

**AUDITED FINANCIAL STATEMENTS**

**CLARENDON COUNTY**

**MANNING, SOUTH CAROLINA**

**JUNE 30, 2011**

**AUDITED FINANCIAL STATEMENTS**

**CLARENDON COUNTY**

**MANNING, SOUTH CAROLINA**

**JUNE 30, 2011**

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January 5, 2012

## 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clarendon County, as of and for the year ended June 30, 2011, 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 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clarendon County, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, 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 January 5, 2012, 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 should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of funding progress for the retiree health plan on pages 3 through 10 and page 58, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial schedules, the statistical section, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*McNeeger & Co. LLP*

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2011**

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, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, and in the financial statements and notes to the financial statements.

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

**Financial Highlights:**

- Clarendon County's assets exceeded its liabilities at June 30, 2011 by \$26.0 million (net assets). Of this amount, \$4.0 million (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets decreased \$1.9 million over the previous year which includes a \$2.3 million equity transfer to a component unit of the County.
- At June 30, 2011, the County's governmental fund balance sheet reported a combined ending fund balance of \$14.1 million, an increase of \$0.4 million over the previous fiscal year. Of this amount, \$6.5 million remains in the various funds of the County as either committed, assigned or unassigned.
- The General Fund reported a fund balance of \$3.8 million, a decrease from last fiscal year of \$2.6 million, which includes a \$1.7 million equity transfer to a component unit of the County. This ending balance equates to 21% of General Fund expenditures for the year.
- Total bonded debt increased \$6.2 million in fiscal year 2011. The main component of this increase was a \$6.5 million Revenue Bond issued to a blended component unit to finance improvements to the Administrative Office Complex.

**Overview of the Financial Statements**

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

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2011**

**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.

*Governmental funds:* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2011**

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 which is considered to be a major fund. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

*Proprietary funds:* Clarendon County utilizes two proprietary funds associated with its Water and Sewer related activities and the Weldon Auditorium. These statements are found on pages 17-19

*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 20 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 21 through 61 of this report.

**Other information:** In addition to the basic financial statements and accompanying notes, the combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 63 through 83 of this report.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2011**

**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 \$26.0 million at the close of the most recent fiscal year. The County's decrease in net assets for this fiscal year amounts to \$1.9 million, the result of an equity transfer of \$2.3 million to a component unit of the County involved in business development efforts.

The largest portion of the County's net assets (76%) 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  
(Dollars in Thousands)**

	<b>Governmental Activities</b>		<b>Business-type Activities As Restated</b>		<b>Total</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Current and other assets	\$ 15,284	\$ 15,009	\$ 1,661	\$ 506	\$ 16,945	\$ 15,515
Capital assets	21,263	18,837	5,860	2,998	27,123	21,835
Other noncurrent assets	-	289	-	-	-	289
<b>Total assets</b>	<u>36,547</u>	<u>34,135</u>	<u>7,521</u>	<u>3,504</u>	<u>44,068</u>	<u>37,639</u>
Long-term liabilities outstanding	11,156	4,155	3,225	3,258	14,381	7,413
Other liabilities	<u>248</u>	<u>849</u>	<u>3,370</u>	<u>1,401</u>	<u>3,618</u>	<u>2,250</u>
<b>Total liabilities</b>	<u>11,404</u>	<u>5,004</u>	<u>6,595</u>	<u>4,659</u>	<u>17,999</u>	<u>9,663</u>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	18,756	17,024	1,167	(355)	19,923	16,669
Restricted	1,610	2,672	581		7,953	2,672
Unrestricted	<u>4,777</u>	<u>9,435</u>	<u>(822)</u>	<u>(800)</u>	<u>(1,807)</u>	<u>8,635</u>
<b>Total net assets</b>	<u>\$ 25,143</u>	<u>\$ 29,131</u>	<u>\$ 926</u>	<u>\$ (1,155)</u>	<u>\$ 26,069</u>	<u>\$ 27,976</u>

An additional portion of the County's net assets (8%) represents resources that are subject to external restrictions on how they may be used. The remaining of unrestricted net assets (\$4.0 million) may be used to meet the government's ongoing obligations to citizens and creditors.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2011**

At the end of the current fiscal year, Clarendon County is able to report positive balances in all of its net assets categories as a whole within its governmental activities. However; the business-type activities; while they improved net assets throughout the fiscal year, reflected a negative balance in unrestricted net assets at fiscal year end.

The changes in net assets displayed below shows the governmental activities during the fiscal year. The decrease in net assets resulted primarily from a transfer of assets from governmental to business-type activities; and an Equity transfer to a component unit of the County as previously mentioned.

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010 as Restated</b>	<b>2011</b>	<b>2010 as Restated</b>
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges from Services	\$ 4,205	\$ 3,898	\$ 610	\$ 336	\$ 4,815	\$ 4,234
Grants and Contributions	1,827	1,188	-	-	1,827	1,188
<b>General revenues:</b>						
Ad valorem taxes	14,182	14,347	-	-	14,182	14,347
Other taxes	2,921	2,878	-	-	2,921	2,878
State shared	1,558	1,796	-	-	1,558	1,796
Interest	28	26	1	-	29	26
Other	<u>254</u>	<u>207</u>	<u>-</u>	<u>-</u>	<u>254</u>	<u>207</u>
<b>Total revenues</b>	<b>24,975</b>	<b>24,340</b>	<b>611</b>	<b>336</b>	<b>25,586</b>	<b>24,676</b>
<b>Expenses:</b>						
<b>Program Activities:</b>						
<b>Government Activities:</b>						
General government	7,367	5,859	-	-	7,367	5,859
Public safety	9,631	9,167	-	-	9,631	9,167
Physical environment	2,836	3,883	-	-	2,836	3,883
Transportation	216	199	-	-	216	199
Economic environment	764	607	-	-	764	607
Court related	1,656	1,617	-	-	1,656	1,617
Cultural and recreational	623	735	-	-	623	735
Agencies	1,184	617	-	-	1,184	617
Interest on long-term debt	135	332	-	-	135	332
<b>Business-type Activities:</b>						
Water and sewer fund	-	-	388	305	388	305
Weldon Auditorium	<u>-</u>	<u>-</u>	<u>560</u>	<u>-</u>	<u>560</u>	<u>-</u>
<b>Total expenses</b>	<b>24,412</b>	<b>23,016</b>	<b>948</b>	<b>305</b>	<b>25,360</b>	<b>23,321</b>
Transfers in (out)	(2,293)	19	2,418	105	125	124
<b>Increase in net assets</b>	<b><u>(1,730)</u></b>	<b><u>1,343</u></b>	<b><u>2,081</u></b>	<b><u>136</u></b>	<b><u>351</u></b>	<b><u>1,479</u></b>
<b>Equity Transfer</b>	<b>(2,258)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,258)</b>	<b>-</b>
<b>Beginning net assets - Restated</b>	<b><u>29,131</u></b>	<b><u>27,788</u></b>	<b><u>(1,155)</u></b>	<b><u>(1,291)</u></b>	<b><u>27,976</u></b>	<b><u>26,497</u></b>
<b>Ending net assets</b>	<b><u>\$ 25,143</u></b>	<b><u>\$ 29,131</u></b>	<b><u>\$ 926</u></b>	<b><u>\$ (1,155)</u></b>	<b><u>\$ 26,069</u></b>	<b><u>\$ 27,976</u></b>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2011**

**Primary Governmental Activities:** Revenues for the County's governmental activities were \$25 million for fiscal year 2011 and \$611 thousand for its Business-type activities. Taxes constitute the largest source of County revenues, amounting to approximately \$17.1 million for the fiscal year 2011. Real property taxes (\$9.9 million) represent 58% of total taxes and 39% of all revenue combined. Lastly, intergovernmental revenues were reduced to \$1.6 million for the fiscal year end.

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

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

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

As of June 30, 2011, Clarendon County governmental funds reported combined fund balances of \$14.1 million an increase of \$390 thousand over the prior year balances. The main component of this increase was a \$6.5 million Revenue Bond issued to blended component unit of the County to finance improvements to the Administrative Office complex.

The General Fund is the chief operating fund of the County. At June 30, 2011, total fund balance in the General Fund was \$3.8 million, of which \$2.5 million was not restricted. As a measure of the General Fund's liquidity, the total and unassigned fund balances compared to total fund expenditures shows percentages of 21% and 10%, respectively. The fund balance of the General Fund decreased by 40.8%, or \$2.6 million during the fiscal year as transfers were made to the capital projects fund (acquisition of property for the Administrative complex), business-type activities (Weldon auditorium) and an equity transfer to a component unit of the County (Clarendon County Business Development Corporation).

### **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 2011 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, an increase in the local option sales tax credit provided to taxpayers and previous comment(s) pertaining to transfers.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2011**

**Capital Asset and Debt Administration**

**Capital assets:** Clarendon County's investment in capital assets for its governmental type activities as of June 30, 2011 amounts to \$21.3 million (net of accumulated depreciation) and \$5.9 million within its business-type activity. This investment in capital assets includes land, buildings and improvements, machinery and equipment and construction in progress. Clarendon County's investment in capital assets for the fiscal year was up 24.2%, primarily as a result of the completion of Weldon Auditorium and construction in progress water system expansion and the Administrative office complex

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

	<b>Government Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Land	\$ 2,993	\$ 1,811	\$ 96	\$ 60	\$ 3,089	\$ 1,871
Infrastructure	4,065	4,005	-	-	4,065	4,005
Construction in progress	1,676	2,056	1,569	104	3,245	2,160
Buildings and improvements	9,528	7,762	3,397	2	12,925	7,764
Water distribution system	-	-	614	619	614	619
Machinery and equipment	<u>3,001</u>	<u>3,203</u>	<u>184</u>	<u>177</u>	<u>3,185</u>	<u>3,380</u>
<b>Total</b>	<u>\$ 21,263</u>	<u>\$ 18,837</u>	<u>\$ 5,860</u>	<u>\$ 962</u>	<u>\$ 27,123</u>	<u>\$ 19,799</u>

Additional information on the County's capital assets can be found in note 6 on pages 36 and 39 of this report

**Long-term debt:** At the end of the current fiscal year, Clarendon County had a general obligation bond bonded debt outstanding of \$1.8 million, of which \$1.8 million is backed by the full faith and credit of the County

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

	<b>2011</b>	<b>2010</b>
General obligation bond	\$ 1,798	\$ 2,100
Revenue bond	11,192	3,250
Capital lease(s)	<u>528</u>	<u>563</u>
	<u>\$ 13,518</u>	<u>\$ 5,913</u>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
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The County's total debt increased \$1.4 million primarily as a result of the issuance of a \$1.4 million on a revenue bond construction line of credit associated with expansion of water system. The County currently has a rating of "A+" from Standard & Poor's Corporation on general obligation bond issues. As of June 30, 2011, the County's general obligation debt and capital lease approximated seventy-two dollars (\$72) per capita.

Additional information on Clarendon County's long-term debt can be found in note 8 on pages 43 through 45 of this report.

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

- The unemployment rate for Clarendon County is currently 15.76%, which represents an increase from a year ago. This compares to the state's average unemployment rate of 10.5% and the national average rate of 9.2%.
- Taxable property valuation remained constant at \$93 million in 2011 with a \$1 million increase in real and other personal property offset by a similar reduction in vehicles.
- County-wide taxable sales increased 0.9%, from \$235 million in 2010 to \$237 million in 2011.

All of these factors were considered in preparing the County's budget for the 2012 fiscal year. Per the Fiscal Year 2012 Adopted Budget, disbursements are budgeted at \$18.5 million, a 3.5% increase from the fiscal year 2011 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  
STATEMENTS OF NET ASSETS  
JUNE 30, 2011

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Harvin Clarendon County Library	C. C. Business Development Corp.
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents - Note 3	\$ 10 986 112	\$ 1 590 232	\$ 12 556 344	\$ 167 736	\$ 1 021 265
Receivables:					
Delinquent taxes	1 644 417	-	1 644 417	-	-
Other	100 979	33 444	134 423	-	-
Due from fiduciary funds	101 953	-	101 953	-	-
Prepaid expense	-	38 050	38 050	-	-
Due from other governments	2 427 954	-	2 427 954	-	-
Inventories	41 884	-	41 884	-	-
Capital leases and notes receivable - Note 5	-	-	-	-	77,136
Total current assets	<u>15,283,299</u>	<u>1,661,726</u>	<u>16,945,025</u>	<u>167,736</u>	<u>1,098,401</u>
Non-current assets:					
Notes receivable - Note 5	-	-	-	-	224 599
Capital assets-net - Note 6	21 262 913	5 859 599	27 122 512	295 777	5 179 331
Capital lease receivable (net of current portion) - Note 5	-	-	-	-	481,557
Total non-current assets	<u>21,262,913</u>	<u>5,859,599</u>	<u>27,122,512</u>	<u>295,777</u>	<u>5,885,487</u>
Total assets	<u>36,546,212</u>	<u>7,521,325</u>	<u>44,067,537</u>	<u>463,513</u>	<u>6,983,888</u>
<b>LIABILITIES</b>					
Current liabilities (payable from current assets):					
Accounts payable	596 532	26 857	623 389	3 247	-
Due to other governments	93 919	1 627	95 546	-	-
Internal balances	(1 810 519)	1 810 519	-	-	-
Due to fiduciary funds - Note 7	283 524	-	283 524	-	-
Deferred revenue	239 874	44 009	283 883	-	46 755
Taxes to be distributed	7 427	-	7 427	-	-
Note payable - Note 8	-	-	-	-	112 916
Other liabilities	353 420	-	353 420	-	125 000
Accrued compensated absences - Note 8	36 365	-	36 365	586	-
Closures and maintenance costs payable - Note 8	18 300	-	18 300	-	-
Capital lease - Note 8	109 069	-	109 069	-	-
Bond payable - Note 8	320,000	1,487,271	1,807,271	-	-
Total current liabilities	<u>247,911</u>	<u>3,370,283</u>	<u>3,618,194</u>	<u>3,833</u>	<u>284,671</u>
Non-current liabilities:					
Accrued compensated absences - Note 8	376 865	-	376 865	17 282	-
Closures and maintenance costs payable - Note 8	338 550	-	338 550	-	-
Note payable	-	-	-	-	1 444 510
OPEB payable	2 043 018	19 921	2 062 939	46 155	-
Capital lease - Note 8	419 424	-	419 424	-	-
Bond payable - Note 8	7,978,000	3,205,000	11,183,000	-	-
Total long-term liabilities	<u>11,155,857</u>	<u>3,224,921</u>	<u>14,380,778</u>	<u>63,437</u>	<u>1,444,510</u>
Total liabilities	<u>11,403,768</u>	<u>6,595,204</u>	<u>17,998,972</u>	<u>67,270</u>	<u>1,729,181</u>
<b>NET ASSETS</b>					
Invested in capital assets net of related debt	18 755 775	1 167 328	19 923 103	295 777	-
Restricted:					
Debt Service	275 510	581 423	856 933	-	-
Local option sales tax revenue	1 333 946	-	1 333 946	-	-
Unrestricted	4,777,213	(822,630)	3,954,583	100,466	5,254,707
Total net assets	<u>\$ 25,142,444</u>	<u>\$ 928,121</u>	<u>\$ 26,068,565</u>	<u>\$ 396,243</u>	<u>\$ 5,254,707</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, 2011**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total	Harvin Clarendon	C.C. Business
								County Library	Development Corp.
<b>Primary Government:</b>									
Governmental activities:									
Public safety	\$ 9,630,892	\$ 638,981	\$ 331,595	\$ 1,191,546	\$ (7,468,770)	\$ -	\$ (7,468,770)	-	-
General government	7,662,600	107,140	-	-	(7,555,460)	-	(7,555,460)	-	-
Agencies	1,183,992	316,250	-	46,524	(821,218)	-	(821,218)	-	-
Physical environment	2,836,069	1,909,282	8,702	-	(918,085)	-	(918,085)	-	-
Court related	1,656,150	777,248	-	-	(878,902)	-	(878,902)	-	-
Economic environment	763,857	321,755	-	114,779	(327,323)	-	(327,323)	-	-
Culture/Recreation	326,965	94,012	-	25,264	(207,689)	-	(207,689)	-	-
Transportation	216,147	40,330	-	108,615	(67,202)	-	(67,202)	-	-
Interest	135,282	-	-	-	(135,282)	-	(135,282)	-	-
Total governmental activities	24,411,954	4,204,998	340,297	1,486,728	(18,379,931)	-	(18,379,931)	-	-
Business-Type Activities:									
Water & Sewer Utility	387,837	352,856	-	-	-	(34,981)	(34,981)	-	-
Weldon Auditorium	559,985	257,151	-	-	(302,834)	-	(302,834)	-	-
Total business-type activities	947,822	610,007	-	-	(337,815)	-	(337,815)	-	-
<b>Total Primary Government:</b>	<b>25,359,776</b>	<b>4,815,005</b>	<b>340,297</b>	<b>1,486,728</b>	<b>(18,379,931)</b>	<b>-</b>	<b>(18,171,746)</b>	<b>(548,680)</b>	<b>47,771</b>
<b>Component Units:</b>									
Harvin Clarendon County Library	\$ 639,530	\$ 18,215	\$ 66,953	\$ 5,682	-	-	13,514,297	540,000	-
C.C. Business Development Corp.	346,115	393,886	-	-	(2,292,864)	2,417,864	668,286	-	-
Total Component Units	\$ 985,645	\$ 412,101	\$ 66,953	\$ 5,682	\$ (1,730,100)	2,081,121	2,920,774	540,000	(125,000)
<b>General Revenues:</b>									
Taxes:									
Property taxes, levied for general purposes					13,514,297				
Property taxes, levied for debt services					668,286				
Sales and use taxes					2,920,774				
Franchise fees					61,995				
State shared revenues					1,558,474				
Interest earnings					26,694	1,072			
Gain on sale of fixed assets					8,246				
Miscellaneous					183,929				
Total general revenues					18,942,095	1,072	18,943,767	540,000	-
Transfers					(2,292,864)	2,417,864	125,000	-	(125,000)
Total general revenues, transfers and special item					16,649,831	2,418,936	19,068,767	540,000	(125,000)
Change in net assets					(1,730,100)	2,081,121	351,021	(8,680)	(77,229)
Equity Transfers					(2,258,157)	-	(2,258,157)	-	2,258,157
Net assets - beginning, as restated - Note 13					29,130,701	(1,155,000)	27,975,701	404,923	3,073,779
Net assets - ending					\$ 25,142,444	\$ 926,121	\$ 26,068,565	\$ 396,243	\$ 5,254,707

