

AUDITED FINANCIAL STATEMENTS

CLARENDON COUNTY

MANNING, SOUTH CAROLINA

JUNE 30, 2012

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December 13, 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, 2012, 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, 2012, and the respective changes in financial position, and, where applicable, cash flows 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 December 13, 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 62, 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 financial statements as a whole. 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 financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the 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 financial statements as a whole.

McShegan & Co. LLP

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2012**

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, 2012. 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, 2012 by \$26.0 million (net assets). Of this amount, \$4.2 million are classified as unrestricted net assets that may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets decreased \$.02 million over the previous year, a reduction of less than 1%.
- At June 30, 2012, the County's governmental fund balance sheet reported a combined ending fund balance of \$8.7 million, a decrease of \$5.3 million over the previous fiscal year. Nearly 90% of this decrease is associated with capital improvement projects within the County. Of the \$8.7 million, \$6.3 million remains in the various funds of the County as either committed, assigned or unassigned.
- The General Fund reported a fund balance of \$3.2 million, a decrease from last fiscal year of \$0.6 million. This ending balance equates to 17% of General Fund expenditures for the year.
- Total bonded debt remained unchanged in fiscal year 2012.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to 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, 2012**

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, 2012**

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

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

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

The basic governmental funds financial statements can be found on pages 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 22 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 65 through 82 of this report.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2012**

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 \$26.1 million at the close of the most recent fiscal year. The County's decrease in net assets for this fiscal year amounts to \$.02 million, a reduction of less than 1%.

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)**

	Governmental Activities		Business-type Activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current and other assets	\$ 10,230	\$ 15,284	\$ 1,058	\$ 1,661	\$ 11,288	\$ 16,945
Capital assets	<u>26,419</u>	<u>21,263</u>	<u>8,831</u>	<u>5,860</u>	<u>35,250</u>	<u>27,123</u>
Total assets	<u>36,649</u>	<u>36,547</u>	<u>9,889</u>	<u>7,521</u>	<u>46,538</u>	<u>44,068</u>
Long-term liabilities						
outstanding	11,674	11,156	6,479	3,225	18,153	14,381
Other liabilities	<u>638</u>	<u>249</u>	<u>1,697</u>	<u>3,370</u>	<u>2,335</u>	<u>3,619</u>
Total liabilities	<u>12,312</u>	<u>11,405</u>	<u>8,176</u>	<u>6,595</u>	<u>20,488</u>	<u>18,000</u>
Net Assets						
Invested in capital assets, net of related debt	18,802	18,756	933	1,167	19,735	19,923
Restricted	1,508	1,610	616	581	2,124	2,191
Unrestricted	<u>4,027</u>	<u>4,776</u>	<u>164</u>	<u>(822)</u>	<u>4,191</u>	<u>3,954</u>
Total net assets	<u>\$ 24,337</u>	<u>\$ 25,142</u>	<u>\$ 1,713</u>	<u>\$ 926</u>	<u>\$ 26,050</u>	<u>\$ 26,068</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 balance of net assets (\$4.2 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, 2012**

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. The business-type activities also reflect a positive 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 reduction in grant revenue; a reduction in Ad valorem taxes; and a transfer of assets from governmental to business-type activities

