155</u>	<u>\$ 11,438</u>

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Special Revenue				Debt Service			Total Nonmajor Governmental Funds
	Fire Department	Victims Advocate Fund	Third Circuit Drug Court	1980 Fire Protection	General Obligation Bond			
REVENUES								
Taxes	\$ 1,607,501	\$ -	\$ -	\$ 672	\$ 464,779	\$ -	\$ 2,898,153	
Intergovernmental	-	-	150,000	-	-	-	1,410,832	
Charges for services	-	-	-	-	-	-	309,724	
Fines and forfeitures	-	-	-	-	-	-	42,338	
Special assessments	-	115,721	-	-	-	-	115,721	
Interest	16,774	144	1,601	3,260	1,265	-	71,903	
Total Revenues	<u>1,624,275</u>	<u>115,865</u>	<u>151,601</u>	<u>3,932</u>	<u>466,044</u>		<u>4,848,671</u>	
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	570,230	
Public safety	1,492,947	102,145	-	-	-	-	1,811,752	
Physical environment	-	-	-	-	-	-	1,183,080	
Recreation	-	-	-	-	-	-	61,470	
Community development	-	-	-	-	-	-	100,521	
Court related	-	-	157,294	-	-	-	157,294	
Debt service:								
Principal	-	-	-	-	287,699	-	536,949	
Interest and fees	-	-	-	-	147,439	-	164,090	
Total Expenditures	<u>1,492,947</u>	<u>102,145</u>	<u>157,294</u>	<u>-</u>	<u>435,138</u>		<u>4,585,386</u>	
Excess of revenues over (under) expenditures	131,328	13,720	(5,693)	3,932	30,906		263,285	
OTHER FINANCING SOURCES (USES)								
Transfers in (out)	-	-	-	-	-	-	-	
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	
Net change in fund balances	131,328	13,720	(5,693)	3,932	30,906		263,285	
Fund balances at beginning of year	513,092	3,055	12,344	78,243	275,992		2,613,158	
Fund balances at end of year	<u>\$ 644,420</u>	<u>\$ 16,775</u>	<u>\$ 6,651</u>	<u>\$ 82,175</u>	<u>\$ 306,898</u>		<u>\$ 2,876,443</u>	

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
REVENUES						
Taxes						
Real estate taxes	\$ 6 944 772	\$ 6 944,772	\$ 6,845 337	\$ -	\$ 6 845,337	\$ (99 435)
Local option sales tax	2 000,000	2,000,000	2,292,934	-	2 292,934	292,934
Vehicle taxes	1 243,374	1,243,374	1 270,152	-	1,270,152	26,778
Delinquent taxes	945 000	945 000	944,364	-	944 364	(636)
Local accommodations	165 000	165,000	165,570	-	165 570	570
Payment in lieu of taxes	85,000	85,000	93,042	-	93,042	8,042
Treasurer's cost to cities	4,200	4,200	-	-	-	(4,200)
Payment in lieu - motor carrier	150,000	150,000	152,373	-	152,373	2,373
Total taxes	11,537,346	11,537,346	11,763,772	-	11,763,772	226,426
Licenses and permits						
Moving permits	4,000	4 000	4,460	-	4,460	460
Building permits	190,000	190,000	149,890	-	149,890	(40,110)
Total licenses and permits	194,000	194,000	154,350	-	154,350	(39,650)
Charges for services						
Assessors fees	10,000	10,000	3,660	-	3 660	(6 340)
Master in Equity fees	20,000	20,000	26,203	-	26,203	6,203
Probate fees	65,000	65,000	56,187	-	56,187	(8,813)
Planning and public service fees	15,000	15,000	9 502	-	9,502	(5 498)
ROD fees and charges	250,000	250,000	209,205	-	209,205	(40,795)
Landfill fees	200,000	200,000	200,518	-	200 518	518
County road user fee	680,000	680,000	716,210	-	716,210	36,210
Municipal inmate housing	45,000	45,000	37,700	-	37,700	(7,300)
Total charges for services	1,285,000	1,285,000	1,259,185	-	1,259,185	(25,815)
Fines and forfeitures						
Clerk of court fines and fees	130,000	130,000	141,155	-	141,155	11 155
Magistrate fines and fees	1,000,000	1,145,000	785,107	-	785,107	(359,893)
Magistrate assessment	145,000	-	-	-	-	-
Sheriff's fines and fees	5,000	5,000	5,390	-	5,390	390
	1,280,000	1,280,000	931,652	-	931,652	(348,348)
Investment income						
	80,000	80,000	109,424	-	109,424	29,424
Miscellaneous						
Hangar rent	24,000	24,000	23,695	-	23,695	(305)
Multi-County Industrial Park	60,000	60,000	57 532	-	57,532	(2 468)
Miscellaneous revenue	80,500	80,500	152,306	-	152,306	71,806
Franchise fees	35,000	35 000	38,213	-	38,213	3,213
Voter registration	1,000	1,000	1,320	-	1,320	320
House arrest system	500	500	619	-	619	119
	201,000	201,000	273,685	-	273,685	72,685