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

**CLARENDON COUNTY, SOUTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011**

	GENERAL	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,848,582	\$ 5,762,752	\$ 3,354,778	\$ 10,966,112
Accounts receivable				
Property taxes	1,336,095	-	308,322	1,644,417
Other	77,246	-	23,733	100,979
Due from other funds	256,916	-	17,113	274,029
Due from fiduciary funds	101,953	-	-	101,953
Due from business enterprise	892,403	918,116	-	1,810,519
Due from other governments	1,695,188	732,766	-	2,427,954
Supplies inventory	41,884	-	-	41,884
Notes receivable	-	-	-	-
Total assets	\$ 6,250,267	\$ 7,413,634	\$ 3,703,946	\$ 17,367,847
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 285,417	\$ 247,459	\$ 63,656	\$ 596,532
Accrued payroll and withholdings	235,068	-	-	235,068
Due to other funds	17,113	216,652	40,264	274,029
Due to fiduciary funds	283,524	-	-	283,524
Due to other governments	93,919	-	-	93,919
Deferred revenue	1,375,746	-	257,509	1,633,255
Advance mobile home revenue	7,427	-	-	7,427
Other liabilities	118,352	-	-	118,352
Total liabilities	2,416,566	464,111	361,429	3,242,106
Fund balances:				
Nonspendable	41,884	-	-	41,884
Restricted	1,333,946	5,762,752	501,778	7,598,476
Committed	620,000	350,000	650,000	1,620,000
Assigned	49,379	836,771	2,190,739	3,076,889
Unassigned	1,788,492	-	-	1,788,492
Total fund balances	3,833,701	6,949,523	3,342,517	14,125,741
Total Liabilities and Fund balances	\$ 6,250,267	\$ 7,413,634	\$ 3,703,946	

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	21,262,913
Long-term liabilities, including bonds payable (\$8,298,000), capital lease (\$528,493), accrued compensated absences (\$413,230) and closure and maintenances costs payable (\$356,850) are not reported in funds.	(9,596,573)
Other Post Employment Benefits (OPEB) liability represents the future unfunded costs associated with current benefits design	(2,043,018)
Delinquent taxes receivable are not financial resources in the current period and, therefore, are reported as deferred revenue in the funds	1,393,381
	\$ 25,142,444

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, 2011**

	GENERAL	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL
<b>REVENUES</b>				
Taxes	\$ 13,763,251	\$ -	\$ 3,079,101	\$ 16,842,352
Licenses and permits	97,012	-	-	97,012
Intergovernmental	2,070,934	1,266,257	1,374,411	4,711,602
Charges for services	1,174,589	-	243,866	1,418,455
Fines and forfeitures	574,856	-	357,049	931,905
Special assessments	-	-	76,450	76,450
Interest	18,193	896	7,605	26,694
Miscellaneous	701,440	-	-	701,440
Total revenues	<u>18,400,275</u>	<u>1,267,153</u>	<u>5,138,482</u>	<u>24,805,910</u>
<b>EXPENDITURES</b>				
Current:				
General government	4,955,392	1,639,164	1,404,286	7,998,842
Public safety	6,488,875	-	2,326,049	8,814,924
Physical environment	3,097,800	-	-	3,097,800
Transportation	207,348	-	-	207,348
Economic environment	725,799	-	-	725,799
Agencies	1,103,226	-	74,482	1,177,708
Culture/Recreation	433,340	1,458,174	-	1,891,514
Court Related	1,406,740	-	160,202	1,566,942
Debt service:				
Principal	-	-	461,150	461,150
Interest and fiscal charges	-	-	135,282	135,282
Total expenditures	<u>18,418,520</u>	<u>3,097,338</u>	<u>4,561,451</u>	<u>26,077,309</u>
Excess of revenues over (under) expenditures	(18,245)	(1,830,185)	577,031	(1,271,399)
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of assets	8,246	-	-	8,246
Bond proceeds	-	6,204,113	-	6,204,113
Transfers	(884,502)	(734,101)	(674,261)	(2,292,864)
Net other financing sources (uses)	<u>(876,256)</u>	<u>5,470,012</u>	<u>(674,261)</u>	<u>3,919,495</u>
Net changes in fund balances	<u>(894,501)</u>	<u>3,639,827</u>	<u>(97,230)</u>	<u>2,648,096</u>
Equity Transfer	(1,748,337)	-	(509,820)	(2,258,157)
Fund balances at beginning of year, as restated - Note 13	<u>6,476,539</u>	<u>3,309,696</u>	<u>3,949,567</u>	<u>13,735,802</u>
Fund balances at end of year	<u>\$ 3,833,701</u>	<u>\$ 6,949,523</u>	<u>\$ 3,342,517</u>	<u>\$ 14,125,741</u>

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

**CLARENDON COUNTY, SOUTH CAROLINA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**JUNE 30, 2011**

Net Changes in fund balances - total governmental funds		\$ 2,648,096
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	3,736,864	
Recognize disposal of assets (net)	(7,399)	
Less current year depreciation	<u>(1,463,717)</u>	2,265,748
Lease and bond proceeds provide current financial resources to government funds, but incurring debt increases long-term liabilities in the statement of net assets.		
Bond proceeds	(6,500,000)	
Bond principal payment	302,000	
Capital lease payment	<u>194,623</u>	(6,003,377)
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	(88,438)	
Change in OPEB liability	(723,816)	
Change in closure and maintenance costs payable	<u>11,125</u>	(801,129)
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>160,562</u>
Change in net assets of governmental activities.		<u><u>\$ (1,730,100)</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, 2011**

	<u>Budgeted Amounts</u>		<b>Actual Budget Basis (Note 2)</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 14,297,897	\$ 14,297,897	\$ 13,763,251	\$ (534,646)
Licenses and permits	113,000	113,000	97,012	(15,988)
Intergovernmental	1,609,130	1,609,130	2,070,934	461,804
Charges for services	990,000	990,000	1,174,589	184,589
Fines and forfeitures	781,000	781,000	574,856	(206,144)
Interest	8,000	8,000	18,193	10,193
Miscellaneous	251,500	251,500	701,440	449,940
Total revenues	<u>18,050,527</u>	<u>18,050,527</u>	<u>18,400,275</u>	<u>349,748</u>
<b>EXPENDITURES</b>				
Current:				
General government	4,905,517	4,679,249	4,852,487	(173,238)
Public safety	6,313,727	6,461,604	6,484,633	(23,029)
Physical environment	3,143,853	3,163,491	3,076,187	87,304
Transportation	390,216	393,825	205,748	188,077
Economic environment	727,246	738,870	716,011	22,859
Culture/Recreation	358,032	363,680	433,340	(69,660)
Court related	1,413,860	1,438,982	1,406,471	32,511
Agencies	1,048,076	1,060,826	1,103,226	(42,400)
Total expenditures	<u>18,300,527</u>	<u>18,300,527</u>	<u>18,278,103</u>	<u>22,424</u>
Excess of revenues over (under) expenditures	(250,000)	(250,000)	122,172	327,324
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of assets	45,000	45,000	8,246	(36,754)
Transfers In/(Out)	(150,000)	(150,000)	(884,502)	(734,502)
Net other financing sources (uses)	<u>(105,000)</u>	<u>(105,000)</u>	<u>(876,256)</u>	<u>(771,256)</u>
Net change in fund balances	(355,000)	(355,000)	(754,084)	(443,932)
Equity Transfer	<u>-</u>	<u>-</u>	<u>(1,748,337)</u>	<u>(1,748,337)</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	<u>\$ (355,000)</u>	<u>\$ (355,000)</u>	<u>(2,502,421)</u>	<u>\$ (2,192,269)</u>
Fund balances at beginning of year as restated - Note 13			<u>6,295,573</u>	
Fund balances at end of year			<u>\$ 3,793,152</u>	

The accompanying notes are an integral part of the financial statements

**CLARENDON COUNTY, SOUTH CAROLINA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2011**

	<b>WATER &amp; SEWER FUND</b>	<b>WELDON AUDITORIUM</b>	<b>TOTAL ENTERPRISE FUNDS</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 843,918	\$ 746,314	\$ 1,590,232
Accounts receivable, net of allowance	33,444	-	33,444
Prepaid expense	-	38,050	38,050
Total current assets	<u>877,362</u>	<u>784,364</u>	<u>1,661,726</u>
<b>Property, Plant and Equipment</b>			
Land	96,272	-	96,272
Buildings and improvements	1,978	3,438,173	3,440,151
Machinery and equipment	52,983	-	52,983
Water and sewer system	831,615	-	831,615
Other	7,408	-	7,408
Construction in Progress	1,568,174	-	1,568,174
Less: Accumulated Depreciation	<u>(94,027)</u>	<u>(42,977)</u>	<u>(137,004)</u>
Net property, plant and equipment	<u>2,464,403</u>	<u>3,395,196</u>	<u>5,859,599</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 3,341,765</u></u>	<u><u>\$ 4,179,560</u></u>	<u><u>\$ 7,521,325</u></u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 23,360	\$ 3,497	\$ 26,857
Due to other funds	1,810,519	-	1,810,519
Due to other governments	-	1,627	1,627
Deferred revenue	40,809	3,200	44,009
Bond payable	1,442,271	45,000	1,487,271
Total current liabilities	<u>3,316,959</u>	<u>53,324</u>	<u>3,370,283</u>
<b>Long Term Liabilities:</b>			
Bond payable	-	3,205,000	3,205,000
Net OPEB liability - Note 12	14,060	5,861	19,921
Total long term liabilities	<u>14,060</u>	<u>3,210,861</u>	<u>3,224,921</u>
<b>TOTAL LIABILITIES</b>	<u>3,331,019</u>	<u>3,264,185</u>	<u>6,595,204</u>
<b>Net Assets:</b>			
Unreserved	10,746	333,952	344,698
Reserved for:			
Debt service	-	581,423	581,423
Total net assets	<u>10,746</u>	<u>915,375</u>	<u>926,121</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 3,341,765</u></u>	<u><u>\$ 4,179,560</u></u>	<u><u>\$ 7,521,325</u></u>

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

**CLARENDON COUNTY, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<b>WATER &amp; SEWER UTILITY</b>	<b>WELDON AUDITORIUM</b>	<b>TOTAL ENTERPRISE FUNDS</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 352,856	\$ 257,151	\$ 610,007
Total operating revenues	<u>352,856</u>	<u>257,151</u>	<u>610,007</u>
<b>OPERATING EXPENDITURES</b>			
Cost of sales & services	170,560	-	170,560
Production expense	-	95,383	95,383
Personnel & benefits	124,671	105,460	230,131
Administration	54,454	227,324	281,778
Depreciation	38,152	42,977	81,129
Total operating expenditures	<u>387,837</u>	<u>471,144</u>	<u>858,981</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(34,981)</u>	<u>(213,993)</u>	<u>(248,974)</u>
<b>NON-OPERATING REVENUE (EXPENSES)</b>			
Investment income	986	86	1,072
Interest expense	-	(88,841)	(88,841)
Total non-operating revenue (expenses)	<u>986</u>	<u>(88,755)</u>	<u>(87,769)</u>
<b>NET INCOME (LOSS) BEFORE OTHER SOURCES (USES)</b>	(33,995)	(302,748)	(336,743)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers	-	2,417,864	2,417,864
Net other financing sources (uses)	<u>-</u>	<u>2,417,864</u>	<u>2,417,864</u>
<b>NET INCOME (LOSS)</b>	(33,995)	2,115,116	2,081,121
Fund balances at beginning of year - Note 13	<u>44,741</u>	<u>(1,199,741)</u>	<u>(1,155,000)</u>
<b>Fund balances at end of year</b>	<u>\$ 10,746</u>	<u>\$ 915,375</u>	<u>\$ 926,121</u>

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

**CLARENDON COUNTY, SOUTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<b>WATER &amp; SEWER UTILITY</b>	<b>WELDON AUDITORIUM</b>	<b>TOTAL ENTERPRISE FUNDS</b>
<b>Cash Flows From Operating Activities:</b>			
Cash received from customers	\$ 361,014	\$ 260,351	\$ 621,365
Cash paid to suppliers for goods and services	(213,336)	(355,633)	(568,969)
Cash paid to employees for services	(119,491)	(99,599)	(219,090)
<b>Net Cash Provided (Used) By Operating Activities</b>	<u>28,187</u>	<u>(194,881)</u>	<u>(166,694)</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers	-	2,417,864	2,417,864
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Bond proceeds	1,442,271	-	1,442,271
Increase (decrease) in interest paid on debt	-	(88,841)	(88,841)
Purchase of capital assets	(1,553,771)	(1,387,914)	(2,941,685)
<b>Net Cash Provided (Used) By Capital and Related Financing Activities</b>	<u>(111,500)</u>	<u>(1,476,755)</u>	<u>(1,588,255)</u>
<b>Cash Flow From Investing Activities:</b>			
Interest income	986	86	1,072
Amount due to other funds	444,466	-	444,466
<b>Net Cash Provided (Used) By Investing Activities</b>	<u>445,452</u>	<u>86</u>	<u>445,538</u>
Net Increase (Decrease) in Cash and Cash Equivalents	362,139	746,314	1,108,453
Cash and Cash Equivalents at Beginning of Year	481,779	-	481,779
Cash and Cash Equivalents at End of Year	<u>\$ 843,918</u>	<u>\$ 746,314</u>	<u>\$ 1,590,232</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by operating Activities</b>			
Operating income (loss)	\$ (34,981)	\$ (213,993)	\$ (248,974)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation expense	38,152	42,977	81,129
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(9,251)	-	(9,251)
(Increase) decrease in prepaids	-	(38,050)	(38,050)
Increase (decrease) in accounts payable	11,678	5,124	16,802
Increase (decrease) in OPEB liability	5,180	5,861	11,041
Increase (decrease) in deferred revenue	17,409	3,200	20,609
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>\$ 28,187</u>	<u>\$ (194,881)</u>	<u>\$ (166,694)</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, 2011**

**ASSETS**

Cash	\$ 7,044,721
Delinquent taxes receivable	1,463,551
Due from credit card	2,202
Due from other funds	283,524
Due from other magistrates	162
Due from trust fund holders	1,827
Total Assets	<u>8,795,987</u>

**LIABILITIES**

Due to trust fund holders	7,385,543
Due to Treasurer - cash overage (shortage)	26,696
Due to other funds	101,953
Deferred revenue	1,281,633
Due to other magistrates	162
Total Liabilities	<u>8,795,987</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 THE FINANCIAL STATEMENTS**

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

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

Clarendon County, South Carolina (the "County") is a political subdivision of the State. Incorporated in 1855, the County encompasses 599 square miles of land with an estimated population of 32,500. The County is governed by an elected five member council.