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

	Governmental Activities		Business-type Activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 3,674	\$ 4,205	\$ 537	\$ 610	\$ 4,211	\$ 4,815
Grants and Contributions	1,536	1,827	894	-	2,430	1,827
General revenues:						
Ad valorem taxes	13,709	14,182	-	-	13,709	14,182
Other taxes	2,974	2,921	-	-	2,974	2,921
State shared	1,394	1,558	-	-	1,394	1,558
Interest	10	28	1	1	11	29
Other	<u>343</u>	<u>254</u>	<u>-</u>	<u>-</u>	<u>343</u>	<u>254</u>
Total revenues	23,640	24,975	1,432	611	25,072	25,586
Expenses:						
Program Activities:						
Government Activities:						
General government	6,591	7,368	-	-	6,591	7,368
Public safety	9,678	9,631	-	-	9,678	9,631
Physical environment	3,061	2,836	-	-	3,061	2,836
Transportation	213	216	-	-	213	216
Economic environment	741	764	-	-	741	764
Court related	1,651	1,656	-	-	1,651	1,656
Cultural and recreational	407	623	-	-	407	623
Agencies	1,176	1,184	-	-	1,176	1,184
Interest on long-term debt	375	135	-	-	375	135
Business-type Activities:						
Water and sewer fund	-	-	413	388	413	388
Weldon Auditorium	-	-	611	560	611	560
Total expenses	<u>23,893</u>	<u>24,413</u>	<u>1,024</u>	<u>948</u>	<u>24,917</u>	<u>25,361</u>
Transfers in (out)	<u>(552)</u>	<u>(2,293)</u>	<u>379</u>	<u>2,418</u>	<u>(173)</u>	<u>125</u>
Change in net assets	<u>(805)</u>	<u>(1,731)</u>	<u>787</u>	<u>2,081</u>	<u>(18)</u>	<u>350</u>
Equity Transfer	-	(2,258)	-	-	-	(2,258)
Beginning net assets	<u>25,142</u>	<u>29,131</u>	<u>926</u>	<u>(1,155)</u>	<u>26,068</u>	<u>27,976</u>
Ending net assets	<u>\$ 24,337</u>	<u>\$ 25,142</u>	<u>\$ 1,713</u>	<u>\$ 926</u>	<u>\$ 26,050</u>	<u>\$ 26,068</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2012**

Primary Governmental Activities: Revenues for the County's governmental activities were \$23.6 million for fiscal year 2012 and \$1.4 million for its Business-type activities. Taxes constitute the largest source of County revenues, amounting to approximately \$16.7 million for the fiscal year 2012. Real property taxes (\$9.9 million) represent 60% of total taxes and 42% of all revenue combined. Lastly, intergovernmental revenues reduced to \$1.4 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, 2012, Clarendon County governmental funds reported combined fund balances of \$8.7 million, a decrease of \$5.3 million over the prior year balances. The main component of this decrease was construction related expenses within the Capital Projects fund for the new Administrative Office complex (\$5.2 million).

The General Fund is the chief operating fund of the County. At June 30, 2012, total fund balance in the General Fund was \$3.2 million, of which \$1.9 million was not restricted. As a measure of the General Fund's liquidity, the total and unrestricted fund balances compared to total fund expenditures shows percentages of 17.4% and 10.5%, respectively. The fund balance of the General Fund decreased by 16.2%, or \$0.6 million during the fiscal year as transfers were made to business-type activities (Weldon auditorium) and revenues were less than anticipated.

General Fund Budgetary Highlights

A budget to actual statement is provided for the General Fund. A budget column for both the original budget adopted for fiscal year 2012 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, 2012**

Capital Asset and Debt Administration

Capital assets: Clarendon County's investment in capital assets for its governmental type activities as of June 30, 2012 amounts to \$26.4 million (net of accumulated depreciation) and \$8.8 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 29.8%, primarily as a result of completion of emergency shelter/gymnasium and construction in progress water system expansion and the Administrative office complex.

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

	Government Activities		Business-type Activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$ 3,069	\$ 2,993	\$ 119	\$ 96	\$ 3,188	\$ 3,089
Infrastructure	3,968	4,065	-	-	3,968	4,065
Construction in progress	5,654	1,676	4,269	1,569	9,923	3,245
Buildings and improvements	11,200	9,528	3,310	3,397	14,510	12,925
Water distribution system	-	-	962	614	962	614
Machinery and equipment	<u>2,527</u>	<u>3,001</u>	<u>171</u>	<u>184</u>	<u>2,698</u>	<u>3,185</u>
Total	<u>\$ 26,418</u>	<u>\$ 21,263</u>	<u>\$ 8,831</u>	<u>\$ 5,860</u>	<u>\$ 35,249</u>	<u>\$ 27,123</u>

Additional information on the County's capital assets can be found in note 6 on pages 36 through 40 of this report.