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Intergovernmental						
State						
Accommodations tax	35,000	35,000	29,981	-	29,981	(5,019)
Merchant's inventory tax	48,220	48,220	36,166	-	36,166	(12,054)
Solid waste tire fees	13,000	13,000	14,898	-	14,898	1,898
State aid and allocations	1,874,000	1,874,000	1,882,889	-	1,882,889	8,889
Voter registration	6,250	6,250	6,250	-	6,250	-
Clerk/Sheriff/Probate Judge supplements	6,300	6,300	6,300	-	6,300	-
Drug court funds	5,000	5,000	5,000	-	5,000	-
Vital records fees	12,500	12,500	10,903	-	10,903	(1,597)
PARD grant(s)	-	-	24,477	-	24,477	24,477
Airport improvement program	-	-	21,375	-	21,375	21,375
Waste tire grant	-	-	9,450	-	9,450	9,450
Waste oil grant	-	-	15,775	-	15,775	15,775
Cardboard recycling grant	-	-	8,919	-	8,919	8,919
Cardboard collection grant	-	-	7,700	-	7,700	7,700
Amphitheater grant	-	-	45,000	-	45,000	45,000
Weldon auditorium grant	-	-	62,044	-	62,044	62,044
Water and waste water study	-	-	20,000	-	20,000	20,000
Emergency medical aid	-	-	51,729	-	51,729	51,729
EMA V-Safe grant	-	-	30,000	-	30,000	30,000
Veterans affairs	6,000	6,000	6,379	-	6,379	379
Election commission	6,250	6,250	6,250	-	6,250	-
Commerce rural infrastructure grant(s)	-	-	500,000	-	500,000	500,000
Federal:						
JW Southwoods	-	-	200,000	-	200,000	200,000
Homestead security radio interoperability	-	-	368,787	-	368,787	368,787
EMA CERT grant	-	-	-	-	-	-
EMA citizen corp. grant(s)	-	-	5,708	-	5,708	5,708
Emergency Mgmt Performance grant(s)	-	-	37,417	-	37,417	37,417
DSS - Clerk of Court	127,500	127,500	130,705	-	130,705	3,205
DSS - Revenue	40,000	40,000	34,615	-	34,615	(5,385)
DSS - Sheriff	9,000	9,000	6,072	-	6,072	(2,928)
Courthouse square phase two	-	-	4,471	-	4,471	4,471
Secure Our Schools grant	-	-	13,987	-	13,987	13,987
School Resource Officer(s) grant	-	-	59,180	-	59,180	59,180
Paxville community development grant	-	-	64,559	-	64,559	64,559
Automated fingerprint identification grant	-	-	3,195	-	3,195	3,195
Justice Assistance 2005	-	-	254	-	254	254
Justice Assistance 2007	-	-	17,568	-	17,568	17,568
Emergency Watershed	-	-	3,900	-	3,900	3,900
	<u>2,189,020</u>	<u>2,189,020</u>	<u>3,751,903</u>	<u>-</u>	<u>3,751,903</u>	<u>1,562,883</u>
TOTAL REVENUES	<u>\$ 16,766,366</u>	<u>\$ 16,766,366</u>	<u>\$ 18,243,971</u>	<u>\$ -</u>	<u>\$ 18,243,971</u>	<u>\$ 1,477,605</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
General Government and Administration:						
Administration:						
Salaries and related	\$ 253,435	\$ 259,812	\$ 264,597	\$ -	\$ 264,597	\$ (4,785)
Operations	26,500	26,500	25,906	-	25,906	594
	<u>279,935</u>	<u>286,312</u>	<u>290,503</u>	<u>-</u>	<u>290,503</u>	<u>(4,191)</u>
County Council:						
Salaries and related	94,255	94,255	\$ 93,614	-	93,614	641
Operations	16,475	16,475	7,920	-	7,920	8,555
	<u>110,730</u>	<u>110,730</u>	<u>101,534</u>	<u>-</u>	<u>101,534</u>	<u>9,196</u>
Assessor:						
Salaries and related	421,610	432,016	\$ 426,616	-	426,616	5,400
Operations	186,500	186,500	142,387	(60,169)	82,218	104,282
	<u>608,110</u>	<u>618,516</u>	<u>569,003</u>	<u>(60,169)</u>	<u>508,834</u>	<u>109,682</u>
Auditor:						
Salaries and related	142,710	146,146	\$ 145,165	-	145,165	981
Operations	19,024	19,024	14,980	78	15,058	3,966
	<u>161,734</u>	<u>165,170</u>	<u>160,145</u>	<u>78</u>	<u>160,223</u>	<u>4,947</u>
Treasurer:						
Salaries and related	151,551	154,997	\$ 145,257	-	145,257	9,740
Operations	17,740	17,740	16,475	-	16,475	1,265
	<u>169,291</u>	<u>172,737</u>	<u>161,732</u>	<u>-</u>	<u>161,732</u>	<u>11,005</u>
Finance:						
Salaries and related	376,031	385,898	\$ 382,723	-	382,723	3,175
Operations	42,835	42,835	32,109	-	32,109	10,726
	<u>418,866</u>	<u>428,733</u>	<u>414,832</u>	<u>-</u>	<u>414,832</u>	<u>13,901</u>
Human Resources:						
Salaries and related	115,584	121,955	\$ 120,870	-	120,870	1,085
Operations	16,660	16,660	18,040	-	18,040	(1,380)
	<u>132,244</u>	<u>138,615</u>	<u>138,910</u>	<u>-</u>	<u>138,910</u>	<u>(295)</u>
Tax Collector:						
Salaries and related	113,239	115,833	\$ 106,913	-	106,913	8,920
Operations	13,202	13,202	12,127	(344)	11,783	1,419
	<u>126,441</u>	<u>129,035</u>	<u>119,040</u>	<u>(344)</u>	<u>118,696</u>	<u>10,339</u>
Voter Registration:						
Salaries and related	81,379	85,370	\$ 83,312	-	83,312	2,058
Operations	9,220	9,220	9,720	-	9,720	(500)
	<u>90,599</u>	<u>94,590</u>	<u>93,032</u>	<u>-</u>	<u>93,032</u>	<u>1,558</u>
Information Technology:						
Salaries and related	30,740	30,740	\$ 3,245	-	3,245	27,495
Operations	115,000	115,000	145,185	1,296	146,481	(31,481)
	<u>145,740</u>	<u>145,740</u>	<u>148,430</u>	<u>1,296</u>	<u>149,726</u>	<u>(3,986)</u>
Veterans Affairs:						
Salaries and related	47,975	48,952	\$ 47,404	-	47,404	1,548
Operations	4,125	4,125	5,717	-	5,717	(1,592)
	<u>52,100</u>	<u>53,077</u>	<u>53,121</u>	<u>-</u>	<u>53,121</u>	<u>(44)</u>

**CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<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>				
Nondepartmental Expenditures:						
Special Projects	300 000	433,933	135 662	(7 738)	127,924	306 009
Rent - Judicial Annex	101 500	101 500	102,505	-	102 505	(1 005)
Workmen's compensation	330 000	330,000	352 987	-	352,987	(22,987)
Audit fee	30 000	30 000	22,754	-	22 754	7 246
Unemployment	7 500	7,500	9 709	-	9,709	(2,209)
Electricity	255 000	255 000	258 704	-	258 704	(3 704)
Printing and postage	140,000	140 000	153,329	-	153,329	(13,329)
Christmas bonus	34 000	34 000	34 119	-	34 119	(119)
Property and liability insurance	220,000	220 000	214,141	-	214 141	5 859
Drug screening	3 500	3,500	2 554	-	2,554	946
Water	19 000	19 000	19,282	-	19 282	(282)
Retirees' insurance	235,000	235,000	214 336	-	214,336	20,664
Telephone	150 000	150 000	122 783	-	122 783	27 217
Personnel	687 329	2 285	-	-	-	2 285
Holiday compensation	46,000	46,000	50,090	-	50,090	(4,090)
Retirement expense	500	500	766	-	766	(266)
FICA expense	7 000	7 000	6,410	-	6 410	590
Police retirement	4,928	4 928	4,461	-	4,461	467
Towing fees	250	250	450	-	450	(200)
Bank fees and charges	8,600	8,600	20,241	-	20,241	(11,641)
	<u>2,580,107</u>	<u>2,028,996</u>	<u>1,725,283</u>	<u>(7,738)</u>	<u>1,717,545</u>	<u>311,451</u>
Grant Expense:						
Santee Cooper airport improvement	-	-	22,500	-	22,500	(22,500)
Paxville CDC community block grant	-	-	65 309	(750)	64,559	(64 559)
Emergency management plan(s)	-	-	21 503	-	21 503	(21,503)
EMS Grant in aid	-	-	17,005	(1,685)	15 320	(15 320)
EMS Trauma funds	-	-	36,409	-	36,409	(36 409)
Waste oil grant	-	-	15,833	-	15,833	(15,833)
Waste tire grant	-	-	9 450	-	9 450	(9,450)
Cardboard - 2007	-	-	39 966	(31,016)	8 950	(8 950)
Cardboard collection grant	-	-	40,454	(32 300)	8,154	(8 154)
DSN workforce grant	-	-	25 055	(25,055)	-	-
Weldon auditorium	-	-	62 044	-	62 044	(62,044)
SC Parks and Recreation	-	-	30,600	-	30 600	(30 600)
Amphitheater	-	-	45,255	-	45,255	(45 255)
Urban forestry grant	-	-	52	-	52	(52)
Depart Of Comm. rural infrastructure	-	-	700 000	-	700 000	(700 000)
Secure our schools - USDOJ	-	-	13,987	-	13,987	(13 987)
Cops in schools	-	-	59 180	-	59,180	(59,180)
Automated fingerprint identification	-	-	4 260	-	4 260	(4 260)
V-Safe 2008	-	-	-	30 000	30,000	(30 000)
Radio interoperable communications	-	-	-	368,787	368 787	(368,787)
Emergency Watershed	-	-	3 900	-	3 900	(3 900)
Citizen Corps - SCEMD	-	-	5,480	-	5,480	(5,480)
Justice Assistance 2005	-	-	286	-	286	(286)
Justice Assistance 2007	-	-	17,568	-	17 568	(17 568)
Water and waste water study	-	-	20,000	-	20,000	(20,000)
	<u>-</u>	<u>-</u>	<u>1,256,096</u>	<u>307,981</u>	<u>1,564,077</u>	<u>(1,564,077)</u>
Total General Government and Administration	<u>4,875,897</u>	<u>4,372,251</u>	<u>5,231,661</u>	<u>241,104</u>	<u>5,472,765</u>	<u>(1,100,514)</u>

**CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Court Related:						
Clerk of Court:						
Salaries and related	98,893	101,402	103,393	-	103,393	(1,991)
Operations	40,250	40,250	29,010	-	29,010	11,240
	<u>139,143</u>	<u>141,652</u>	<u>132,403</u>	<u>-</u>	<u>132,403</u>	<u>9,249</u>
Magistrates:						
Salaries and related	368,163	398,813	400,951	-	400,951	(2,138)
Operations	23,650	23,650	16,759	-	16,759	6,891
	<u>391,813</u>	<u>422,463</u>	<u>417,710</u>	<u>-</u>	<u>417,710</u>	<u>4,753</u>
Probate Judge:						
Salaries and related	103,744	106,277	109,677	-	109,677	(3,400)
Operations	9,915	9,915	8,087	(1,348)	6,739	3,176
	<u>113,659</u>	<u>116,192</u>	<u>117,764</u>	<u>(1,348)</u>	<u>116,416</u>	<u>(224)</u>
Family Court:						
Salaries and related	106,530	109,202	107,342	-	107,342	1,860
Operations	8,200	8,200	6,490	-	6,490	1,710
	<u>114,730</u>	<u>117,402</u>	<u>113,832</u>	<u>-</u>	<u>113,832</u>	<u>3,570</u>
Register of Deeds:						
Salaries and related	92,612	94,834	93,803	-	93,803	1,031
Operations	76,496	76,496	133,490	-	133,490	(56,994)
	<u>169,108</u>	<u>171,330</u>	<u>227,293</u>	<u>-</u>	<u>227,293</u>	<u>(55,963)</u>
Master in Equity:						
Salaries and related	28,288	28,873	28,567	-	28,567	306
Operations	3,620	3,620	3,334	-	3,334	286
	<u>31,908</u>	<u>32,493</u>	<u>31,901</u>	<u>-</u>	<u>31,901</u>	<u>592</u>
DSS Funds - Clerk of Court:						
Salaries and related	72,491	92,026	92,562	-	92,562	(536)
Operations	11,200	11,200	15,519	-	15,519	(4,319)
	<u>83,691</u>	<u>103,226</u>	<u>108,081</u>	<u>-</u>	<u>108,081</u>	<u>(4,855)</u>
Circuit Court Judges:						
Allowance	16,300	16,300	18,922	38	18,960	(2,660)
Solicitor:						
Allowance	143,813	143,813	143,813	-	143,813	-
Public Defender:						
Allowance	60,000	60,000	60,000	-	60,000	-
	<u>220,113</u>	<u>220,113</u>	<u>222,735</u>	<u>38</u>	<u>222,773</u>	<u>(2,660)</u>
Total Court Related	1,264,165	1,324,871	1,371,719	(1,310)	1,370,409	(45,538)
Public Safety:						
Sheriff:						
Salaries and related	1,712,189	1,942,870	1,894,759	-	1,894,759	48,111
Operations	490,200	667,782	737,983	4,037	742,020	(74,238)
	<u>2,202,389</u>	<u>2,610,652</u>	<u>2,632,742</u>	<u>4,037</u>	<u>2,636,779</u>	<u>(26,127)</u>
Emergency Preparedness:						
Salaries and related	93,772	96,519	96,662	-	96,662	(143)
Operations	21,865	21,865	19,700	20,394	40,094	(18,229)
	<u>115,637</u>	<u>118,384</u>	<u>116,362</u>	<u>20,394</u>	<u>136,756</u>	<u>(18,372)</u>
Correctional Center:						
Salaries and related	1,304,162	1,363,543	1,343,789	-	1,343,789	19,754
Operations	464,275	464,275	489,074	(33,017)	456,057	8,218
	<u>1,768,437</u>	<u>1,827,818</u>	<u>1,832,863</u>	<u>(33,017)</u>	<u>1,799,846</u>	<u>27,972</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Coroner:						
Salaries and related	38,116	39,069	41,744	-	41,744	(2,675)
Operations	58,232	58,232	51,875	-	51,875	6,357
	<u>96,348</u>	<u>97,301</u>	<u>93,619</u>	<u>-</u>	<u>93,619</u>	<u>3,682</u>
Communications:						
Salaries and related	462,461	475,377	469,547	-	469,547	5,830
Operations	23,200	23,200	10,859	38	10,897	12,303
	<u>485,661</u>	<u>498,577</u>	<u>480,406</u>	<u>38</u>	<u>480,444</u>	<u>18,133</u>
EMS:						
Contract	963,416	963,416	963,416	-	963,416	-
Animal Control:						
Expenses	137,000	137,000	137,000	-	137,000	-
Total Public Safety	<u>5,768,888</u>	<u>6,253,148</u>	<u>6,256,408</u>	<u>(8,548)</u>	<u>6,247,860</u>	<u>5,288</u>
Physical Environment:						
Facilities Management:						
Salaries and related	208,333	213,190	211,760	-	211,760	1,430
Operations	165,500	165,500	171,851	(235)	171,616	(6,116)
	<u>373,833</u>	<u>378,690</u>	<u>383,611</u>	<u>(235)</u>	<u>383,376</u>	<u>(4,686)</u>
Landfill:						
Salaries and related	153,681	156,639	158,926	-	158,926	(2,287)
Operations	1,421,950	1,431,950	1,462,978	-	1,462,978	(31,028)
	<u>1,575,631</u>	<u>1,588,589</u>	<u>1,621,904</u>	<u>-</u>	<u>1,621,904</u>	<u>(33,315)</u>
County Engineer:						
Salaries and related	78,497	80,237	77,925	-	77,925	2,312
Operations	3,300	3,300	1,792	-	1,792	1,508
	<u>81,797</u>	<u>83,537</u>	<u>79,717</u>	<u>-</u>	<u>79,717</u>	<u>3,820</u>
Public Works:						
Salaries and related	512,256	547,202	560,697	-	560,697	(13,495)
Operations	257,684	257,684	338,638	(4,461)	334,177	(76,493)
	<u>769,940</u>	<u>804,886</u>	<u>899,335</u>	<u>(4,461)</u>	<u>894,874</u>	<u>(89,988)</u>
Total Physical Environment	<u>2,801,201</u>	<u>2,855,702</u>	<u>2,984,567</u>	<u>(4,696)</u>	<u>2,979,871</u>	<u>(124,169)</u>
Economic Environment:						
Planning and Public Service Commission:						
Salaries and related	275,559	282,954	265,815	-	265,815	17,139
Operations	48,925	48,925	44,734	-	44,734	4,191
	<u>324,484</u>	<u>331,879</u>	<u>310,549</u>	<u>-</u>	<u>310,549</u>	<u>21,330</u>
Development Board:						
Salaries and related	123,061	152,201	147,196	-	147,196	5,005
Operations	338,450	188,450	164,482	5,000	169,482	18,968
	<u>461,511</u>	<u>340,651</u>	<u>311,678</u>	<u>5,000</u>	<u>316,678</u>	<u>23,973</u>
Total Economic Environment	<u>785,995</u>	<u>672,530</u>	<u>622,227</u>	<u>5,000</u>	<u>627,227</u>	<u>45,303</u>

**CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<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>				
Transportation:						
Fleet Maintenance:						
Salaries and related	152,867	157,153	155,049	-	155,049	2,104
Operations	12,215	12,215	10,244	-	10,244	1,971
	<u>165,082</u>	<u>169,368</u>	<u>165,293</u>	<u>-</u>	<u>165,293</u>	<u>4,075</u>
Airport Commission:						
Operations	186,026	186,026	39,769	(13,675)	26,094	159,932
	<u>186,026</u>	<u>186,026</u>	<u>39,769</u>	<u>(13,675)</u>	<u>26,094</u>	<u>159,932</u>
Total Transportation	<u>351,108</u>	<u>355,394</u>	<u>205,062</u>	<u>(13,675)</u>	<u>191,387</u>	<u>164,007</u>
Recreation and Culture:						
Recreation:						
Salaries and related	200,284	205,382	203,439	-	203,439	1,943
Operations	109,200	109,200	126,871	-	126,871	(17,671)
	<u>309,484</u>	<u>314,582</u>	<u>330,310</u>	<u>-</u>	<u>330,310</u>	<u>(15,728)</u>
County Archives:						
Salaries and related	39,861	48,121	45,191	-	45,191	2,930
Operations	6,387	6,387	4,571	-	4,571	1,816
	<u>46,248</u>	<u>54,508</u>	<u>49,762</u>	<u>-</u>	<u>49,762</u>	<u>4,746</u>
Total Recreation and Culture	<u>355,732</u>	<u>369,090</u>	<u>380,072</u>	<u>-</u>	<u>380,072</u>	<u>(10,982)</u>
Miscellaneous:						
Agencies:						
Santee-Lynches Council of Government	22,782	22,782	22,782	-	22,782	-
Voter Registration Board	6,250	6,250	5,938	-	5,938	312
Department of Social Services	500	500	500	-	500	-
Clarendon Soil and Water Conservation	30,000	30,000	30,000	-	30,000	-
Election Commission	6,250	6,250	6,250	-	6,250	-
Election Commission - Supplies	3,000	3,000	-	-	-	3,000
Clemson Extension	48,900	48,900	47,197	-	47,197	1,703
SC Association of Counties	8,672	8,672	8,672	-	8,672	-
Delegation allowance	14,000	14,000	14,000	-	14,000	-
Behavioral Services	17,380	17,380	17,380	-	17,380	-
Disabilities and Special Needs Board	5,000	5,000	5,000	-	5,000	-
DHEC	15,670	15,670	15,670	-	15,670	-
Santee Wateree RTA	2,450	2,450	2,450	-	2,450	-
National Guard	1,900	1,900	1,900	-	1,900	-
Indigent care	56,340	56,340	56,340	-	56,340	-
Council on Aging	5,000	5,000	5,000	-	5,000	-
County Board of Education	5,734	5,734	5,734	-	5,734	-
Wateree Community Action	1,960	1,960	-	-	-	1,960
USC Sumter - Mid Carolina	5,000	5,000	5,000	-	5,000	-
American Red Cross	5,000	5,000	5,000	-	5,000	-
Lake Marion Regional Water Authority	24,500	24,500	24,096	-	24,096	404
Central Carolina Technical College	297,092	297,092	297,092	-	297,092	-
	<u>583,380</u>	<u>583,380</u>	<u>576,001</u>	<u>-</u>	<u>576,001</u>	<u>7,379</u>
Total Miscellaneous	<u>583,380</u>	<u>583,380</u>	<u>576,001</u>	<u>-</u>	<u>576,001</u>	<u>7,379</u>
Total Expenditures	<u>\$ 16,786,366</u>	<u>\$ 16,786,366</u>	<u>\$ 17,627,717</u>	<u>\$ 217,875</u>	<u>\$ 17,845,592</u>	<u>\$ (1,059,226)</u>
Other Financing Sources (Uses)						
Sale of Assets	\$ 20,000	\$ 20,000	\$ 27,343	\$ -	\$ 27,343	\$ 7,343
Transfers In (Out)	-	-	(2,211,213)	-	(2,211,213)	(2,211,213)
	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ (2,183,870)</u>	<u>\$ -</u>	<u>\$ (2,183,870)</u>	<u>\$ (2,203,870)</u>

**CLARENDON COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET TO ACTUAL -
 FIRE DEPARTMENT - SPECIAL REVENUE FUND
 BUDGETARY BASIS
 JUNE 30, 2008**

	Final Budget	Actual Amount	Variance Positive (Negative)
REVENUES			
Taxes	\$ 1,545,389	\$ 1,607,501	\$ 62,112
Interest	-	16,774	16,774
Total revenues	<u>1,545,389</u>	<u>1,624,275</u>	<u>78,886</u>
EXPENDITURES			
Public Safety:			
Salaries and related	705,302	682,955	22,347
Operations	840,087	809,992	30,095
	<u>1,545,389</u>	<u>1,492,947</u>	<u>52,442</u>
Excess (deficiency) of revenues over (under) expenditures	-	131,328	131,328
Other Financing Sources (Uses) Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	131,328	131,328
Fund balances at beginning of year	<u>513,092</u>	<u>513,092</u>	<u>-</u>
Fund balance at end of year	<u>\$ 513,092</u>	<u>\$ 644,420</u>	<u>\$ 131,328</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 ASSETS
ALL AGENCY FUNDS
JUNE 30, 2008**