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

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

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

**A. Reporting Entity (continued)**

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

**Blended Component Unit:**

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

**Discretely Presented Component Units:**

**Harvin Clarendon County Library**

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

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

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

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

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

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

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

**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 and business-type activities of the primary government (including its blended component units), as well as its discreetly 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 a "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, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. The fiduciary statement includes financial information for the agency funds. The agency funds of the County primarily represent assets held by the County in a custodial capacity for other individuals or governments.

**Governmental Funds**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. 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 are two proprietary funds representing the Water and Sewer fund and the Weldon Auditorium. The Water and Sewer fund is used to account for the cost of providing water and sewer services to unincorporated areas of the County. The Weldon Auditorium Fund is used to account for the operations of the Weldon Auditorium.

**C. Basis of Presentation**

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

**1. Governmental Major Funds:**

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

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

**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)**

**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 or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

**5. Deferred Revenues**

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

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

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

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

**6. Accrued Compensated Absences**

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

**7. Landfill Closure Costs**

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

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

GASB Statement 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

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

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

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

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

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

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

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

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

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

**9. Net 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 according to the GASB Statement 54 requirements.

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

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

**Budgets and Budgetary Accounting**

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

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

**Budgetary Basis Of Accounting**

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual presents a comparison of the County's legally adopted budget with actual data on the budgetary basis of accounting. Budgetary accounting principles, however, differ from generally accepted accounting principles (GAAP). These different accounting principles result in the following differences in the excess (deficiency) of revenues and other financing sources (uses) over expenditures at June 30, 2011:

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

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

**Budgetary Basis Of Accounting (continued)**

	<b>General Fund</b>	<b>Fire Department</b>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - budgetary basis	\$ (754,084)	\$ 209,952
Timing differences:		
Net change in encumbrances	<u>(140,417)</u>	<u>19,575</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - GAAP basis	<u>\$ (894,501)</u>	<u>\$ 229,527</u>

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

Actual expenditures exceeded those budgeted because grant expenditures are not budgeted (as are grant revenues not budgeted).

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

**Primary Government**

At June 30, 2011, the carrying amount of the County's deposits and investments was \$19,600,215 and the bank balances and investment pool balances were \$20,554,280. To reconcile this information to the financial statements, we include the following:

Cash and investments	\$ 19,600,215
Cash on hand	<u>850</u>
Total cash	<u>\$ 19,601,065</u>
Proprietary fund	\$ 1,590,232
Fiduciary funds	7,044,721
Governmental funds	<u>10,966,112</u>
Total all funds	<u>\$ 19,601,065</u>

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

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

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of June 2011, none of the County's bank balance of \$10,314,207 was exposed to custodial credit risk.

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

The County has investments in the State Treasurer's Investment Pool and Federated Treasury Obligations Money Market Fund

	<b>Maturities</b>	<b>Fair Value</b>
State investment pool	18 months to 2 years	\$ 3,895,891
Treasury money market	30 day weighted average	<u>6,344,182</u>
		<u>\$ 10,240,073</u>

**Discretely Presented Component Units**

**Harvin Clarendon County Library**

As of June 30, 2011, the bank balance of the Library's deposits totaled \$167,736. Of the bank balance, \$167,736 was covered by the Federal Depository Insurance Corporation (FDIC) insurance.

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

As of June 30, 2011, the bank balance of the BDC's deposits totaled \$1,021,265. Of the bank balance of \$1,198,635, \$1,133,463 was covered by the Federal Depository Insurance Corporation (FDIC) and collateral pledged by the bank in the Corporation's name and \$65,172 was not covered by the FDIC insurance or secured by collateral.

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

**NOTE 4 - PROPERTY TAXES**

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

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

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

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

**Discretely Presented Component Units**

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

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. The cost of the building is \$1,800,000 and the accumulated depreciation is \$755,000. The future minimum lease payments are as follows:

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

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

**June 30,**

2012	\$ 198,810
2013	198,810
2014	198,810
2015	198,810
2016	198,810
2017-2019	<u>563,295</u>

Total minimum lease payments	<u>\$ 1,557,345</u>
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**Select Laboratories - SC, LLC**

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

**June 30,**

2012	\$ 47,552
2013	47,552
2014	<u>500,178</u>

Total minimum lease payments	595,282
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Less amount representing interest	<u>(100,803)</u>
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Present value of minimum lease payment	<u>\$ 494,479</u>
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**Starflo, Inc.**

Note receivable from a local industry dated April 9, 2003. Original 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 was given at the rate of \$2,500 per new permanent employee added after March 11, 2003 up to a maximum of \$125,000.

	\$ 119,308
Less Current Portion	<u>(14,214)</u>

Long Term Portion	<u>\$ 105,094</u>
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**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS**

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

**Lee County, South Carolina**

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

	\$ 169,505
Less Current Portion	<u>(50,000)</u>
Long Term Portion	<u>\$ 119,505</u>

**Agricultural Leases**

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

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Adjust- ments	Additions	Retire- ments	Ending Balance
<b>Governmental Activities</b>					
Capital assets not being depreciated:					
Land	\$ 1,810,508	\$ -	\$ 1,181,998	\$ -	\$ 2,992,506
Construction in Progress	<u>2,056,281</u>	<u>(2,050,259)</u>	<u>1,670,199</u>	<u>-</u>	<u>1,676,221</u>
Total capital assets not being depreciated	<u>3,866,789</u>	<u>(2,050,259)</u>	<u>2,852,197</u>	<u>-</u>	<u>4,668,727</u>
Capital assets being depreciated:					
Buildings and improvements	13,561,483	-	7,490	-	13,568,973
Infrastructure	5,278,350	-	387,820	-	5,666,170
Equipment	<u>9,544,501</u>	<u>(17,290)</u>	<u>649,782</u>	<u>79,973</u>	<u>10,097,020</u>
Total capital assets being depreciated	<u>28,384,334</u>	<u>(17,290)</u>	<u>1,045,092</u>	<u>79,973</u>	<u>29,332,163</u>

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

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

	<b>Beginning Balance</b>	<b>Adjust- ments</b>	<b>Additions</b>	<b>Retire- ments</b>	<b>Ending Balance</b>
Less accumulated depreciation for:					
Buildings and improvements	3,732,179	-	308,993	-	4,041,172
Infrastructure	1,272,999	-	327,895	-	1,600,894
Equipment	<u>6,341,656</u>	<u>-</u>	<u>826,829</u>	<u>72,574</u>	<u>7,095,911</u>
Total accumulated depreciation	<u>11,346,834</u>	<u>-</u>	<u>1,463,717</u>	<u>72,574</u>	<u>12,737,977</u>
Total capital assets being depreciated	<u>17,037,500</u>	<u>(17,290)</u>	<u>(418,625)</u>	<u>7,399</u>	<u>16,594,186</u>
Governmental activities capital assets, net	<u>\$ 20,904,289</u>	<u>\$ (2,067,549)</u>	<u>\$ 2,433,572</u>	<u>\$ 7,399</u>	<u>\$ 21,262,913</u>

The adjustments above reflect the transfer of Weldon Auditorium (construction in progress) to the Enterprise Fund. In addition, equipment was returned prior to being placed in service.

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

Governmental activities:	
Public Safety	\$ 703,466
General Government	628,276
Physical Environment	97,300
Cultural/Recreation	20,279
Court	5,432
Transportation	277
Economic Environment	<u>8,687</u>
Total depreciation expense-governmental activities	<u>\$ 1,463,717</u>

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

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

**Business Type Activities**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retire- ments</b>	<b>Ending Balance</b>
<b>Water and Sewer</b>				
Capital assets not being depreciated:				
Land	\$ 60,380	\$ 35,892	\$ -	\$ 96,272
Construction in Progress	<u>          -</u>	<u>1,568,174</u>	<u>          -</u>	<u>1,568,174</u>
Total capital assets not being depreciated	<u>60,380</u>	<u>1,604,066</u>	<u>          -</u>	<u>1,664,446</u>
Capital assets being depreciated:				
Buildings and improvements	1,978	-	-	1,978
Water system	658,570	20,000	-	678,570
Equipment	<u>179,071</u>	<u>34,366</u>	<u>          -</u>	<u>213,437</u>
Total capital assets being depreciated	<u>839,619</u>	<u>54,366</u>	<u>          -</u>	<u>893,985</u>
Less accumulated depreciation for:				
Buildings and improvements	314	197	-	511
Water system	39,203	25,026	-	64,229
Equipment	<u>16,359</u>	<u>12,929</u>	<u>          -</u>	<u>29,288</u>
Total accumulated depreciation	<u>55,876</u>	<u>38,152</u>	<u>          -</u>	<u>94,028</u>
Total capital assets being depreciated	<u>783,743</u>	<u>16,214</u>	<u>          -</u>	<u>799,957</u>
Governmental activities capital assets, net	<u>\$ 844,123</u>	<u>\$ 1,620,280</u>	<u>\$ -</u>	<u>\$ 2,464,403</u>

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

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

**Business Type Activities (continued)**

	<b>Beginning Balance</b>	<b>Adjust- ments</b>	<b>Additions</b>	<b>Retire- ments</b>	<b>Ending Balance</b>
<b>Weldon Auditorium</b>					
Capital assets being depreciated:					
Buildings and improvements	\$ -	\$ 2,050,259	\$ 1,387,914	\$ -	\$ 3,438,173
Total capital assets being depreciated	<u>-</u>	<u>2,050,259</u>	<u>1,387,914</u>	<u>-</u>	<u>3,438,173</u>
Less accumulated depreciation for:					
Buildings and improvements	<u>-</u>	<u>-</u>	<u>42,977</u>	<u>-</u>	<u>42,977</u>
Total accumulated depreciation	<u>-</u>	<u>-</u>	<u>42,977</u>	<u>-</u>	<u>42,977</u>
Total capital assets being depreciated	<u>-</u>	<u>2,050,259</u>	<u>1,344,937</u>	<u>-</u>	<u>3,395,196</u>
Governmental activities capital assets, net	<u>\$ -</u>	<u>\$ 2,050,259</u>	<u>\$ 1,344,937</u>	<u>\$ -</u>	<u>\$ 3,395,196</u>

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

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

**Component Units**

**Harvin Clarendon County Library**

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

	<b>Balance July 1, 2010</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance June 30 2011</b>
Capital assets, not being depreciated:				
Land	\$ <u>24,000</u>	\$ -	\$ -	\$ <u>24,000</u>
Capital assets being depreciated:				
Building	405,413	-	-	405,413
Equipment	336,576	4,474	-	341,050
Books	<u>583,895</u>	<u>-</u>	<u>26,600</u>	<u>557,295</u>
Total Capital Assets being depreciated	<u>1,325,884</u>	<u>4,474</u>	<u>26,600</u>	<u>1,303,758</u>
Less accumulated depreciation for:				
Building	(253,471)	(10,741)	-	(264,212)
Equipment	(177,532)	(37,939)	-	(215,471)
Books	<u>(564,825)</u>	<u>(14,073)</u>	<u>26,600</u>	<u>(552,298)</u>
Total accumulated depreciation	<u>(995,828)</u>	<u>(62,753)</u>	<u>26,600</u>	<u>(1,031,981)</u>
Total Capital Assets, being depreciated, net	<u>330,056</u>	<u>(58,279)</u>	<u>-</u>	<u>271,777</u>
Total Capital Assets, net	<u>\$ 354,056</u>	<u>\$ (58,279)</u>	<u>\$ -</u>	<u>\$ 295,777</u>

Depreciation expense for the year ended June 30, 2011 was \$62,753.

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

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

**Component Units (continued)**

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

Capital asset activity for the year ended June 30, 2011 was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retire- ments</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	<u>\$ 2,338,734</u>	<u>\$ 215,375</u>	<u>\$ 102,506</u>	<u>\$ 2,451,603</u>
Total capital assets not being depreciated	<u>2,338,734</u>	<u>215,375</u>	<u>102,506</u>	<u>2,451,603</u>
Capital assets being depreciated:				
Buildings and improvements	1,800,000	1,478,230	-	3,278,230
Infrastructure	<u>254,911</u>	<u>-</u>	<u>-</u>	<u>254,911</u>
Total capital assets being depreciated	<u>2,054,911</u>	<u>1,478,230</u>	<u>-</u>	<u>3,533,141</u>
Less accumulated depreciation for:				
Buildings and improvements	695,000	75,717	-	770,717
Infrastructure	<u>26,199</u>	<u>8,497</u>	<u>-</u>	<u>34,696</u>
Total accumulated depreciation	<u>721,199</u>	<u>84,214</u>	<u>-</u>	<u>805,413</u>
Total capital assets being depreciated	<u>1,333,712</u>	<u>1,394,016</u>	<u>-</u>	<u>2,727,728</u>
Total capital assets, net	<u>\$ 3,672,446</u>	<u>\$ 1,609,391</u>	<u>\$ 102,506</u>	<u>\$ 5,179,331</u>

Adjustments reflect assets not identified in prior audits.

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

Building and Improvements	30 years
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Depreciation expense for the year ended June 30, 2011 was \$84,214.