Long-term debt: At the end of the current fiscal year, Clarendon County had total bonded debt outstanding of \$14.8 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)**

	2012	2011
General obligation bond	\$ 1,773	\$ 1,798
Revenue bond	13,015	11,192
Capital lease(s)	<u>491</u>	<u>528</u>
	<u>\$ 15,279</u>	<u>\$ 13,518</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2012**

The County's total debt increased \$2.0 million primarily as a result of the issuance of revenue bonds associated with expansion of the water system. The County currently has a rating of "A+" from Standard & Poor's Corporation on general obligation bond issues. As of June 30, 2012, the County's general obligation debt and capital lease approximated sixty-five dollars (\$65) per capita.

Additional information on Clarendon County's long-term debt can be found in note 8 on pages 42 through 48 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Clarendon County is currently 14.7%, which represents a decrease from a year ago. This compares to the state's average unemployment rate of 9.4% and the national average rate of 8.2%.
- Assessed taxable property valuation increased 3% to \$96 million in 2012, primarily in vehicle and manufacturing sectors.
- County-wide taxable sales increased 0.9%, from \$237 million in 2011 to \$240 million in 2012.

All of these factors were considered in preparing the County's budget for the 2013 fiscal year. Per the Fiscal Year 2013 Adopted Budget, disbursements are budgeted at \$18.8 million, a 1.3% increase from the fiscal year 2012 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, 411 Sunset Drive, Manning, South Carolina 29102. Complete financial statements for each individual component unit may be obtained at each respective administrative office.