	School Districts Debt Service	School Districts Operations	Probate Judge	Master-In Equity	Municipalities
ASSETS					
Cash	\$ 2,119,245	-	\$ 540	\$ 31,465	-
Delinquent taxes receivable	122,982	792,073	-	-	-
Due from credit card	-	-	-	-	-
Due from General Fund	7,662	13,148	-	-	372
Due from Treasurer	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Due from other magistrates	-	-	-	-	-
Due from trust fund holders	-	-	-	-	-
Total assets	<u>2,249,889</u>	<u>805,221</u>	<u>540</u>	<u>31,465</u>	<u>372</u>
LIABILITIES					
Due to trust fund holders	2,142,512	147,911	540	31,465	372
Due to Treasurer	-	-	-	-	-
Due to Treasurer - cash coverage (shortage)	-	-	-	-	-
Due to General Fund	-	-	-	-	-
Deferred revenue	107,377	657,310	-	-	-
Due to Town magistrates	-	-	-	-	-
Due to other magistrates	-	-	-	-	-
Total liabilities	<u>2,249,889</u>	<u>805,221</u>	<u>540</u>	<u>31,465</u>	<u>372</u>
NET ASSETS					
Total net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF FIDUCIARY NET ASSETS
ALL AGENCY FUNDS
JUNE 30, 2008**

	Magistrates		Clerk of Court	Tax Collector	Total
	General Account	Civil Account			
ASSETS					
Cash	\$ 180,777	\$ 5,663	174	\$ 688,546	\$ 3,298,805
Delinquent taxes receivable	-	-	-	-	915,055
Due from credit card	930	-	-	-	930
Due from General Fund	-	-	-	-	21,182
Due from Treasurer - Cash overage	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Due from other magistrates	174	-	-	-	174
Due from trust fund holders	-	-	-	2,551	2,551
Total assets	<u>181,881</u>	<u>5,663</u>	<u>174</u>	<u>691,097</u>	<u>4,238,697</u>
LIABILITIES					
Due to trust fund holders	59,871	-	-	632,134	3,284,778
Due to Treasurer	114,195	5,663	-	44,218	164,076
Due to Treasurer - cash overage (shortage)	7,815	-	-	14,745	22,560
Due to General Fund	-	-	-	-	-
Deferred revenue	-	-	-	2,422	2,422
Due to Town magistrates	-	-	-	-	764,687
Due to other magistrates	-	-	-	-	-
Total liabilities	<u>181,881</u>	<u>5,663</u>	<u>174</u>	<u>691,097</u>	<u>4,238,697</u>
NET ASSETS					
Total net assets	\$ -	\$ -	\$ -	\$ -	\$ -

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2008

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
Municipalities				
Assets				
Due from General Fund	\$ -	\$ 372	\$ -	\$ 372
Total Assets	<u>\$ -</u>	<u>\$ 372</u>	<u>\$ -</u>	<u>\$ 372</u>
Liabilities				
Due to Towns	\$ -	\$ 372	\$ -	\$ 372
Total Liabilities	<u>\$ -</u>	<u>\$ 372</u>	<u>\$ -</u>	<u>\$ 372</u>
School Districts Debt Service				
Assets				
Cash and investments	\$ 2,376,190	\$ -	\$ 256,945	\$ 2,119,245
Due from other funds	-	7,662	-	7,662
Delinquent taxes receivable	127,522	-	4,540	122,982
Total Assets	<u>\$ 2,503,712</u>	<u>\$ 7,662</u>	<u>\$ 261,485</u>	<u>\$ 2,249,889</u>
Liabilities				
Deferred revenue	110,809	-	3,432	107,377
Due to trust fund holders	2,392,903	-	250,391	2,142,512
Total Liabilities	<u>\$ 2,503,712</u>	<u>\$ -</u>	<u>\$ 253,823</u>	<u>\$ 2,249,889</u>
School District Operations				
Assets				
Delinquent taxes receivable	\$ 751,794	\$ 40,279	\$ -	\$ 792,073
Due from General Fund	-	13,148	-	13,148
Total Assets	<u>\$ 751,794</u>	<u>\$ 53,427</u>	<u>\$ -</u>	<u>\$ 805,221</u>
Liabilities				
Deferred revenue	\$ 603,423	\$ 53,887	\$ -	\$ 657,310
Due to trust fund holders	148,371	-	460	147,911
Total Liabilities	<u>\$ 751,794</u>	<u>\$ 53,887</u>	<u>\$ 460</u>	<u>\$ 805,221</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2008**