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

**NOTE 7 - INTERFUND BALANCES**

Individual fund interfund receivable and payable balances at June 30, 2011, were as follows:

	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
<b>Governmental Funds</b>		
General Fund	\$ 256,916	\$ 17,113
Capital Projects Fund	-	216,652
Special Revenue Funds:		
Special purpose districts	4,139	-
Law Enforcement	-	40,264
Debt Service Funds:		
Fire Department	1,669	-
General Obligations	11,305	-
Governmental Funds	<u>274,029</u>	<u>274,029</u>
<b>Enterprise Funds</b>		
General Fund	892,403	-
Capital Projects Fund	918,116	-
Water & Sewer Fund	-	1,810,519
Enterprise Fund	<u>1,810,519</u>	<u>1,810,519</u>
<b>Fiduciary Funds</b>		
General Fund	101,953	283,524
Fiduciary Fund types:		
Town of Turbeville	1,018	-
Town of Manning	32,722	-
Town of Summerton	3,369	-
Tax Collector	18,332	-
Master in Equity	-	2,260
Magistrates:		
General and Civil	-	71,151
Clerk of Court	-	28,542
Hospital Debt Service	14,021	-
School Debt Service	22,900	-
School Operating	191,162	-
Fiduciary Funds	<u>385,477</u>	<u>385,477</u>
	<u>\$ 2,470,025</u>	<u>\$ 2,470,025</u>

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

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

**NOTE 8 - LONG-TERM DEBT**

**A. Primary Government**

**Governmental Activities**

**General Obligation Bond**

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

\$ 1,798,000

Total General Obligations Bonds Payable

\$ 1,798,000

The annual debt service payments for General Obligation bonds outstanding at June 30, 2011, are as follows:

**General Obligation Bonds**

June 30,	Principal	Interest
2012	\$ 320,000	\$ 50,704
2013	338,000	41,680
2014	357,000	32,148
2015	380,000	22,080
2016	<u>403,000</u>	<u>11,364</u>
	<u>\$ 1,798,000</u>	<u>\$ 157,976</u>

**Blended Component Unit – Clarendon Facilities Corporation**

In December, 2010, the Clarendon Facilities Corporation (CFC) issued \$6,500,000 Installment Purchase Revenue Bonds (Administration Building Project) Series 2010 pursuant to an Installment Purchase and Use Agreement (“Agreement”) between the County and the CFC. Proceeds used to construct an Administrative building to house all of the County’s non-court related governmental functions. The County will purchase the capital project from CFC over twenty (20) years as required by the Agreement. Said Agreement obligates the County to make payments to CFC in amounts calculated to be sufficient to enable CFC to pay the principal and interest on the outstanding bonds. The County’s obligation under the Agreement are from year to year only and do not constitute a mandatory payment obligation of the County in any fiscal year in which funds are not appropriated by

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

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

**A. Primary Government (continued)**

the County to pay the installment payments of purchase price due in such fiscal year. It is anticipated that the payments will be funded by the County with the future issuance of short-term general obligation bonds or restricted Fee-in-Lieu of revenue.

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

**June 30, 2011** \$6,500,000

The annual debt service payments for Blended Component Unit Installment Purchase Revenue bonds outstanding at June 30, 2011, are as follows:

**Revenue Bonds**

June 30,	Principal	Interest
2012	\$ -	\$ 281,853
2013	-	281,853
2014	-	281,853
2015	-	281,853
2016	-	281,853
2017 – 2021	1,505,000	1,311,356
2022 – 2026	2,220,000	929,431
2027 – 2030	<u>2,775,000</u>	<u>357,256</u>
	<u>\$ 6,500,000</u>	<u>\$ 4,007,308</u>

**B. Business Type Activities**

**Enterprise Revenue Bond – Weldon Auditorium**

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

\$3,250,000

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

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

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

The annual debt service payments for Enterprise Charge Limited Obligation bonds outstanding at June 30, 2011, are as follows:

**Revenue Bonds**

June 30,	Principal	Interest
2012	\$ 45,000	\$ 137,259
2013	65,000	136,159
2014	65,000	134,859
2015	65,000	133,234
2016	70,000	131,209
2017 – 2021	370,000	620,969
2022 – 2026	455,000	541,959
2027 – 2031	550,000	435,398
2032 – 2036	690,000	292,838
2037 – 2041	<u>875,000</u>	<u>107,706</u>
	<u>\$ 3,250,000</u>	<u>\$ 2,671,590</u>

**Enterprise Revenue Bond Anticipation Note – Water & Sewer**

\$2,533,000 Water System Improvement Revenue Bond Anticipation Note (BAN) Series 2011 issued April 20, 2011 supporting a construction line of credit to finance expansion of the water system (known as Phase I). BAN matures April 19, 2012, it is anticipated that a revenue bond issued by the U.S. Department of Agriculture/Rural Development Agency utilizing pledged revenue from the water system will be issued on or before November 30, 2011. Interest accrues at 2.24%

<b>June 30, 2011</b>	<u><b>\$1,442,271</b></u>
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**Capital Leases**

\$400,000 – Lease/purchase agreement to finance the purchase of two fire engines. Due in semi-annual payments of \$44,330, Includes interest, due on February 21 and August 21 of each year. First payment due February 21, 2010 and ending payment due August 21, 2014. The fire engines' gross cost is \$735,273 and the accumulated depreciation is \$159,309.

\$ 287,887

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

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

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

**Capital Leases (continued)**

\$132,297 – Lease/purchase agreement to finance the purchase of one crawler/dozer. Due in annual payments of \$16,649, including interest, due on August 1 of each year. First payment due August 1, 2009 and ending payment due August 1, 2014. The dozer's gross cost is \$132,297 and the accumulated depreciation is \$25,357. 103,111

\$160,423 – Lease/purchase agreement to finance the purchase of one motor grader. Due in annual payments of \$22,929, including interest, due on September 10 of each year. First payment due September 10, 2010 and ending payment due September 10, 2015. The dozer's gross cost is \$160,423 and the accumulated depreciation is \$13,394. 137,495

Total Capital Leases \$ 528,493

Future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 2011:

Year Ending June 30,	
2012	\$ 128,237
2013	128,237
2014	128,237
2015	132,258
2016	<u>65,000</u>
Total Minimum Lease Payment	581,969
Less Amount Representing Interest	<u>53,476</u>
Present Value of Net Minimum Lease Payment	<u>\$ 528,493</u>

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

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

**A. Primary Government**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
General Obligation Bonds					
- 2010 Refunding Series	\$ 2,100,000	\$ -	\$ 302,000	\$ 1,798,000	\$ 320,000
Revenue Bonds					
- Installment Purchase	-	6,500,000	-	6,500,000	-
Other Liabilities					
Compensated Absences	324,792	88,438	-	413,230	36,365
Closure & Maintenance	367,975	-	11,125	356,850	18,300
Capital Leases	<u>562,693</u>	<u>160,423</u>	<u>194,623</u>	<u>528,493</u>	<u>109,069</u>
Total Other Liabilities	<u>1,255,460</u>	<u>248,861</u>	<u>205,748</u>	<u>1,298,573</u>	<u>163,734</u>
<b>Governmental Activities Long Term Liabilities</b>	<u>3,355,460</u>	<u>6,748,861</u>	<u>507,748</u>	<u>9,596,573</u>	<u>483,734</u>
<b>Business Type Activities</b>					
Revenue Bonds					
Weldon 2010 Series	3,250,000	-	-	3,250,000	45,000
Water Expansion BAN	<u>-</u>	<u>1,422,271</u>	<u>-</u>	<u>1,442,271</u>	<u>1,442,271</u>
<b>Business Type Activities Long Term Liabilities</b>	<u>3,250,000</u>	<u>1,442,271</u>	<u>-</u>	<u>4,692,271</u>	<u>1,487,271</u>
<b>Total Combined</b>	<u>\$ 6,605,460</u>	<u>\$ 8,191,132</u>	<u>\$ 507,748</u>	<u>\$ 14,288,844</u>	<u>\$ 1,971,005</u>

**C. Discretely Presented Component Units**

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

In August, 2010, the Corporation received a non-interest loan of \$125,000 from Farmer's Telephone to assist in purchasing a commercial building to be held for sale by Clarendon County. Clarendon County purchased the building and the Corporation disbursed the \$125,000 to the County. Upon the sale of the building by the Corporation, the \$125,000 has to be repaid to Farmer's Telephone. This building was sold in the fiscal year 2011-12, therefore, it is presented as short-term.

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.

\$ 1,073,916

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

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

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

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

	<u>483,510</u>
Subtotal of notes payable	1,557,426
Less current portion	<u>(112,916)</u>
Notes payable – noncurrent portion	<u>\$ 1,444,510</u>

The maturities of long-term debt is as follows:

June 30,	<u>Principal</u>	<u>Interest</u>
2012	\$ 112,916	\$ 123,518
2013	123,162	113,272
2014	575,626	102,464
2015	129,666	59,216
2016 - 2019	<u>616,056</u>	<u>109,949</u>
	<u>\$ 1,557,426</u>	<u>\$ 508,419</u>

**NOTE 9 - OPERATING LEASES**

The County entered into an operating lease for its 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 2010-11 is \$84,000.

The County entered into an operating lease for a 613C Caterpillar Scraper for use at its Landfill. The 60 month lease term began January 30, 2010 and ends December 30, 2015. Monthly lease payments are \$3,869.42.

The County entered into an operating lease for a Pitney Bowes document processing and postage system. The 48 month lease term began November 30, 2010 and ends October 30, 2014. Monthly lease payments are \$2,243.00.

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

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

The future minimum rental payments are as follows:

	\$ 157,349
2012	157,349
2013	157,349
2014	139,405
2015	107,217
2016	336,000
2017 - 2021	180,000
2022 - 2026	180,000
2027 - 2031	117,000
2032 - 2035	<u>117,000</u>
	<u>\$ 1,531,669</u>

The County entered an operating lease as of November 1, 2007 with Waste Management of South Carolina to lease the Transfer Station built by the County and located at the Landfill. The lease expires October 31, 2012 and has an annual rent of \$60,000. The cost of the building was \$753,270 with accumulated depreciation of \$208,718.

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

	\$ 60,000
June 30, 2012	<u>20,000</u>
June 30, 2013	<u>\$ 80,000</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 with 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, 2011. 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 multi-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, disability, survivor and death benefits to eligible members or beneficiaries. Group life benefits are also available to active State ORP participants. The Plans' 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](http://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.

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 2010-2011 are as follows:

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

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

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

Required employer contributions for fiscal year 2010-2011 are as follows:

**SCRS**

Class I	4.25% of earnable compensation
Class II	9.24% of earnable compensation
Group Life Insurance	.015% of earnable compensation

**State ORP** 4.06% of earnable compensation

**PORS**

Class I	7.80% of earnable compensation
Class II	11.13% 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:

	2009		2010		2011	
	SCRS	PORS	SCRS	PORS	SCRS	PORS
Employee contributions	\$ 264,911	\$ 213,510	\$ 271,936	\$ 230,789	\$ 291,700	\$ 246,950
Employer contributions	\$ 388,570	\$ 362,968	\$ 390,948	\$ 378,139	\$ 414,660	\$ 422,854

The County's 2010 – 2011 contributions represented less than one percent of total contributions required of all participating entities. Also, employer group-life contributions of \$21,928 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**

	2009 SCRS	2010 SCRS	2011 SCRS
Employee contributions	\$ 14,846	\$ 16,319	\$ 17,141
Employer contributions	\$ 21,105	\$ 23,198	\$ 24,366

The Library's 2010 – 2011 contributions represented less than one percent of total contributions required of all participating entities. Also, employer group-life contributions of \$396 were paid by the Library in the current fiscal year. All employers contribute at the actuarially required contribution rates.

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

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

**Background**

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

**Plan Description**

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

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

- Employees who are eligible to retire and have at least five years, but fewer than 10 years, of earned SCRS service credit with a participating state insurance program employer.
- Former County Council members who served on Council for at least 12 years and were covered under the state's plan when they left the Council. It is up to the County Council to decide whether to allow former members to have this coverage.

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

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

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

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

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

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

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

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

- a) If the retiree's earned service credit in a state retirement system is five or more years, but fewer than fifteen years with a state-covered entity, then the retiree shall pay the full premium for the Plan. (There will be no employer contribution for individuals in this category, and they will be obligated to pay the entire premium.)
- b) If the retiree's earned service credit in a state retirement system is fifteen or more years, but fewer than twenty-five years with a state-covered entity, then the retiree is eligible for fifty percent trust fund paid premiums and the retiree shall pay the remainder of the premiums cost. (Individuals in this category will receive an employer contribution equal to half of the "regular" State contribution, and will be obligated to pay the difference of the total premium and partial State contribution.)

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

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

- c) If the retiree's earned service credit in a state retirement system is twenty-five or more years with a state-covered entity, then the retiree is eligible for trust fund paid premiums, and the retiree is responsible for the entire employee premium. The County pays 100 percent of the employer's share of the premium. (Individuals in this category will receive the full State contribution, as is the case at present for employer-funded retirees, and under current policy, will generally pay the same premium as do active employees.)

**Funding Policy**

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

**Annual OPEB Cost and Net OPEB Obligation**

The annual cost of other postemployment benefits (OPEB) under GASB 45 is called the annual required contribution or ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current employer contribution rates for the County are 0 percent.

The County's annual OPEB cost and the net OPEB obligation is based on a 4.5% discount rate, including an inflation component of 3%, and amortizing the initial unfunded actuarial liability over 30 years based on a level percent of payroll method for 2011 is as follows:

Annual required contribution	\$ 971,780
Interest on net OPEB obligation	59,733
Adjustment to annual required contribution	<u>(55,342)</u>
Annual OPEB cost (expense)	976,171
Estimated contributions made	<u>(240,633)</u>
Increase (decrease) in net OPEB obligation	735,538
Net OPEB obligation, beginning of year	<u>1,327,401</u>
Net OPEB obligation, end of year	<u>\$ 2,062,939</u>

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

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

**Actuarial Methods and Assumptions**

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

The Projected Unit Credit, Level Percent of Payroll actuarial cost method has been used to calculate the GASB ARC for this valuation. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability. If experience is in accordance with the assumptions used, the ARC will increase at approximately the same rate as active member payroll, and the ARC as a percentage of payroll will remain basically level on a year to year basis. This is both an accepted and reasonable cost method.

**Trend Information:**

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2011 were as follows:

Fiscal Year Ending	Annual OPEB Cost	Employer Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2011	\$ 976,171	\$ 240,633	33%	\$ 2,062,939
June 30, 2010	\$ 958,522	\$ 299,176	45%	\$ 1,327,401
June 30, 2009	\$ 928,459	\$ 260,404	39%	\$ 668,055

**Funded Status and Funding Progress:**

As of July 1, 2010, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$9,541,664, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$9,541,664. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the County's retiree health care plan are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future.

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

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

**Harvin Clarendon County Library**

**Background**

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

**Plan Description**

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

**Funding Policy**

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

**Annual OPEB Cost and Net OPEB Obligation**

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

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

**Schedule of Employer Contributions**

<b>Fiscal Year Ending</b>	<b>Annual OPEB Cost</b>	<b>Amount Contributed</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
6/30/2010	\$ 27,573	\$ 4,720	17.0%	\$ 22,853
6/30/2011	\$ 28,266	\$ 4,964	17.6%	\$ 46,155

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

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

**Funded Status and Funding Progress**

As of June 30, 2010, the plan assets were \$0, the actuarial accrued liability for benefits was \$256,419, the total unfunded actuarial liability is \$256,419, and the actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio) is 0%. The covered payroll (annual payroll of active employees covered by the plan) was \$196,413, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 131%.