CLARENDON COUNTY, SOUTH CAROLINA
STATEMENTS OF NET ASSETS
JUNE 30, 2012

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Harvin Clarendon County Library	Business Development Corp
ASSETS					
Current assets:					
Cash and cash equivalents - Note 3	\$ 6,467,812	\$ 191,173	\$ 6,658,985	\$ 225,917	\$ 1,713,628
Receivables:					
Delinquent taxes	1,702,792	-	1,702,792	-	-
Other	263,883	42,231	306,114	500	6,770
Due from fiduciary funds	97,222	-	97,222	-	-
Prepaid expense	-	19,000	19,000	10,382	-
Due from other governments	1,655,354	190,231	1,845,585	-	-
Inventories	42,660	-	42,660	-	-
Capital leases and notes receivable - Note 5	-	-	-	-	66,446
Total current assets	<u>10,229,723</u>	<u>442,635</u>	<u>10,672,358</u>	<u>236,799</u>	<u>1,786,844</u>
Non-current assets:					
Restricted cash and cash equivalents	-	616,277	616,277	-	-
Notes receivable - Note 5	-	-	-	-	69,505
Capital assets-net - Note 6	26,418,960	8,830,977	35,249,937	262,683	4,433,018
Capital lease receivable (net of current portion) - Note 5	-	-	-	-	465,347
Total non-current assets	<u>26,418,960</u>	<u>9,447,254</u>	<u>35,866,214</u>	<u>262,683</u>	<u>4,967,870</u>
Total assets	<u>36,648,683</u>	<u>9,889,889</u>	<u>46,538,572</u>	<u>499,482</u>	<u>6,754,714</u>
LIABILITIES					
Current liabilities (payable from current assets):					
Accounts payable	974,726	202,895	1,177,621	3,262	-
Due to other governments	67,308	132	67,440	-	-
Internal balances	(1,382,941)	1,382,941	-	-	-
Due to fiduciary funds - Note 7	48,565	-	48,565	-	-
Deferred revenue	206,476	45,802	252,278	-	6,704
Taxes to be distributed	5,507	-	5,507	-	-
Note payable - Note 8	-	-	-	-	124,941
Other liabilities	143,669	-	143,669	16,518	-
Accrued compensated absences - Note 8	32,650	-	32,650	-	-
Closures and maintenance costs payable - Note 8	18,250	-	18,250	-	-
Capital lease - Note 8	122,048	-	122,048	-	-
Bond payable - Note 8	401,700	65,000	466,700	-	-
Total current liabilities	<u>637,958</u>	<u>1,696,770</u>	<u>2,334,728</u>	<u>19,780</u>	<u>131,645</u>
Non-current liabilities:					
Accrued compensated absences - Note 8	309,367	-	309,367	15,280	-
Closures and maintenance costs payable - Note 8	319,375	-	319,375	-	-
Note payable	-	-	-	-	1,318,184
OPEB payable	2,805,317	29,179	2,834,496	69,925	-
Capital lease - Note 8	368,840	-	368,840	-	-
Bond payable - Note 8	7,871,300	6,450,019	14,321,319	-	-
Total long-term liabilities	<u>11,674,199</u>	<u>6,479,198</u>	<u>18,153,397</u>	<u>85,205</u>	<u>1,318,184</u>
Total liabilities	<u>12,312,157</u>	<u>8,175,968</u>	<u>20,488,125</u>	<u>104,985</u>	<u>1,449,829</u>
NET ASSETS					
Invested in capital assets, net of related debt	18,801,834	933,017	19,734,851	167,019	-
Restricted:					
Debt Service	275,651	616,277	891,928	-	-
Local option sales tax revenue	1,232,440	-	1,232,440	-	-
Unrestricted	4,026,601	164,627	4,191,228	227,478	5,304,885
Total net assets	<u>\$ 24,336,526</u>	<u>\$ 1,713,921</u>	<u>\$ 26,050,447</u>	<u>\$ 394,497</u>	<u>\$ 5,304,885</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, 2012**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Operating		Capital	Primary Government			Component Units	
		Charges for Services	Grants and Contributions	Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Harvin Clarendon County Library	Business Development Corporation
Primary Government:									
Governmental activities:									
Public safety	\$ 9,677,661	\$ 468,658	\$ 301,777	\$ 139,286	\$ (8,767,940)	\$ -	\$ (8,767,940)		
General government	6,590,743	95,843	-	-	(6,494,900)	-	(6,494,900)		
Agencies	1,176,320	67,084	237,000	-	(872,236)	-	(872,236)		
Physical environment	3,061,219	2,101,819	19,450	-	(939,950)	-	(939,950)		
Court related	1,650,681	789,573	-	-	(861,108)	-	(861,108)		
Economic environment	741,024	48,118	452,375	-	(240,531)	-	(240,531)		
Culture/Recreation	407,027	64,948	-	333,743	(8,336)	-	(8,336)		
Transportation	213,008	38,444	52,285	-	(122,279)	-	(122,279)		
Interest	374,968	-	-	-	(374,968)	-	(374,968)		
Total governmental activities	<u>23,892,651</u>	<u>3,674,487</u>	<u>1,062,887</u>	<u>473,029</u>	<u>(18,682,248)</u>	<u>-</u>	<u>(18,682,248)</u>		
Business-Type Activities:									
Water & Sewer Utility	412,856	427,858	-	894,293		909,295	909,295		
Weldon Auditorium	611,373	109,447	-	-		(501,926)	(501,926)		
Total business-type activities	<u>1,024,229</u>	<u>537,305</u>	<u>-</u>	<u>894,293</u>		<u>407,369</u>	<u>407,369</u>		
Total Primary Government:	<u>24,916,880</u>	<u>4,211,792</u>	<u>1,062,887</u>	<u>1,367,322</u>	<u>(18,682,248)</u>	<u>407,369</u>	<u>(18,274,879)</u>		
Component Units:									
Harvin Clarendon County Library	\$ 634,746	\$ 19,935	\$ 58,146	\$ 14,919			\$ (541,746)	\$ -	
Business Development Corporation	512,964	388,011	-	-			-	(124,953)	
Total Component Units	<u>\$ 1,147,710</u>	<u>\$ 407,946</u>	<u>\$ 58,146</u>	<u>\$ 14,919</u>			<u>(541,746)</u>	<u>(124,953)</u>	
General Revenues:									
Taxes:									
Property taxes, levied for general purposes					13,236,369	-	13,236,369	540,000	-
Property taxes, levied for debt services					472,196	-	472,196	-	-
Sales and use taxes					2,974,248	-	2,974,248	-	-
Franchise fees					92,710	-	92,710	-	-
State shared revenues					1,393,501	-	1,393,501	-	-
Interest earnings					10,060	888	10,948	-	-
Gain on sale of fixed assets					101,796	-	101,796	-	(27,244)
Miscellaneous					149,149	-	149,149	-	-
Total general revenues					<u>18,430,029</u>	<u>888</u>	<u>18,430,917</u>	<u>540,000</u>	<u>(27,244)</u>
Transfers					(552,419)	379,543	(172,876)	-	202,375
Total general revenues, transfers and special item					<u>17,877,610</u>	<u>380,431</u>	<u>18,258,041</u>	<u>540,000</u>	<u>175,131</u>
Change in net assets					(804,638)	787,800	(16,838)	(1,746)	50,178
Net assets - beginning					* 25,141,164	926,121	26,067,285	396,243	5,254,707
Net assets - ending					<u>\$ 24,336,526</u>	<u>\$ 1,713,921</u>	<u>\$ 26,050,447</u>	<u>\$ 394,497</u>	<u>\$ 5,304,886</u>