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
Probate Judge:				
Assets				
Cash	\$ 420	\$ 63,374	\$ 63,254	\$ 540
Due from trust fund holders	-	-	-	-
Total Assets	<u>\$ 420</u>	<u>\$ 63,374</u>	<u>\$ 63,254</u>	<u>\$ 540</u>
Liabilities				
Due to trust fund holders	\$ 420	\$ 120	\$ -	\$ 540
Total Liabilities	<u>\$ 420</u>	<u>\$ 120</u>	<u>\$ -</u>	<u>\$ 540</u>
Master In Equity				
Assets				
Cash	\$ 9,310	\$ 380,490	\$ 358,335	\$ 31,465
Total Assets	<u>\$ 9,310</u>	<u>\$ 380,490</u>	<u>\$ 358,335</u>	<u>\$ 31,465</u>
Liabilities				
Due to trust fund holders	\$ 9,310	\$ 22,155	\$ -	\$ 31,465
Total Liabilities	<u>\$ 9,310</u>	<u>\$ 22,155</u>	<u>\$ -</u>	<u>\$ 31,465</u>
Magistrate: General account				
Assets				
Cash	\$ 214,263	\$ 1,790,956	\$ 1,824,442	\$ 180,777
Due from credit card	-	930	-	930
Due from other magistrates	550	-	376	174
Total Assets	<u>\$ 214,813</u>	<u>\$ 1,791,886</u>	<u>\$ 1,824,818</u>	<u>\$ 181,881</u>
Liabilities				
Due to Treasurer	\$ 156,795	\$ 114,195	\$ 156,795	\$ 114,195
Due to trust fund holders	53,140	59,871	53,140	59,871
Due to Treasurer - cash overage/(shortage)	4,878	7,815	4,878	7,815
Total Liabilities	<u>\$ 214,813</u>	<u>\$ 181,881</u>	<u>\$ 214,813</u>	<u>\$ 181,881</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2008**

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
Magistrate: Civil Account				
Assets				
Cash	\$ 7,892	\$ 95,949	\$ 98,178	\$ 5,663
Total Assets	<u>\$ 7,892</u>	<u>\$ 95,949</u>	<u>\$ 98,178</u>	<u>\$ 5,663</u>
Liabilities				
Due to Treasurer	\$ 7,892	\$ -	\$ 2,229	\$ 5,663
Total Liabilities	<u>\$ 7,892</u>	<u>\$ -</u>	<u>\$ 2,229</u>	<u>\$ 5,663</u>
Magistrate: Part-time				
Assets				
Cash	\$ 469	\$ 152,298	\$ 152,593	\$ 174
Due from Treasurer - cash over/(short)	81	-	81	-
Total Assets	<u>\$ 550</u>	<u>\$ 152,298</u>	<u>\$ 152,674</u>	<u>\$ 174</u>
Liabilities				
Due to other magistrates	\$ 550	\$ -	\$ 376	\$ 174
Total Liabilities	<u>\$ 550</u>	<u>\$ -</u>	<u>\$ 376</u>	<u>\$ 174</u>
Clerk of Court				
Assets				
Cash	\$ 898,752	\$ 438,651	\$ 648,857	\$ 688,546
Due from trust fund holders	3,168	-	617	2,551
Total Assets	<u>\$ 901,920</u>	<u>\$ 438,651</u>	<u>\$ 649,474</u>	<u>\$ 691,097</u>
Liabilities				
Due to Treasurer	\$ 135,955	\$ -	\$ 91,737	\$ 44,218
Due to trust fund holders	759,831	-	127,697	632,134
Due to Treasurer - cash overage/(shortage)	6,134	8,611	-	14,745
Total Liabilities	<u>\$ 901,920</u>	<u>\$ 8,611</u>	<u>\$ 219,434</u>	<u>\$ 691,097</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2008**

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
Tax Collector				
Assets				
Cash	\$ 398,960	\$ -	\$ 126,565	\$ 272,395
Accounts receivable	6,419	-	6,419	-
Total Assets	<u>\$ 405,379</u>	<u>\$ -</u>	<u>\$ 132,984</u>	<u>\$ 272,395</u>
Liabilities				
Due to General Fund	\$ -	\$ 2,422	\$ -	\$ 2,422
Due to trust fund holders	405,379	-	135,406	269,973
Total Liabilities	<u>\$ 405,379</u>	<u>\$ 2,422</u>	<u>\$ 135,406</u>	<u>\$ 272,395</u>
Total All Agency Funds				
Assets				
Cash and Investments	\$ 3,906,256	\$ 2,921,718	\$ 3,529,169	\$ 3,298,805
Delinquent taxes receivable	879,316	40,279	4,540	915,055
Due from Treasurer	81	-	81	-
Due from credit card	-	930	-	930
Due from General Fund	-	21,182	-	21,182
Accounts receivable	6,419	-	6,419	-
Due from other magistrates	631	-	457	174
Due from trust fund holders	3,168	-	617	2,551
Total Assets	<u>\$ 4,795,871</u>	<u>\$ 2,984,109</u>	<u>\$ 3,541,283</u>	<u>\$ 4,238,697</u>
Liabilities				
Due to Treasurer	\$ 300,642	\$ 114,195	\$ 250,761	\$ 164,076
Due to Treasurer - cash overage/(shortage)	11,012	16,426	4,878	22,560
Due to General Fund	-	2,422	-	2,422
Due to trust fund holders	3,769,354	82,146	567,094	3,284,406
Deferred revenue	714,232	53,887	3,432	764,687
Due to Towns	-	372	-	372
Due to other magistrates	550	-	376	174
Total Liabilities	<u>\$ 4,795,790</u>	<u>\$ 269,448</u>	<u>\$ 826,541</u>	<u>\$ 4,238,697</u>

CLARENDON COUNTY
SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES
SPECIAL REVENUE FUND - VICTIMS' RIGHTS FUND
JUNE 30, 2008