Annual required contribution	\$ 28,400
Interest on net OPEB obligation	1,115
Adjustment to annual required contribution	<u>(1,249)</u>
Annual OPEB cost (expense)	28,266
Estimated contributions made	<u>(4,964)</u>
Increase (decrease) in net OPEB obligation	23,302
Net OPEB obligation, beginning of year	<u>22,853</u>
Net OPEB obligation, end of year	<u>\$ 46,155</u>

**Methods and Assumptions**

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

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

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

**NOTE 13 - FUND EQUITY**

The fund balance as of June 30, 2010 was restated as follows:

**Primary Government**

	Net Assets	General Fund Fund Balance GAAP Basis	General Fund Fund Balance Budgetary Basis	Other Government Fund	Proprietary Fund Net Assets
As previously reported, June 30, 2010	\$ 27,849,303	\$ 4,950,377	\$ 4,769,411	\$ 5,480,734	\$ (59,919)
<b>General Fund</b>					
GASB54 – Library Fund	-	119,627	119,627	(119,627)	-
GASB54 – Recreation Fund	-	5,544	5,544	(5,544)	-
GASB54 – Industrial Pk Fund	-	1,405,996	1,405,996	(1,405,996)	-
Charge-off A/R	(5,005)	(5,005)	(5,005)	-	-
Adjust NOO OPEB to actuarial report	103,952	-	-	-	-
Adjust net capital assets for equipment returned	(17,290)	-	-	-	-
<b>Water District</b>					
Adjust for capital assets purchased through capital projects fund in prior year	-	-	-	-	(104,660)
<b>Weldon Auditorium</b>					
Transfer net fixed assets for auditorium	(2,050,259)	-	-	-	2,050,259
Transfer long term debt – Weldon revenue bond	<u>3,250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,250,000)</u>
As restated, June 30, 2010	<u>\$ 29,130,701</u>	<u>\$ 6,476,539</u>	<u>\$ 6,295,573</u>	<u>\$ 3,949,567</u>	<u>\$ (1,155,000)</u>

**NOTE 14 - FUND BALANCE REPORTING**

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

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

**NOTE 14 - FUND BALANCE REPORTING (continued)**

The County fund balance as of June 30, 2011 was classified as follows:

Description	General Fund	Capital Projects	Other Governmental	Total Governmental Funds
<b>Nonspendable:</b>				
Inventory	\$ 41,884	\$ -	\$ -	\$ 41,884
<b>Restricted:</b>				
LOST Reserve	1,333,946	-	-	1,333,946
Admin bldg project	-	5,762,752	-	5,762,752
Local drug interdiction	-	-	64,176	64,176
Justice grant program revenue	-	-	75,191	75,191
Solicitor's office	-	-	86,901	86,901
Debt service	-	-	275,510	275,510
<b>Committed:</b>				
Airport expansion	195,000	-	-	195,000
Library appropriation	25,000	-	-	25,000
Fire station improvements	-	-	650,000	650,000
Acquisition water/sewer systems	400,000	350,000	-	750,000
<b>Assigned:</b>				
Encumbrances	40,549	9,450	77,937	127,936
Road improvements	-	-	552,205	552,205
Vocational school appropriation	-	-	7,284	7,284
Tourism related efforts	-	-	355,096	355,096
911 Center improvements	-	-	693,638	693,638
Clerk of Court discretionary	2,967	-	-	2,967
Archives collection acquisitions	5,863	-	-	5,863
Capital Projects	-	827,321	-	827,321
Fire Department	-	-	504,579	504,579
<b>Unassigned:</b>	<u>1,788,492</u>	<u>-</u>	<u>-</u>	<u>1,788,492</u>
<b>Total fund balances</b>	<u>\$ 3,833,701</u>	<u>\$ 6,949,523</u>	<u>\$ 3,342,517</u>	<u>\$ 14,125,741</u>

The Library fund balance as of June 30, 2011 was classified as follows:

Description	General Fund
<b>Committed:</b>	
Capital building fund	\$ 51,000
<b>Unassigned</b>	<u>113,489</u>
<b>Total fund balances</b>	<u>\$ 164,489</u>

**NOTE 15 - RISK MANAGEMENT**

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

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

**NOTE 15 - RISK MANAGEMENT** (continued)

- 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, 2011, 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, 2011, 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.

**NOTE 16 - CONTINGENCIES AND COMMITMENTS**

**Grants:**

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

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

**NOTE 16 - CONTINGENCIES AND COMMITMENTS (continued)**

**Construction Commitments:**

As of June 30, 2011, the County had incurred \$949,632 in costs on an uncompleted construction project, Emergency Shelter/Alternate Emergency Operations Center. Additional costs to complete the renovations and improvements for the contract signed on September 28, 2010 are expected to be approximately \$638,280. The Project is being funded in large part by a \$1.5 million Federal grant administered through FEMA.

Also as of June 30, 2011, the County had incurred \$1,337,611 in costs on an uncompleted construction project, Phase I Water system expansion. Additional costs to complete project for the contract signed on April 15, 2011 are expected to be approximately \$1,601,375. The Project is being funded by a \$1,951,000 U.S. Department of Agriculture RDA grant and an RDA loan of \$2,533,000, at 3.5% amortized over 40 years.

Lastly; through the blended component unit, The Clarendon Facilities Corporation, the County had incurred \$146,382 in costs on an uncompleted construction project, an Administrative building complex. Additional costs to complete the project for the contract signed on February 21, 2011 are expected to be approximately \$5,036,786. Renovations will be financed through a public bond offering of \$6,500,000 for the purpose of locating all of the County's administrative functions in one location.

**NOTE 17 - SUBSEQUENT EVENTS**

In July, 2011, the County received an amendment to the Letter of Conditions from the US Department of Agriculture for an additional \$1,007,800 to expand the original scope of the Phase I expansion project of its water system. Said amendment will be financed through a \$1,007,800 RDA loan, at 3.375% amortized over 38 years. Said expansion project is pending final approval from the US Department of Agriculture prior to contract modification.

In September, 2011, the County received a Letter of Conditions from the US Department of Agriculture for a \$2,000,000 and a \$4,000,000 expansion project of its water system. The \$2,000,000 project will be primarily financed through a \$821,000 RDA grant and an RDA loan of \$1,179,000, at 3.375% amortized over 40 years. The \$4,000,000 project will be primarily financed through a \$1,481,000 RDA grant and an RDA loan of \$2,501,000, at 3.375% amortized over 40 years. These expansion projects are pending final approval from the US Department of Agriculture prior to going out for bid in 2012.

The County has informed the Lake Marion Regional Water Authority (LMRWA) of its intent to terminate its membership. The withdrawal provision requires that LMRWA reimburse the County the original membership fee; as well as, subsequent payments. The sum of the payments is \$222,119; however, terms for reimbursement have not been finalized between the County and LMRWA and are not anticipated to begin until after July 1, 2012.

CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
**SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**YEAR ENDED JUNE 30, 2011**

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

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

## COMBINING AND INDIVIDUAL FUND SCHEDULES

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Bureau of Tourism Accommodations	To account for the County's portion of accommodations taxes.
Hospitality Tax	To account for the County's collection of hospitality taxes
C-Program	To account for fuel taxes collected for the construction and repair of public roads.
Drug Enforcement and Other Sheriff's Funds	To account for restricted revenues received by the Sheriff.
Special Purpose 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.
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.
Third Circuit Drug Court	To account for restricted revenue for operation of drug court

### DEBT SERVICE FUNDS

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

CLARENDON COUNTY, SOUTH CAROLINA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2011

	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
<b>ASSETS</b>					
Cash and cash equivalents	\$ 65,764	\$ 267,683	\$ 552,205	\$ 179,631	\$ 732,753
Accounts receivable	-	23,733	-	-	-
Due from other funds	-	-	-	-	4,139
Delinquent taxes receivable	-	-	-	-	27,984
<b>Total Assets</b>	<b>\$ 65,764</b>	<b>\$ 291,416</b>	<b>\$ 552,205</b>	<b>\$ 179,631</b>	<b>\$ 732,753</b>
<b>LIABILITIES AND FUND EQUITY</b>					
Liabilities:					
Accounts payable	\$ 2,084	-	-	-	\$ 39,115
Deferred revenue	-	-	-	-	24,839
Due to other funds	-	-	-	40,264	-
<b>Total Liabilities</b>	<b>2,084</b>	<b>-</b>	<b>-</b>	<b>40,264</b>	<b>39,115</b>
Fund Equity:					
Fund balances:					
Restricted	-	-	-	139,367	-
Committed	-	-	-	-	-
Assigned	63,680	291,416	552,205	-	693,638
<b>Total Fund Equity</b>	<b>63,680</b>	<b>291,416</b>	<b>552,205</b>	<b>139,367</b>	<b>693,638</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 65,764</b>	<b>\$ 291,416</b>	<b>\$ 552,205</b>	<b>\$ 179,631</b>	<b>\$ 732,753</b>

CLARENDON COUNTY, SOUTH CAROLINA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2011

	Special Revenue					Debt Service		Total Nonmajor Governmental Funds
	Fire Department	Victims Advocate Fund	Third Circuit Drug Court	Fire Protection	General County Debt Service	General County Debt Service	Total	
<b>ASSETS</b>								
Cash and cash equivalents	\$ 1,218,208	\$ 819	\$ 87,640	\$ 90,363	\$ 159,712	\$ 159,712	\$ 3,354,778	
Accounts receivable	-	-	-	-	-	-	23,733	
Due from other funds	-	-	-	1,669	11,305	11,305	17,113	
Delinquent taxes receivable	206,400	-	-	11,425	62,513	62,513	308,322	
<b>Total Assets</b>	<b>\$ 1,424,608</b>	<b>\$ 819</b>	<b>\$ 87,640</b>	<b>\$ 103,457</b>	<b>\$ 233,530</b>	<b>\$ 233,530</b>	<b>\$ 3,703,946</b>	
<b>LIABILITIES AND FUND EQUITY</b>								
Liabilities:								
Accounts payable	\$ 20,899	\$ 819	\$ 739	\$ -	\$ -	\$ -	\$ 63,656	
Deferred revenue	171,193	-	-	9,822	51,655	51,655	257,509	
Due to other funds	-	-	-	-	-	-	40,264	
<b>Total Liabilities</b>	<b>192,092</b>	<b>819</b>	<b>739</b>	<b>9,822</b>	<b>51,655</b>	<b>51,655</b>	<b>361,429</b>	
Fund Equity:								
Fund balances:								
Restricted			86,901		93,635	181,875	501,778	
Committed	650,000	-	-	-	-	-	650,000	
Assigned	582,516	-	-	-	-	-	2,190,739	
<b>Total Fund Equity</b>	<b>1,232,516</b>	<b>-</b>	<b>86,901</b>	<b>93,635</b>	<b>181,875</b>	<b>181,875</b>	<b>3,342,517</b>	
<b>Total Liabilities and Fund Equity</b>	<b>\$ 1,424,608</b>	<b>\$ 819</b>	<b>\$ 87,640</b>	<b>\$ 103,457</b>	<b>\$ 233,530</b>	<b>\$ 233,530</b>	<b>\$ 3,703,946</b>	

**CLARENDON COUNTY, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	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
<b>REVENUES</b>						
Taxes	\$ -	\$ 260,316	\$ -	\$ -	\$ 191,832	\$ -
Intergovernmental	104,704	-	981,599	-	-	48,308
Charges for services	-	-	-	-	-	243,866
Fines and forfeitures	-	-	-	357,049	-	-
Special assessments	-	-	-	-	-	-
Interest	25	624	1,229	-	-	-
Total Revenues	<u>104,729</u>	<u>260,940</u>	<u>982,828</u>	<u>357,049</u>	<u>191,832</u>	<u>1,797</u>
						<u>293,971</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	1,212,890	-	191,396	-
Public safety	-	-	-	268,031	-	218,987
Community development	74,482	-	-	-	-	-
Court related	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest and fees	-	-	-	-	-	-
Total Expenditures	<u>74,482</u>	<u>-</u>	<u>1,212,890</u>	<u>268,031</u>	<u>191,396</u>	<u>218,987</u>
Excess of revenues over (under) expenditures	<u>30,247</u>	<u>260,940</u>	<u>(230,062)</u>	<u>89,018</u>	<u>436</u>	<u>74,984</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in (out)	<u>(8,500)</u>	<u>(720,263)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(8,500)</u>	<u>(720,263)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>21,747</u>	<u>(459,323)</u>	<u>(230,062)</u>	<u>89,018</u>	<u>436</u>	<u>74,984</u>
Equity Transfer	-	-	-	-	-	-
Fund balances at beginning of year	<u>41,933</u>	<u>750,739</u>	<u>782,267</u>	<u>50,349</u>	<u>6,848</u>	<u>618,654</u>
Fund balances at end of year	<u>\$ 63,680</u>	<u>\$ 291,416</u>	<u>\$ 552,205</u>	<u>\$ 139,367</u>	<u>\$ 7,284</u>	<u>\$ 693,638</u>

**CLARENDON COUNTY, SOUTH CAROLINA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	Special Revenue					Debt Service		Total Nonmajor Governmental Funds
	Fire Department	Victims Advocate Fund	Development Board	Third Circuit Drug Court	Fire Protection	County General Debt Service	County General Debt Service	
<b>REVENUES</b>								
Taxes	\$ 1,972,341	-	-	-	\$ 88,205	\$ 566,407	\$ 3,079,101	
Intergovernmental	-	-	-	239,800	-	-	1,374,411	
Charges for services	-	-	-	-	-	-	243,866	
Fines and forfeitures	-	-	-	-	-	-	357,049	
Special assessments	-	76,450	-	-	-	-	76,450	
Interest	2,651	3	601	110	310	255	7,605	
Total Revenues	<u>1,974,992</u>	<u>76,453</u>	<u>601</u>	<u>239,910</u>	<u>88,515</u>	<u>566,662</u>	<u>5,138,482</u>	
<b>EXPENDITURES</b>								
Current:								
General government	-	-	-	-	-	-	1,404,286	
Public safety	1,745,465	93,566	-	-	-	-	2,326,049	
Community development	-	-	-	-	-	-	74,482	
Court related	-	-	-	160,202	-	-	160,202	
Debt service:								
Principal	-	-	-	-	-	-	461,150	
Interest and fees	-	-	-	-	75,483	385,667	461,150	
Total Expenditures	<u>1,745,465</u>	<u>93,566</u>	<u>-</u>	<u>160,202</u>	<u>88,659</u>	<u>507,773</u>	<u>4,561,451</u>	
Excess of revenues over (under) expenditures	229,527	(17,113)	601	79,708	(144)	58,889	577,031	
<b>OTHER FINANCING SOURCES (USES)</b>								
Capital Lease	-	-	-	(5,000)	-	59,502	(674,261)	
Transfers in (out)	-	-	-	(5,000)	-	59,502	(674,261)	
Total Other Financing Sources (Uses)	<u>229,527</u>	<u>(17,113)</u>	<u>601</u>	<u>74,708</u>	<u>(144)</u>	<u>118,391</u>	<u>(97,230)</u>	
Net change in fund balances	-	-	(509,820)	-	-	-	(509,820)	
Equity Transfer	-	-	-	-	-	-	-	
Fund balances at beginning of year	1,002,989	17,113	509,219	12,193	93,779	63,484	3,949,567	
Fund balances at end of year	<u>\$ 1,232,516</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,901</u>	<u>\$ 93,635</u>	<u>\$ 181,875</u>	<u>\$ 3,342,517</u>	