* As restated at Note 13

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

**CLARENDON COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012**

	GENERAL	CAPITAL PROJECTS	FIRE DEPARTMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	\$ 1,500,287	\$ 1,778,760	\$ 874,060	\$ 2,314,705	\$ 6,467,812
Accounts receivable					
Property taxes	1,362,560	-	244,604	95,628	1,702,792
Other	145,558	11	-	118,314	263,883
Due from other funds	356,137	-	-	2,519	358,656
Due from fiduciary funds	97,222	-	-	-	97,222
Due from business enterprise	44,656	1,338,285	-	-	1,382,941
Due from other governments	1,655,354	-	-	-	1,655,354
Supplies inventory	42,660	-	-	-	42,660
Total assets	<u>\$ 5,204,434</u>	<u>\$ 3,117,056</u>	<u>\$ 1,118,664</u>	<u>\$ 2,531,166</u>	<u>\$ 11,971,320</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 365,355	\$ 542,808	\$ 22,995	\$ 43,568	\$ 974,726
Accrued payroll and withholdings	120,934	-	-	-	120,934
Due to other funds	2,519	315,873	-	40,264	358,656
Due to fiduciary funds	48,565	-	-	-	48,565
Due to other governments	67,308	-	-	-	67,308
Deferred revenue	1,361,591	-	203,062	82,960	1,647,613
Advance mobile home revenue	5,507	-	-	-	5,507
Other liabilities	22,735	-	-	-	22,735
Total liabilities	<u>1,994,514</u>	<u>858,681</u>	<u>226,057</u>	<u>166,792</u>	<u>3,246,044</u>
Fund balances:					
Nonspendable	42,660	-	-	-	42,660
Restricted	1,232,440	501,883	-	667,550	2,401,873
Committed	195,000	585,072	-	-	780,072
Assigned	121,196	-	892,607	1,696,824	2,710,627
Unassigned	1,618,624	1,171,420	-	-	2,790,044
Total fund balances	<u>3,209,920</u>	<u>2,258,375</u>	<u>892,607</u>	<u>2,364,374</u>	<u>8,725,276</u>
Total Liabilities and Fund balances	<u>\$ 5,204,434</u>	<u>\$ 3,117,056</u>	<u>\$ 1,118,664</u>	<u>\$ 2,531,166</u>	

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

26,418,960

Long-term liabilities, including bonds payable (\$8,273,000), capital lease (\$490,888), accrued compensated absences (\$342,017) and closure and maintenances costs payable (\$337,625) are not reported in funds.

(9,443,530)

Other Post Employment Benefits (OPEB) liability represents the future unfunded costs associated with current benefits design

(2,805,317)

Delinquent taxes receivable are not financial resources in the current period and, therefore, are reported as deferred revenue in the funds.