	Clerk of Court	Magistrates	Total
Court Fines			
Court fines collected	\$ 21,575	\$ 785,107	\$ 806,682
Court fines retained by County	<u>16,852</u>	<u>785,107</u>	<u>801,959</u>
Court fines remitted to State Treasurer	<u>\$ 4,723</u>	<u>\$ -</u>	<u>\$ 4,723</u>
Court Assessments			
Court assessments collected	\$ 11,804	\$ 1,042,564	\$ 1,054,368
Court assessments retained by County	<u>4,362</u>	<u>76,464</u>	<u>80,826</u>
Court assessments remitted to State Treasurer	<u>\$ 7,442</u>	<u>\$ 966,100</u>	<u>\$ 973,542</u>
Court Surcharges			
Court surcharges collected	<u>\$ 12,546</u>	<u>\$ 22,349</u>	<u>\$ 34,895</u>
Court surcharges retained by County	<u>\$ 12,546</u>	<u>\$ 22,349</u>	<u>\$ 34,895</u>
Victims Services			
Court assessments allocated to Victim Services	\$ 4,362	\$ 76,464	\$ 80,826
Court surcharges allocated to Victim Services	<u>12,546</u>	<u>22,349</u>	<u>34,895</u>
Funds allocated to Victim Services	<u>\$ 16,908</u>	<u>\$ 98,813</u>	115,721
Victim Services expenditures			<u>(102,145)</u>
			<u>\$ 13,576</u>
Beginning balance - July 1, 2007		\$ 3,055	
Excess of expenditures over revenue for current year		13,576	
Interest Income		<u>144</u>	
Ending Balance - June 30, 2008		<u>\$ 16,775</u>	

**CLARENDON COUNTY, SOUTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2008**

Real and Other Personal Property Assessed Value	\$ 64,553,373
Vehicles Assessed Value	11,269,285
Manufacturer's Assessed Value	1,616,140
Merchants Inventory Value	1,966,330
Motor Carrier Assessed Value	<u>947,767</u>
Total Taxable Assessed Value	<u>80,352,895</u>
Debt Limit - Eight Percent (8%) of Total Taxable Assessed Value	6,428,232
Amount of Debt Applicable to Debt Limit:	<u>2,865,000</u>
LEGAL DEBT MARGIN	<u><u>\$ 3,563,232</u></u>

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February 6, 2009

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 the financial statements of the governmental 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, 2008, which collectively comprise Clarendon County's basic financial statements and have issued our report thereon dated February 6, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Clarendon County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Clarendon County's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Clarendon County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Clarendon County's financial statements that is more than inconsequential will not be prevented or detected by Clarendon County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Clarendon County's internal control

**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)

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily disclose all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the audit committee, County Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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February 6, 2009

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of Clarendon County, South Carolina, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Clarendon County's management. Our responsibility is to express an opinion on Clarendon County's compliance based on our audit.

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. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Clarendon County's compliance with those requirements.

In our opinion, Clarendon County, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**
(continued)

Internal Control Over Compliance

The management of Clarendon County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Clarendon County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. *A significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, County Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

McShegler & Co. LLP

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2008**

Grantor	Grantor Number	Federal CFDA Number	Award Amount	Total Awards Expended
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
Community Development Block Grant:				
DSN Workforce Training	4-WT-04-002	14 228	500,000	\$ 342,520
Paxville CDC Training Center	4-CC-06-002	14 228	500,000	64,559
JW Southwoods	4-ED-07-001	14 228	200,000	200,000
U. S. DEPARTMENT OF JUSTICE:				
Through SC Department of Public Safety:				
COPS in School	2004-SHWX-0115	16 710	183,820	59,180
Secure Our Schools	2005CKWX0621	16 710	111,000	13,987
Justice Assistance 2005	2005-DJ-BX-1283	16 738	18,803	286
Justice Assistance 2007	2007-DJ-BX-1067	16 738	18,940	17,568
Automated Fingerprint Identification	1G06021	16 738	70,373	4,260
U. S. DEPARTMENT OF COMMERCE:				
Through SC Law Enforcement Division:				
Clarendon Radio Interoperable Communications Project	7PSIC10	11 555	365,920	365,920
FEDERAL AVIATION ADMINISTRATION				
Airport Hanger Project	3-45-0038-005-2007	20 106	526,451	499,138
Airport Hanger Project	3-45-0038-006-2008	20 106	111,240	45,322
Airport Improvement Program	3-45-0038-04	20 106	60,000	22,500
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Office of Child Support Enforcement Family Court Administration (Title IV-D):				
Federal Financial Assistance	G-04SC4004	93 563	42,642	34,615
Sheriff Department	G-04SC4004	93 563	9,223	6,072
Family Court	G-04SC4004	93 563	33,656	94,317
Clerk of Court Incentive (Title IV-D)	G-04SC4004	93 563	88,423	36,388
Family Court filing fees	G-04SC4004	93 563	30,547	29,850
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Through SC Emergency Management Division:				
Local Emergency Mgmt Planning 2007	7EMPG01	97 042	37,507	33,215
Local Emergency Mgmt Planning 2008	8EMPG01	97 042	34,193	4,201
Citizens CORPS 2006	6CCP01	97 067	7,434	5,480
U. S. DEPARTMENT OF THE INTERIOR:				
Emergency Watershed	69-4639-5-5011	10 904	51,000	3,900
U. S. DEPARTMENT OF AGRICULTURE:				
Urban Forestry grant	2007U28	10 675	12,450	<u>52</u>
TOTAL FEDERAL ASSISTANCE				<u><u>\$ 1,883,330</u></u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

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 requirements of OMB Circular A-133, *Audit 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 financial statements.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of Clarendon County
2. No significant deficiencies were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs for Clarendon County were disclosed during the audit.
5. The auditor's report on compliance for the major federal award programs for Clarendon County expresses an unqualified 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 programs tested as major programs included:

DSN Workforce Training	14,228
Airport Grants	20,106
Clarendon Radio Interoperable Communications	11,555
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Clarendon County was determined to be a low-risk auditee.

B. Findings – Financial Statement Audit

There were no findings for Clarendon County, South Carolina

C. Findings – Major Federal Program Audit

There were no findings for Clarendon County, South Carolina