CLARENDON COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
<b>REVENUES</b>						
<b>Taxes</b>						
Real estate taxes	\$ 9,032,847	\$ 9,032,847	\$ 8,430,820	\$ -	\$ 8,430,820	\$ (602,027)
Local option sales tax	2,400,000	2,400,000	2,370,981	-	2,370,981	(29,019)
Vehicle taxes	1,130,800	1,130,800	1,102,498	-	1,102,498	(28,302)
Delinquent taxes	1,330,000	1,330,000	1,451,233	-	1,451,233	121,233
Local accommodations	160,000	160,000	184,773	-	184,773	24,773
Payment in lieu of taxes	75,000	75,000	74,204	-	74,204	(796)
Treasurer's cost to cities	4,250	4,250	4,261	-	4,261	11
Payment in lieu - motor carrier	165,000	165,000	144,481	-	144,481	(20,519)
Total taxes	14,297,897	14,297,897	13,763,251	-	13,763,251	(534,646)
<b>Licenses and permits</b>						
Moving permits	3,000	3,000	2,625	-	2,625	(375)
Building permits	110,000	110,000	94,387	-	94,387	(15,613)
Total licenses and permits	113,000	113,000	97,012	-	97,012	(15,988)
<b>Charges for services</b>						
Assessors fees	10,000	10,000	5,867	-	5,867	(4,133)
Master in Equity fees	24,000	24,000	21,852	-	21,852	(2,148)
Probate fees	75,000	75,000	63,181	-	63,181	(11,819)
Planning and public service fees	6,000	6,000	5,120	-	5,120	(880)
ROD fees and charges	135,000	135,000	121,566	-	121,566	(13,434)
Landfill fees	150,000	150,000	213,836	-	213,836	63,836
County road user fee	575,000	575,000	713,847	-	713,847	138,847
Municipal inmate housing	15,000	15,000	29,320	-	29,320	14,320
Total charges for services	990,000	990,000	1,174,589	-	1,174,589	184,589
<b>Fines and forfeitures</b>						
Clerk of court fines and fees	135,000	135,000	129,015	-	129,015	(5,985)
Magistrate fines and fees	640,000	640,000	441,634	-	441,634	(198,366)
Sheriff's fines and fees	6,000	6,000	4,207	-	4,207	(1,793)
	781,000	781,000	574,856	-	574,856	(206,144)
<b>Investment income</b>						
	8,000	8,000	18,193	-	18,193	10,193
<b>Miscellaneous</b>						
Hangar rent	35,000	35,000	40,330	-	40,330	5,330
Multi-County Industrial Park	50,000	50,000	41,635	-	41,635	(8,365)
Contributions for Land Acquisition	-	-	275,000	-	275,000	275,000
Miscellaneous revenue	121,500	121,500	183,929	-	183,929	62,429
Recreation Programs	-	-	63,563	-	63,563	63,563
Paxville CDC	-	-	30,449	-	30,449	30,449
Franchise fees	45,000	45,000	61,995	-	61,995	16,995
House arrest system	-	-	4,539	-	4,539	4,539
	251,500	251,500	701,440	-	701,440	449,940

CLARENDON COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
<b>Intergovernmental</b>						
State						
Accommodations tax	28 000	28 000	30 511	-	30 511	2,511
Merchant's inventory tax	48,220	48,220	48 220	-	48,220	-
Solid waste tire fees	14 000	14 000	14 293	-	14 293	293
State aid and allocations	1 300,000	1,300,000	1,239 623	-	1,239,623	(60 377)
Clerk/Sheriff/Probate Judge supplements	8 910	8 910	7 875	-	7 875	(1,035)
Vital records fees	8 000	8,000	9,155	-	9,155	1 155
Volunteer Firefighters Assistance grant	-	-	503	-	503	503
EMS Grant in aid	-	-	8,925	-	8,925	8 925
EMS Trauma grant	-	-	12 923	-	12 923	12,923
Waste oil grant(s)	-	-	4,565	-	4,565	4,565
Waste tire grant(s)	-	-	4 137	-	4 137	4 137
Victim's Advocate Services	-	-	46,524	-	46,524	46 524
Economic Development grant(s)	-	-	14 779	-	14 779	14 779
Multi-park Improvements	-	-	25 264	-	25,264	25 264
Federal						
Santee Cooper airport improvement	-	-	108 615	-	108 615	108,615
Emergency management plan(s)	-	-	62 272	-	62 272	62 272
Drug Task Force	-	-	206 126	-	206 126	206,126
V-Safe	-	-	6 752	-	6 752	6 752
Veterans affairs	6 000	6 000	4 614	-	4 614	(1,386)
DSS - Clerk of Court	143 000	143,000	162 608	-	162,608	19 608
DSS - Revenue	43,000	43 000	32 748	-	32 748	(10 252)
DSS - Sheriff	10 000	10 000	8,827	-	8,827	(1 173)
Justice Assistance grants	-	-	11,075	-	11,075	11,075
	<u>1,609,130</u>	<u>1,609,130</u>	<u>2,070,934</u>	<u>-</u>	<u>2,070,934</u>	<u>461,804</u>
<b>TOTAL REVENUES</b>	<b>\$ 18,050,527</b>	<b>\$ 18,050,527</b>	<b>\$ 18,400,275</b>	<b>\$ -</b>	<b>\$ 18,400,275</b>	<b>\$ 349,748</b>

CLARENDON COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
<b>General Government and Administration:</b>						
Administration:						
Salaries and related	\$ 265,906	\$ 268,086	\$ 269,249	\$ -	\$ 269,249	\$ (1,163)
Operations	25,350	25,350	26,971	-	26,971	(1,621)
	<u>291,256</u>	<u>293,436</u>	<u>296,220</u>	<u>-</u>	<u>296,220</u>	<u>(2,784)</u>
County Council:						
Salaries and related	99,881	103,492	102,689	-	102,689	803
Operations	14,550	14,550	9,351	-	9,351	5,199
	<u>114,431</u>	<u>118,042</u>	<u>112,040</u>	<u>-</u>	<u>112,040</u>	<u>6,002</u>
Assessor:						
Salaries and related	437,661	447,123	434,819	-	434,819	12,304
Operations	45,250	45,250	70,369	(35,673)	34,696	10,554
	<u>482,911</u>	<u>492,373</u>	<u>505,188</u>	<u>(35,673)</u>	<u>469,515</u>	<u>22,858</u>
Auditor:						
Salaries and related	150,241	156,777	156,015	-	156,015	762
Operations	16,633	16,633	17,339	(1,861)	15,478	1,155
	<u>166,874</u>	<u>173,410</u>	<u>173,354</u>	<u>(1,861)</u>	<u>171,493</u>	<u>1,917</u>
Treasurer:						
Salaries and related	168,818	172,328	158,457	-	158,457	13,871
Operations	12,188	12,188	9,156	-	9,156	3,032
	<u>181,006</u>	<u>184,516</u>	<u>167,613</u>	<u>-</u>	<u>167,613</u>	<u>16,903</u>
Finance:						
Salaries and related	199,303	203,663	204,388	-	204,388	(725)
Operations	14,300	14,300	8,023	-	8,023	6,277
	<u>213,603</u>	<u>217,963</u>	<u>212,411</u>	<u>-</u>	<u>212,411</u>	<u>5,552</u>
Human Resources:						
Salaries and related	132,982	135,981	137,174	-	137,174	(1,193)
Operations	27,032	27,032	19,083	-	19,083	7,949
	<u>160,014</u>	<u>163,013</u>	<u>156,257</u>	<u>-</u>	<u>156,257</u>	<u>6,756</u>
Grants Administration						
Salaries and related	112,985	115,400	105,750	-	105,750	9,650
Operations	8,054	8,054	8,012	(48)	7,964	90
	<u>121,039</u>	<u>123,454</u>	<u>113,762</u>	<u>(48)</u>	<u>113,714</u>	<u>9,740</u>
Procurement						
Salaries and related	99,391	101,491	122,971	-	122,971	(21,480)
Operations	7,135	7,135	4,584	-	4,584	2,551
	<u>106,526</u>	<u>108,626</u>	<u>127,555</u>	<u>-</u>	<u>127,555</u>	<u>(18,929)</u>
Tax Collector:						
Salaries and related	84,991	87,444	87,136	-	87,136	308
Operations	65,556	65,556	46,483	(398)	46,085	19,471
	<u>150,547</u>	<u>153,000</u>	<u>133,619</u>	<u>(398)</u>	<u>133,221</u>	<u>19,779</u>
Voter Registration:						
Salaries and related	89,288	91,165	91,142	-	91,142	23
Operations	10,840	10,840	6,938	-	6,938	3,902
	<u>100,128</u>	<u>102,005</u>	<u>98,080</u>	<u>-</u>	<u>98,080</u>	<u>3,925</u>
Information Technology:						
Salaries and related	61,554	62,920	63,130	-	63,130	(210)
Operations	252,876	252,876	214,572	-	214,572	38,304
	<u>314,430</u>	<u>315,796</u>	<u>277,702</u>	<u>-</u>	<u>277,702</u>	<u>38,094</u>
Veterans Affairs:						
Salaries and related	49,111	50,134	49,915	-	49,915	219
Operations	5,550	5,370	4,695	(321)	4,374	996
	<u>54,661</u>	<u>55,504</u>	<u>54,610</u>	<u>(321)</u>	<u>54,289</u>	<u>1,215</u>

**CLARENDON COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>				
<b>Nondepartmental Expenditures:</b>						
Special Projects	423,640	409,203	186,141	(35,170)	150,971	258,232
Legal Assistance	52,500	52,500	160,352	-	160,352	(107,852)
Rent - Judicial Annex	106,500	106,500	104,223	-	104,223	2,277
Workmen's compensation	264,900	264,900	217,179	-	217,179	47,721
Audit fee	31,000	31,000	31,180	-	31,180	(180)
Unemployment	40,000	40,000	28,277	-	28,277	11,723
Electricity	310,000	310,000	291,917	-	291,917	18,083
Printing and postage	174,258	174,258	114,588	-	114,588	59,670
Christmas bonus	37,000	37,000	38,163	-	38,163	(1,163)
Property and liability insurance	195,850	195,850	199,584	-	199,584	(3,734)
Drug screening	4,000	4,000	4,079	-	4,079	(79)
Water	23,000	23,000	24,031	-	24,031	(1,031)
Retirees' insurance	260,000	260,000	239,006	-	239,006	20,994
Telephone	152,000	152,180	167,577	-	167,577	(15,397)
Personnel	279,113	23,390	-	-	-	23,390
Holiday compensation	57,200	57,200	63,280	-	63,280	(6,080)
Retirement expense	930	930	1,161	-	1,161	(231)
FICA expense	8,700	8,700	8,118	-	8,118	582
Police retirement	5,500	5,500	5,857	-	5,857	(357)
Bank fees and charges	22,000	22,000	37,275	-	37,275	(15,275)
	<u>2,448,091</u>	<u>2,178,111</u>	<u>1,921,988</u>	<u>(35,170)</u>	<u>1,886,818</u>	<u>291,293</u>
<b>Grant Expense:</b>						
Santee Cooper airport improvement	-	-	118,900	-	118,900	(118,900)
Paxville CDC community block grant	-	-	25,024	-	25,024	(25,024)
Emergency management plan(s)	-	-	22,825	16,582	39,407	(39,407)
EMS Grant in aid	-	-	9,445	-	9,445	(9,445)
EMS Trauma grant	-	-	28,586	(15,663)	12,923	(12,923)
Waste oil grant(s)	-	-	4,570	-	4,570	(4,570)
Waste tire grant(s)	-	-	4,137	-	4,137	(4,137)
Drug Task Force	-	-	230,225	(8,925)	221,300	(221,300)
Volunteer Firefighter Assistance	-	-	1,021	-	1,021	(1,021)
V-Safe	-	-	10,068	-	10,068	(10,068)
Victim's Advocate services	-	-	61,021	-	61,021	(61,021)
Justice Assistance grant(s)	-	-	36,496	(21,428)	15,068	(15,068)
Economic Development grant(s)	-	-	14,778	-	14,778	(14,778)
Multi-park Improvements	-	-	37,897	-	37,897	(37,897)
	<u>-</u>	<u>-</u>	<u>604,993</u>	<u>(29,434)</u>	<u>575,559</u>	<u>(575,559)</u>
<b>Total General Government and Administration</b>	<u>4,905,517</u>	<u>4,679,249</u>	<u>4,955,392</u>	<u>(102,905)</u>	<u>4,852,487</u>	<u>(173,238)</u>

**CLARENDON COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
<b>Court Related:</b>						
Clerk of Court:						
Salaries and related Operations	150,178	147,101	144,904	-	144,904	2,197
	<u>35,250</u>	<u>41,250</u>	<u>36,882</u>	<u>-</u>	<u>36,882</u>	<u>4,368</u>
	<u>185,428</u>	<u>188,351</u>	<u>181,786</u>	<u>-</u>	<u>181,786</u>	<u>6,565</u>
Magistrates:						
Salaries and related Operations	444,849	442,624	446,121	-	446,121	(3,497)
	<u>14,750</u>	<u>21,750</u>	<u>18,093</u>	<u>-</u>	<u>18,093</u>	<u>3,657</u>
	<u>459,599</u>	<u>464,374</u>	<u>464,214</u>	<u>-</u>	<u>464,214</u>	<u>160</u>
Probate Judge:						
Salaries and related Operations	106,505	116,795	116,905	-	116,905	(110)
	<u>11,260</u>	<u>11,260</u>	<u>9,625</u>	<u>-</u>	<u>9,625</u>	<u>1,635</u>
	<u>117,765</u>	<u>128,055</u>	<u>126,530</u>	<u>-</u>	<u>126,530</u>	<u>1,525</u>
Family Court:						
Salaries and related Operations	79,855	81,694	81,695	-	81,695	(1)
	<u>9,700</u>	<u>9,700</u>	<u>6,045</u>	<u>-</u>	<u>6,045</u>	<u>3,655</u>
	<u>89,555</u>	<u>91,394</u>	<u>87,740</u>	<u>-</u>	<u>87,740</u>	<u>3,654</u>
Register of Deeds:						
Salaries and related Operations	99,928	102,061	100,531	-	100,531	1,530
	<u>59,500</u>	<u>59,500</u>	<u>56,524</u>	<u>(269)</u>	<u>56,255</u>	<u>3,245</u>
	<u>159,428</u>	<u>161,561</u>	<u>157,055</u>	<u>(269)</u>	<u>156,786</u>	<u>4,775</u>
Master in Equity:						
Salaries and related Operations	23,439	23,820	23,055	-	23,055	765
	<u>9,070</u>	<u>9,070</u>	<u>8,936</u>	<u>-</u>	<u>8,936</u>	<u>134</u>
	<u>32,509</u>	<u>32,890</u>	<u>31,991</u>	<u>-</u>	<u>31,991</u>	<u>899</u>
DSS Funds - Clerk of Court:						
Salaries and related Operations	129,403	132,184	131,225	-	131,225	959
	<u>14,200</u>	<u>14,200</u>	<u>3,793</u>	<u>-</u>	<u>3,793</u>	<u>10,407</u>
	<u>143,603</u>	<u>146,384</u>	<u>135,018</u>	<u>-</u>	<u>135,018</u>	<u>11,366</u>
Circuit Court Judges:						
Allowance	22,160	22,160	18,593	-	18,593	3,567
Solicitor:						
Allowance	143,813	143,813	143,813	-	143,813	-
Public Defender:						
Allowance	60,000	60,000	60,000	-	60,000	-
	<u>225,973</u>	<u>225,973</u>	<u>222,406</u>	<u>-</u>	<u>222,406</u>	<u>3,567</u>
<b>Total Court Related</b>	<b>1,413,860</b>	<b>1,438,982</b>	<b>1,406,740</b>	<b>(269)</b>	<b>1,406,471</b>	<b>32,511</b>
<b>Public Safety:</b>						
Sheriff:						
Salaries and related Operations	2,198,492	2,246,262	2,215,160	-	2,215,160	31,102
	<u>553,299</u>	<u>553,299</u>	<u>625,729</u>	<u>1,844</u>	<u>627,573</u>	<u>(74,274)</u>
	<u>2,751,791</u>	<u>2,799,561</u>	<u>2,840,889</u>	<u>1,844</u>	<u>2,842,733</u>	<u>(43,172)</u>
Emergency Preparedness:						
Salaries and related Operations	65,893	67,419	69,173	-	69,173	(1,754)
	<u>15,870</u>	<u>15,870</u>	<u>14,089</u>	<u>(1,041)</u>	<u>13,048</u>	<u>2,822</u>
	<u>81,763</u>	<u>83,289</u>	<u>83,262</u>	<u>(1,041)</u>	<u>82,221</u>	<u>1,068</u>
Correctional Center:						
Salaries and related Operations	1,453,660	1,496,616	1,461,214	-	1,461,214	35,402
	<u>489,200</u>	<u>489,200</u>	<u>471,990</u>	<u>(4,854)</u>	<u>467,136</u>	<u>22,064</u>
	<u>1,942,860</u>	<u>1,985,816</u>	<u>1,933,204</u>	<u>(4,854)</u>	<u>1,928,350</u>	<u>57,466</u>