1,441,137

\$ 24,336,526

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, 2012**

	GENERAL	CAPITAL PROJECTS	FIRE DEPARTMENT	OTHER GOVERNMENTAL FUNDS	TOTAL
REVENUES					
Taxes	\$ 13,473,141	\$ -	\$ 2,112,625	\$ 938,717	\$ 16,524,483
Licenses and permits	88,265	-	-	-	88,265
Intergovernmental	2,021,042	333,743	-	1,570,986	3,925,771
Charges for services	1,209,843	-	-	234,425	1,444,268
Fines and forfeitures	544,049	-	-	199,676	743,725
Special assessments	-	-	-	67,084	67,084
Interest	4,418	518	1,747	3,377	10,060
Miscellaneous	687,224	-	-	-	687,224
Total revenues	<u>18,027,982</u>	<u>334,261</u>	<u>2,114,372</u>	<u>3,014,265</u>	<u>23,490,880</u>
EXPENDITURES					
Current:					
General government	5,070,158	-	-	828,575	5,898,733
Public safety	6,570,768	10,550	1,655,516	341,309	8,578,143
Physical environment	2,927,500	-	-	-	2,927,500
Transportation	189,333	-	-	-	189,333
Economic environment	714,176	-	-	-	714,176
Agencies	1,005,461	-	-	-	1,005,461
Culture/Recreation	453,114	9,095	-	86,001	548,210
Court Related	1,373,492	-	-	187,526	1,561,018
Debt service:					
Principal	-	-	-	415,484	415,484
Interest and fiscal charges	-	-	-	374,968	374,968
Capital outlay	184,789	5,672,509	31,376	563,486	6,452,160
Total expenditures	<u>18,488,791</u>	<u>5,692,154</u>	<u>1,686,892</u>	<u>2,797,349</u>	<u>28,665,186</u>
Excess of revenues over (under) expenditures	(460,809)	(5,357,893)	427,480	216,916	(5,174,306)
OTHER FINANCING SOURCES (USES)					
Sale of assets	101,796	-	-	-	101,796
Bond proceeds	-	-	-	312,000	312,000
Transfers	(263,487)	753,000	(767,389)	(274,543)	(552,419)
Net other financing sources (uses)	<u>(161,691)</u>	<u>753,000</u>	<u>(767,389)</u>	<u>37,457</u>	<u>(138,623)</u>
Net changes in fund balances	<u>(622,500)</u>	<u>(4,604,893)</u>	<u>(339,909)</u>	<u>254,373</u>	<u>(5,312,929)</u>
Fund balances at beginning of year, as restated - Note 13	<u>3,832,420</u>	<u>6,863,268</u>	<u>1,232,516</u>	<u>2,110,001</u>	<u>14,038,205</u>
Fund balances at end of year	<u>\$ 3,209,920</u>	<u>\$ 2,258,375</u>	<u>\$ 892,607</u>	<u>\$ 2,364,374</u>	<u>\$ 8,725,276</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, 2012**

Net Changes in fund balances - total governmental funds		\$ (5,312,929)
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	6,454,658	
Recognize disposal of assets (net)	(23,244)	
Less current year depreciation	<u>(1,445,323)</u>	4,986,091
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	(312,000)	
Bond principal payment	337,000	
Capital lease payment	<u>121,305</u>	146,305
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	71,213	
Change in OPEB liability	(762,299)	
Change in closure and maintenance costs payable	<u>19,225</u>	(671,861)
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>47,756</u>
Change in net assets of governmental activities.		<u>\$ (804,638)</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Budget Basis (Note 2)</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 14,354,905	\$ 14,354,905	\$ 13,473,141	\$ (881,764)
Licenses and permits	103,000	103,000	88,265	(14,735)
Intergovernmental	1,377,120	1,377,120	2,021,042	643,922
Charges for services	1,151,000	1,151,000	1,209,843	58,843
Fines and forfeitures	585,500	585,500	544,049	(41,451)
Interest	17,058	17,058	4,418	(12,640)
Miscellaneous	358,410	358,410	687,224	328,814
Total revenues	<u>17,946,993</u>	<u>17,946,993</u>	<u>18,027,982</u>	<u>80,989</u>
EXPENDITURES				
Current:				
General government	4,629,361	4,617,238	5,172,608	(555,370)
Public safety	6,596,967	6,596,967	6,695,744	(98,777)
Physical environment	3,093,672	3,093,672	2,946,580	147,092
Transportation	399,994	399,994	189,333	210,661
Economic environment	733,259	733,259	708,801	24,458
Culture/Recreation	459,097	471,220	453,114	18,106
Court related	1,437,454	1,437,454	1,388,492	48,962
Agencies	1,079,189	1,079,189	1,005,461	73,728
Total expenditures	<u>18,428,993</u>	<u>18,428,993</u>	<u>18,560,133</u>	<u>(131,140)</u>
Excess of revenues over (under) expenditures	(482,000)	(482,000)	(532,151)	(50,151)
OTHER FINANCING SOURCES (USES)				
Sale of assets	392,000	392,000	101,796	(290,204)
Transfers In/(Out)	(105,000)	(105,000)	(263,487)	(158,487)
Net other financing sources (uses)	<u>287,000</u>	<u>287,000</u>	<u>(161,691)</u>	<u>(448,691)</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	<u>\$ (195,000)</u>	<u>\$ (195,000)</u>	(693,842)	<u>\$ (498,842)</u>
Fund balances at beginning of year as restated - Note 13			<u>3,791,871</u>	
Fund balances at end of year			<u>\$ 3,098,029</u>	