CLARENDON COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Coroner:						
Salaries and related	43,125	44,203	44,305	-	44,305	(102)
Operations	61,000	61,000	80,367	-	80,367	(19,367)
	<u>104,125</u>	<u>105,203</u>	<u>124,672</u>	<u>-</u>	<u>124,672</u>	<u>(19,469)</u>
Communications:						
Salaries and related	533,698	588,245	608,716	-	608,716	(20,471)
Operations	8,579	8,579	7,221	(191)	7,030	1,549
	<u>542,277</u>	<u>596,824</u>	<u>615,937</u>	<u>(191)</u>	<u>615,746</u>	<u>(18,922)</u>
EMS:						
Contract	878,911	878,911	878,911	-	878,911	-
Animal Control:						
Expenses	12,000	12,000	12,000	-	12,000	-
Total Public Safety	<u>6,313,727</u>	<u>6,461,604</u>	<u>6,488,875</u>	<u>(4,242)</u>	<u>6,484,633</u>	<u>(23,029)</u>
<b>Physical Environment:</b>						
Facilities Management:						
Salaries and related	244,351	249,465	245,480	-	245,480	3,985
Operations	312,200	312,200	350,734	(10,972)	339,762	(27,562)
	<u>556,551</u>	<u>561,665</u>	<u>596,214</u>	<u>(10,972)</u>	<u>585,242</u>	<u>(23,577)</u>
Landfill:						
Salaries and related	162,676	165,571	149,229	-	149,229	16,342
Operations	1,581,372	1,581,372	1,493,096	-	1,493,096	88,276
	<u>1,744,048</u>	<u>1,746,943</u>	<u>1,642,325</u>	<u>-</u>	<u>1,642,325</u>	<u>104,618</u>
Public Works:						
Salaries and related	565,853	577,482	572,812	-	572,812	4,670
Operations	277,401	277,401	286,449	(10,641)	275,808	1,593
	<u>843,254</u>	<u>854,883</u>	<u>859,261</u>	<u>(10,641)</u>	<u>848,620</u>	<u>6,263</u>
Total Physical Environment	<u>3,143,853</u>	<u>3,163,491</u>	<u>3,097,800</u>	<u>(21,613)</u>	<u>3,076,187</u>	<u>87,304</u>
<b>Economic Environment:</b>						
Planning and Public Service Commission:						
Salaries and related	358,179	366,327	349,994	-	349,994	16,333
Operations	54,065	54,065	59,888	(9,788)	50,100	3,965
	<u>412,244</u>	<u>420,392</u>	<u>409,882</u>	<u>(9,788)</u>	<u>400,094</u>	<u>20,298</u>
Development Board:						
Salaries and related	153,502	156,978	157,641	-	157,641	(663)
Operations	161,500	161,500	158,276	-	158,276	3,224
	<u>315,002</u>	<u>318,478</u>	<u>315,917</u>	<u>-</u>	<u>315,917</u>	<u>2,561</u>
Total Economic Environment	<u>727,246</u>	<u>738,870</u>	<u>725,799</u>	<u>(9,788)</u>	<u>716,011</u>	<u>22,859</u>

CLARENDON COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
<b>Transportation:</b>						
Fleet Maintenance:						
Salaries and related	161,766	165,375	165,806	-	165,806	(431)
Operations	12,050	12,050	8,501	-	8,501	3,549
	<u>173,816</u>	<u>177,425</u>	<u>174,307</u>	<u>-</u>	<u>174,307</u>	<u>3,118</u>
Airport Commission:						
Operations	216,400	216,400	33,041	(1,600)	31,441	184,959
	<u>216,400</u>	<u>216,400</u>	<u>33,041</u>	<u>(1,600)</u>	<u>31,441</u>	<u>184,959</u>
Total Transportation	<u>390,216</u>	<u>393,825</u>	<u>207,348</u>	<u>(1,600)</u>	<u>205,748</u>	<u>188,077</u>
<b>Recreation and Culture:</b>						
Recreation:						
Salaries and related	212,087	216,553	225,952	-	225,952	(9,399)
Operations	91,500	91,500	159,244	-	159,244	(67,744)
	<u>303,587</u>	<u>308,053</u>	<u>385,196</u>	<u>-</u>	<u>385,196</u>	<u>(77,143)</u>
County Archives:						
Salaries and related	47,445	48,627	42,857	-	42,857	5,770
Operations	7,000	7,000	5,287	-	5,287	1,713
	<u>54,445</u>	<u>55,627</u>	<u>48,144</u>	<u>-</u>	<u>48,144</u>	<u>7,483</u>
Total Recreation and Culture	<u>358,032</u>	<u>363,680</u>	<u>433,340</u>	<u>-</u>	<u>433,340</u>	<u>(69,660)</u>
<b>Miscellaneous:</b>						
Agencies:						
Santee-Lynches Council of Government	22,782	22,782	22,782	-	22,782	-
Voter Registration Board	6,250	6,250	-	-	-	6,250
Paxville Community Devel Corp	4,000	4,000	4,000	-	4,000	-
Clarendon Soil and Water Conservation	30,000	30,000	30,000	-	30,000	-
Election Commission	6,250	6,250	-	-	-	6,250
Election Commission - Supplies	3,000	3,000	18,150	-	18,150	(15,150)
Clemson Extension	25,460	38,210	34,947	-	34,947	3,263
SC Association of Counties	8,672	8,672	8,672	-	8,672	-
Delegation allowance	14,000	14,000	14,000	-	14,000	-
Behavioral Services	17,500	17,500	17,500	-	17,500	-
Clarendon County Library	540,000	540,000	540,000	-	540,000	-
Clarendon First Steps	4,600	4,600	4,600	-	4,600	-
DHEC	14,940	14,940	14,940	-	14,940	-
Harvest Hope Food Bank	5,200	5,200	5,200	-	5,200	-
Indigent care	69,014	69,014	69,014	-	69,014	-
Council on Aging	3,500	3,500	3,500	-	3,500	-
County Board of Education	8,408	8,408	8,408	-	8,408	-
American Red Cross	4,500	4,500	4,500	-	4,500	-
County Adult Education	35,500	35,500	35,500	-	35,500	-
Lake Marion Regional Water Authority	24,500	24,500	67,513	-	67,513	(43,013)
Central Carolina Technical College	200,000	200,000	200,000	-	200,000	-
	<u>1,048,076</u>	<u>1,060,826</u>	<u>1,103,226</u>	<u>-</u>	<u>1,103,226</u>	<u>(42,400)</u>
Total Miscellaneous	<u>1,048,076</u>	<u>1,060,826</u>	<u>1,103,226</u>	<u>-</u>	<u>1,103,226</u>	<u>(42,400)</u>
Total Expenditures	<u>\$ 18,300,527</u>	<u>\$ 18,300,527</u>	<u>\$ 18,418,520</u>	<u>\$ (140,417)</u>	<u>\$ 18,278,103</u>	<u>\$ 22,424</u>
<b>Other Financing Sources (Uses)</b>						
Sale of Assets	\$ 45,000	\$ 45,000	\$ 8,246	\$ -	\$ 8,246	\$ (36,754)
Transfers In (Out)	(150,000)	(150,000)	(884,502)	-	(884,502)	(734,502)
	<u>\$ (105,000)</u>	<u>\$ (105,000)</u>	<u>\$ (876,256)</u>	<u>\$ -</u>	<u>\$ (876,256)</u>	<u>\$ (771,256)</u>
Equity Transfer	\$ -	\$ -	\$ (1,748,337)	\$ -	\$ (1,748,337)	\$ 1,748,337

**CLARENDON COUNTY, SOUTH CAROLINA**  
**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**FIRE DEPARTMENT - SPECIAL REVENUE FUND**  
**BUDGETARY BASIS**  
**JUNE 30, 2011**

	<b>Final Budget</b>	<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	\$ 2,300,000	\$ 1,972,341	\$ (327,659)
Interest	-	2,651	2,651
Total revenues	<u>2,300,000</u>	<u>1,974,992</u>	<u>(325,008)</u>
<b>EXPENDITURES</b>			
Public Safety:			
Salaries and related	1,194,066	1,131,564	62,502
Operations	<u>1,105,934</u>	<u>633,476</u>	<u>472,458</u>
	<u>2,300,000</u>	<u>1,765,040</u>	<u>534,960</u>
Net Change in Fund Balance	-	209,952	209,952
Fund balances at beginning of year	<u>-</u>	<u>983,741</u>	<u>983,741</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,193,693</u>	<u>\$ 1,193,693</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, 2011**

	School Districts	School Districts Operations	Hospital Debt Service	Probate Judge	Master-In Equity	Municipalities
<b>ASSETS</b>						
Cash	\$ 2,325,258	\$ -	\$ 3,602,395	760	\$ 9,500	\$ -
Delinquent taxes receivable	180,278	1,213,388	69,885	-	-	-
Due from credit card	-	-	-	-	-	-
Due from General Fund	22,900	191,162	14,021	-	-	37,109
Due from other magistrates	-	-	-	-	-	-
Due from trust fund holders	-	-	-	-	-	-
Total assets	<u>2,528,436</u>	<u>1,404,550</u>	<u>3,686,301</u>	<u>760</u>	<u>9,500</u>	<u>37,109</u>
<b>LIABILITIES</b>						
Due to trust fund holders	2,380,427	326,689	3,630,538	760	7,240	37,109
Due to Treasurer	-	-	-	-	2,260	-
Due to Treasurer - cash overage (shortage)	-	-	-	-	-	-
Deferred revenue	148,009	1,077,861	55,763	-	-	-
Due to other magistrates	-	-	-	-	-	-
Total liabilities	<u>2,528,436</u>	<u>1,404,550</u>	<u>3,686,301</u>	<u>760</u>	<u>9,500</u>	<u>37,109</u>
<b>NET ASSETS</b>						
Total net assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CLARENDON COUNTY, SOUTH CAROLINA  
COMBINING SCHEDULE OF FIDUCIARY NET ASSETS  
ALL AGENCY FUNDS  
JUNE 30, 2011**

	Magistrates		Clerk of Court	Tax Collector	Total
	General Account	Civil Account			
<b>ASSETS</b>					
Cash	\$ 108,381	\$ 6,951	\$ 162	\$ 542,031	\$ 7,044,721
Delinquent taxes receivable	-	-	-	-	1,463,551
Due from credit card	2,202	-	-	-	2,202
Due from General Fund	-	-	-	18,332	283,524
Due from other magistrates	162	-	-	-	162
Due from trust fund holders	-	-	1,827	-	1,827
Total assets	<u>110,745</u>	<u>6,951</u>	<u>162</u>	<u>560,363</u>	<u>8,795,987</u>
<b>LIABILITIES</b>					
Due to trust fund holders	38,920	-	-	560,363	7,385,543
Due to Treasurer	64,200	6,951	-	-	101,953
Due to Treasurer - cash overage (shortage)	7,625	-	-	-	26,696
Deferred revenue	-	-	-	-	1,281,633
Due to other magistrates	-	-	162	-	162
Total liabilities	<u>110,745</u>	<u>6,951</u>	<u>162</u>	<u>560,363</u>	<u>8,795,987</u>
<b>NET ASSETS</b>					
Total net assets	\$ -	\$ -	\$ -	\$ -	\$ -

**CLARENDON COUNTY, SOUTH CAROLINA**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**JUNE 30, 2011**

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<b>Municipalities</b>				
<b>Assets</b>				
Due from General Fund	\$ 27,333	\$ 1,257,364	\$ 1,247,588	\$ 37,109
Total Assets	<u>\$ 27,333</u>	<u>\$ 1,257,364</u>	<u>\$ 1,247,588</u>	<u>\$ 37,109</u>
<b>Liabilities</b>				
Due to trust fund holders	\$ 27,333	\$ 1,257,364	\$ 1,247,588	\$ 37,109
Total Liabilities	<u>\$ 27,333</u>	<u>\$ 1,257,364</u>	<u>\$ 1,247,588</u>	<u>\$ 37,109</u>
<b>School Districts Debt Service</b>				
<b>Assets</b>				
Cash and investments	\$ 1,404,150	\$11,682,812	\$10,761,704	\$ 2,325,258
Due from other funds	21,598	1,691,091	1,689,789	22,900
Delinquent taxes receivable	145,586	41,654	6,962	180,278
Total Assets	<u>\$ 1,571,334</u>	<u>\$13,415,557</u>	<u>\$12,458,455</u>	<u>\$ 2,528,436</u>
<b>Liabilities</b>				
Deferred revenue	128,634	26,309	6,934	148,009
Due to trust fund holders	1,442,700	11,571,549	10,633,822	2,380,427
Total Liabilities	<u>\$ 1,571,334</u>	<u>\$11,597,858</u>	<u>\$10,640,756</u>	<u>\$ 2,528,436</u>
<b>School District Operations</b>				
<b>Assets</b>				
Delinquent taxes receivable	\$ 1,058,464	\$ 154,924	\$ -	\$ 1,213,388
Due from General Fund	193,936	8,707,079	8,709,853	191,162
Total Assets	<u>\$ 1,252,400</u>	<u>\$ 8,862,003</u>	<u>\$ 8,709,853</u>	<u>\$ 1,404,550</u>
<b>Liabilities</b>				
Deferred revenue	\$ 940,954	\$ 136,907	\$ -	\$ 1,077,861
Due to trust fund holders	311,446	41,895,554	41,880,311	326,689
Total Liabilities	<u>\$ 1,252,400</u>	<u>\$42,032,461</u>	<u>\$41,880,311</u>	<u>\$ 1,404,550</u>

**CLARENDON COUNTY, SOUTH CAROLINA  
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
JUNE 30, 2011**

	<b>Balance July 1, 2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2011</b>
<b>Hospital Debt Service</b>				
<b>Assets</b>				
Cash and investments	\$ 5,700,263	\$11,934,345	\$14,032,213	\$ 3,602,395
Due from other funds	20,109	812,350	818,438	14,021
Delinquent taxes receivable	71,469	-	1,584	69,885
Total Assets	<u>\$ 5,791,841</u>	<u>\$12,746,695</u>	<u>\$14,852,235</u>	<u>\$ 3,686,301</u>
<b>Liabilities</b>				
Deferred revenue	\$ 55,465	\$ 298	\$ -	\$ 55,763
Due to trust fund holders	5,736,376	-	2,105,838	3,630,538
Total Liabilities	<u>\$ 5,791,841</u>	<u>\$ 298</u>	<u>\$ 2,105,838</u>	<u>\$ 3,686,301</u>
<b>Probate Judge</b>				
<b>Assets</b>				
Cash	\$ 800	\$ 70,736	\$ 70,776	\$ 760
Total Assets	<u>\$ 800</u>	<u>\$ 70,736</u>	<u>\$ 70,776</u>	<u>\$ 760</u>
<b>Liabilities</b>				
Due to trust fund holders	\$ 800	\$ -	\$ 40	\$ 760
Total Liabilities	<u>\$ 800</u>	<u>\$ -</u>	<u>\$ 40</u>	<u>\$ 760</u>
<b>Master In Equity</b>				
<b>Assets</b>				
Cash	\$ 6,731	\$ 42,052	\$ 39,283	\$ 9,500
Total Assets	<u>\$ 6,731</u>	<u>\$ 42,052</u>	<u>\$ 39,283</u>	<u>\$ 9,500</u>
<b>Liabilities</b>				
Due to Treasurer	\$ -	\$ 2,260	\$ -	\$ 2,260
Due to trust fund holders	6,731	509	-	7,240
Total Liabilities	<u>\$ 6,731</u>	<u>\$ 2,769</u>	<u>\$ -</u>	<u>\$ 9,500</u>

CLARENDON COUNTY, SOUTH CAROLINA  
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 JUNE 30, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<b>Magistrate: General account</b>				
<b>Assets</b>				
Cash	\$ 159,522	\$ 1,020,962	\$ 1,072,103	\$ 108,381
Due from credit card	1,616	2,203	1,617	2,202
Due from other magistrates	274	162	274	162
Total Assets	<u>\$ 161,412</u>	<u>\$ 1,023,327</u>	<u>\$ 1,073,994</u>	<u>\$ 110,745</u>
<b>Liabilities</b>				
Due to Treasurer	\$ 108,221	\$ 64,200	\$ 108,221	\$ 64,200
Due to trust fund holders	43,841	38,921	43,842	38,920
Due to Treasurer - cash overage/(shortage)	9,350	7,625	9,350	7,625
Total Liabilities	<u>\$ 161,412</u>	<u>\$ 110,746</u>	<u>\$ 161,413</u>	<u>\$ 110,745</u>
<b>Magistrate: Civil Account</b>				
<b>Assets</b>				
Cash	\$ 7,010	\$ 88,581	\$ 88,640	\$ 6,951
Total Assets	<u>\$ 7,010</u>	<u>\$ 88,581</u>	<u>\$ 88,640</u>	<u>\$ 6,951</u>
<b>Liabilities</b>				
Due to Treasurer	\$ 7,010	\$ -	\$ 59	\$ 6,951
Total Liabilities	<u>\$ 7,010</u>	<u>\$ -</u>	<u>\$ 59</u>	<u>\$ 6,951</u>
<b>Magistrate: Part-time</b>				
<b>Assets</b>				
Cash	\$ 274	\$ -	\$ 112	\$ 162
Total Assets	<u>\$ 274</u>	<u>\$ -</u>	<u>\$ 112</u>	<u>\$ 162</u>
<b>Liabilities</b>				
Due to other magistrates	\$ 274	\$ -	\$ 112	\$ 162
Total Liabilities	<u>\$ 274</u>	<u>\$ -</u>	<u>\$ 112</u>	<u>\$ 162</u>
<b>Clerk of Court</b>				
<b>Assets</b>				
Cash	\$ 473,951	\$ 43,184	\$ 67,852	\$ 449,283
Due from trust fund holders	1,731	96	-	1,827
Total Assets	<u>\$ 475,682</u>	<u>\$ 43,280</u>	<u>\$ 67,852</u>	<u>\$ 451,110</u>

**CLARENDON COUNTY, SOUTH CAROLINA**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**JUNE 30, 2011**

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<b>Liabilities</b>				
Due to Treasurer	\$ 33,531	\$ -	\$ 4,989	\$ 28,542
Due to trust fund holders	425,569	-	22,072	403,497
Due to Treasurer - cash overage/(shortage)	16,582	2,489	-	19,071
Total Liabilities	<u>\$ 475,682</u>	<u>\$ 2,489</u>	<u>\$ 27,061</u>	<u>\$ 451,110</u>
<b>Tax Collector</b>				
<b>Assets</b>				
Cash	\$ 337,262	\$ 204,769	\$ -	\$ 542,031
Due from General Fund	9,701	8,631	-	18,332
Total Assets	<u>\$ 346,963</u>	<u>\$ 213,400</u>	<u>\$ -</u>	<u>\$ 560,363</u>
<b>Liabilities</b>				
Due to trust fund holders	\$ 346,963	\$ 213,400	\$ -	\$ 560,363
Total Liabilities	<u>\$ 346,963</u>	<u>\$ 213,400</u>	<u>\$ -</u>	<u>\$ 560,363</u>
<b>Total All Agency Funds</b>				
<b>Assets</b>				
Cash and Investments	\$ 8,089,963	\$25,087,441	\$26,132,683	\$ 7,044,721
Delinquent taxes receivable	1,275,519	196,578	8,546	1,463,551
Due from credit card	1,616	2,203	1,617	2,202
Due from General Fund	272,677	12,476,515	12,465,668	283,524
Due from other magistrates	274	162	274	162
Due from trust fund holders	1,731	96	-	1,827
Total Assets	<u>\$ 9,641,780</u>	<u>\$37,762,995</u>	<u>\$38,608,788</u>	<u>\$ 8,795,987</u>
<b>Liabilities</b>				
Due to Treasurer	\$ 148,762	\$ 66,460	\$ 113,269	\$ 101,953
Due to Treasurer - cash overage/(shortage)	25,932	10,114	9,350	26,696
Due to trust fund holders	8,341,759	54,977,297	55,933,513	7,385,543
Deferred revenue	1,125,053	163,514	6,934	1,281,633
Due to other magistrates	274	-	112	162
Total Liabilities	<u>\$ 9,641,780</u>	<u>\$55,217,385</u>	<u>\$56,063,178</u>	<u>\$ 8,795,987</u>

**CLARENDON COUNTY**  
**SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES**  
**SPECIAL REVENUE FUND - VICTIMS RIGHTS FUND**  
**JUNE 30, 2011**

	Clerk of Court	Magistrates	Total
<b>Court Fines</b>			
Court fines collected	\$ 20,397	\$ 441,634	\$ 462,031
Court fines retained by County	<u>13,123</u>	<u>441,634</u>	<u>454,757</u>
Court fines remitted to State Treasurer	<u>\$ 7,274</u>	<u>\$ -</u>	<u>\$ 7,274</u>
<b>Court Assessments</b>			
Court assessments collected	\$ 19,207	\$ 625,127	\$ 644,334
Court assessments retained by County	<u>6,492</u>	<u>41,845</u>	<u>48,337</u>
Court assessments remitted to State Treasurer	<u>\$ 12,715</u>	<u>\$ 583,282</u>	<u>\$ 595,997</u>
<b>Court Surcharges</b>			
Court surcharges collected	<u>\$ 19,686</u>	<u>\$ 16,673</u>	<u>\$ 36,359</u>
Court surcharges retained by County	<u>\$ 11,440</u>	<u>\$ 16,673</u>	<u>\$ 28,113</u>
<b>Victims Services</b>			
Court assessments allocated to Victim Services	\$ 6,492	\$ 41,845	\$ 48,337
Court surcharges allocated to Victim Services	<u>11,440</u>	<u>16,673</u>	<u>28,113</u>
Funds allocated to Victim Services	<u>\$ 17,932</u>	<u>\$ 58,518</u>	76,450
Victim Services expenditures			<u>(93,566)</u>
			<u>\$ (17,116)</u>
Beginning balance - July 1, 2010		\$ 17,113	
Excess of expenditures over revenue for current year		<u>(17,116)</u>	
Interest Income		<u>3</u>	
Ending Balance - June 30, 2011		<u>\$ -</u>	

**CLARENDON COUNTY, SOUTH CAROLINA  
COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30, 2011**

Real and Other Personal Property Assessed Value	\$ 81,620,360
Vehicles Assessed Value	8,839,320
Manufacturer's Assessed Value	1,043,010
Merchants Inventory Value	688,290
Motor Carrier Assessed Value	<u>1,023,210</u>
Total Taxable Assessed Value	<u>93,214,190</u>
Debt Limit - Eight Percent (8%) of Total Taxable Assessed Value	7,457,135
Amount of Debt Applicable to Debt Limit:	<u>1,798,000</u>
<b>LEGAL DEBT MARGIN</b>	<u><u>\$ 5,659,135</u></u>

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

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January 5, 2012

## 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clarendon County, as of and for the year ended June 30, 2011, which collectively comprise Clarendon County's basic financial statements and have issued our report thereon dated January 5, 2012. 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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

(continued)

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. (2011-1)

*A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs to be a significant deficiency. (2011-2)

### **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*.

We noted certain matters that we reported to management of Clarendon County in a separate letter dated January 5, 2012.

Clarendon County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Clarendon County's response and, accordingly, we express no opinion on it.

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.

*McGregor & Co. LLP*

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

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January 5, 2012

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Clarendon County Council  
Clarendon County  
Manning, South Carolina

### Compliance

We have audited Clarendon County's compliance, with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Clarendon County's major federal programs for the year ended June 30, 2011. Clarendon County's major federal program is 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 program 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL  
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

(continued)

**Internal Control Over Compliance**

Management of Clarendon County is responsible for establishing and maintaining effective internal control over compliance with the 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 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Clarendon County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2011-3 to be a material weakness.

Clarendon County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Clarendon County's responses and, accordingly, we express no opinion on the responses.

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

*McKee & Co. LLP*

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2011**

Grantor	Grantor Number	Federal CFDA Number	Award Amount	Total Awards Expended
<b>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>				
Community Development Block Grant:				
Paxville CDC Training Center	4-CC-06-002	14 228	500,000	25,274
A&K Mulch Infrastructure Extension (Note B)	4-ED-09-001	14 228	136,400	13,459
<b>U. S. DEPARTMENT OF JUSTICE:</b>				
Through SC Department of Public Safety:				
Multijurisdictional Drug Task Force	1G10011	16 738	243,227	210,452
Justice Assistance 2009 - ARRA	2009-SB-B9-1137	16 738	106,699	10,743
Justice Assistance 2009A	2009-DJ-BX-1394	16 738	25,976	1,055
Justice Assistance 2010	2010-DJ-BX-1121	16 738	3,270	3,270
Ballistic Vests 2006		16 607	2,445	2,143
Ballistic Vests 2010	HML3000-III A	16 607	4,609	4,609
<b>FEDERAL AVIATION ADMINISTRATION</b>				
Airport Improvement Program	3-45-0038-007-2010	20 106	175,750	107,100
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>				
Through SC Emergency Management Division:				
Alternate Emergency Op Ctr/Shelter	PDMC-04-SC-2008-002	97 017	1,500,000	1,100,717
Local Emergency Mgmt Planning 2008	8EMPG01	97 042	39,314	1,000
Local Emergency Mgmt Planning 2009	9EMPG01	97 042	10,296	12,029
Local Emergency Mgmt Planning 2010	10EMPG01	97 042	51,569	26,378
Local Emergency Mgmt Planning 2011	11EMPG01	97 042	18,373	4,368
<b>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>				
Through Department of Social Services:				
Office of Child Support Enforcement:				
Filing Fees	G-04SC404	93 563		19,950
Federal Financial Assistance	G-04SC404	93 563		32,748
Clerk of Court Incentive (IV-D)	G-04SC404	93 563		31,984
Family Court	G-04SC404	93 563		129,585
Sheriff's Department	G-04SC404	93 563		8,827
<b>TOTAL FEDERAL ASSISTANCE</b>			<b>\$ 1,745,691</b>	

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTES TO SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS  
FOR THE YEAR END JUNE 30, 2011**

**NOTE A- BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Clarendon County and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *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 basic financial statements.

**NOTE B- SUBRECIPIENTS**

Clarendon County provided federal awards to subrecipients as follows:

<b>Program Title</b>	<b>Federal CFDA Number</b>	<b>Amount Provided</b>
A&K Mulch Infrastructure Extension	14 228	\$ 13,459

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**A. Summary of Audit Results**

1. The auditor's report expresses an unqualified opinion on the financial statements of Clarendon County.
2. One material weakness and one significant deficiency disclosed during the audit of the financial statements are reported in the *Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Clarendon County which would be required to be reported in accordance with *Government Audit Standards* were disclosed during the audit.
4. One material weakness in internal control over major federal awards programs for Clarendon County was disclosed during the audit and is reported in the *Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for Clarendon County expresses an 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 program tested as major programs included:
  - Alternate Emergency Operations Ctr/Shelter                      CFDA# 97.017
8. The threshold used for distinguishing Type A and Type B programs was \$300,000.
9. Clarendon County was determined to be a low-risk auditee.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**B. Findings – Financial Statement Audit**

**Material Weakness**

**2011-1 Material Audit Adjustment**

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

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

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

**Effect:** Without the proposed entries being made, the financial statements would have been materially misstated as of and for the year ended June 30, 2011.

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

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

**Significant Deficiency**

**2011-2 Procurement**

**Criteria:** The Sheriff's department is involved in the equitable sharing of drug forfeiture funds. These funds are to follow guidelines for use and internal control as stated in the "Guide to Equitable Sharing" issued by the Department of Justice.

**Condition:** During our audit, we noted that two boats and one vehicle were purchased with these funds, but the Sheriff's department did not go through the procurement process of the County.

**Cause:** Because the Sheriff's department is authorized to disburse the funds, the normal controls of the purchasing system were not initiated.

**Effect:** Without proper bidding of major expenditures, the most efficient use of the funds may not be met.

**Recommendation:** All purchases with these funds should follow the procurement policy of the County.

**County response:** This has been addressed with Sheriff's department and efforts will be made in the future to ensure that both the Sheriff and the County are aware that the procurement policies should be followed.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011**

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

**Material Weakness**

**2011-3 Internal Control Over Compliance**

**Criteria:** The Alternate Emergency Operations Center/Shelter grant requires that Davis-Bacon Act compliance be performed by the County.

**Condition:** During our audit, we noted that the Davis-Bacon Act compliance for the above grant was started by the County, but was not completed. Interviews of contractor and subcontractor employees was performed, but review of certified payrolls was not performed.

**Cause:** The employer responsible for the Davis-Bacon Act compliance was not aware that the payrolls had to be reviewed to ensure that prevailing wages were paid.

**Effect:** Without the compliance performed, workers could be paid below prevailing wages required by the grant. Funding by the grantor could be reduced.

**Recommendation:** All certified payrolls should be examined and compared to prevailing wages to ensure that workers are paid at least prevailing wage rates.

**County response:** The employee responsible for the Davis-Bacon Act compliance has now examined all certified payrolls to ensure compliance with prevailing wage rates. All appear proper. The employee's supervisor has also been informed of the need for adequate training of the employee responsible for compliance.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA**

**OTHER MATTERS**

**JUNE 30, 2011**

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January 5, 2012

Clarendon County Council  
Clarendon County  
Manning, South Carolina

In planning and performing our audit of the financial statements of Clarendon County for the year ended June 30, 2011, we considered the County's internal control to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal control and increasing operating efficiency. The following summarizes our comments and suggestions regarding those matters. We previously reported on the County's internal control in our report dated January 5, 2012. This letter does not affect our report dated January 5, 2012, on the financial statements of Clarendon County.

## CREDIT CARDS

During our audit, we tested credit card transactions to see that receipts are being kept and matched to purchases on the credit cards. We also look for the reasonableness of purchases.

For the Bank of America card, we selected five months to examine. We found that one receipt was missing. We also noted that when employees are traveling and incurring hotel expense for lodging, the hotel folio is not always brought back for the procurement department to match with the transaction of the credit card.

We recommend that all department heads stress the importance of the employee retaining the hotel folio and submitting it to procurement when returning. Receipts for all purchases should be kept on file.

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## PROCUREMENT

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

- An animal control vehicle was purchased under the Sheriff's department and was not purchased in accordance with the County procurement policy. The purchase was not initiated through the procurement department, therefore bids were not obtained before the purchase.
- A mower and a surveillance system were not purchased in accordance with the procurement policy. No bids were obtained by the procurement department.
- Road material purchases for the road repair projects did not adhere to the County procurement policy. In the past, the road material purchases were under State contract. At the time of the project, the road material purchases were not under State contract. No bids were obtained by the procurement department.

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

## MAGISTRATES

The magistrates are to report any overages in their accounts over \$100 on an annual basis to the Court Administration. Currently this overage total is \$7,625.

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

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

*McBryer & Co. LLP*