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

CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	WATER & SEWER FUND	WELDON AUDITORIUM	TOTAL ENTERPRISE FUNDS
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 120,604	\$ 70,569	\$ 191,173
Accounts receivable, net of allowance	42,231	-	42,231
Due from other governments	190,231	-	190,231
Prepaid expense	-	19,000	19,000
Total current assets	<u>353,066</u>	<u>89,569</u>	<u>442,635</u>
Noncurrent Assets			
Restricted cash and cash equivalents	2,507	613,770	616,277
Capital assets:			
Land	118,827	-	118,827
Buildings and improvements	1,978	3,438,173	3,440,151
Machinery and equipment	213,437	-	213,437
Water and sewer system	1,053,443	-	1,053,443
Construction in Progress	4,268,538	-	4,268,538
Less: Accumulated Depreciation	<u>(134,488)</u>	<u>(128,931)</u>	<u>(263,419)</u>
Total noncurrent assets	<u>5,524,242</u>	<u>3,923,012</u>	<u>9,447,254</u>
TOTAL ASSETS	<u>5,877,308</u>	<u>4,012,581</u>	<u>9,889,889</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	197,597	5,298	202,895
Due to other funds	1,382,941	-	1,382,941
Due to other governments	-	132	132
Deferred revenue	45,802	-	45,802
Bond payable	-	65,000	65,000
Total current liabilities	<u>1,626,340</u>	<u>70,430</u>	<u>1,696,770</u>
Noncurrent Liabilities:			
Bond payable	3,310,019	3,140,000	6,450,019
Net OPEB liability - Note 12	20,232	8,947	29,179
Total noncurrent liabilities	<u>3,330,251</u>	<u>3,148,947</u>	<u>6,479,198</u>
TOTAL LIABILITIES	<u>4,956,591</u>	<u>3,219,377</u>	<u>8,175,968</u>
NET ASSETS:			
Invested in capital assets, net of related debt	828,775	104,242	933,017
Restricted:			
Debt service	2,507	613,770	616,277
Unrestricted	89,435	75,192	164,627
TOTAL NET ASSETS	<u>\$ 920,717</u>	<u>\$ 793,204</u>	<u>\$ 1,713,921</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, 2012**

	WATER & SEWER UTILITY	WELDON AUDITORIUM	TOTAL ENTERPRISE FUNDS
OPERATING REVENUES			
Charges for services	\$ 427,858	\$ 109,447	\$ 537,305
Total operating revenues	<u>427,858</u>	<u>109,447</u>	<u>537,305</u>
OPERATING EXPENSES			
Cost of sales & services	180,289	-	180,289
Production expense	-	176,792	176,792
Personnel & benefits	129,808	112,454	242,262
Administration	21,426	97,289	118,715
Depreciation	40,460	85,954	126,414
Total operating expenses	<u>371,983</u>	<u>472,489</u>	<u>844,472</u>
OPERATING INCOME (LOSS)	<u>55,875</u>	<u>(363,042)</u>	<u>(307,167)</u>
NON-OPERATING REVENUE (EXPENSES)			
Investment income	676	212	888
Interest expense	(40,873)	(138,884)	(179,757)
Total non-operating revenue (expenses)	<u>(40,197)</u>	<u>(138,672)</u>	<u>(178,869)</u>
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	15,678	(501,714)	(486,036)
CAPITAL CONTRIBUTIONS AND TRANSFERS			
Capital contributions	894,293	-	894,293
Transfers	-	379,543	379,543
Net other financing sources (uses)	<u>894,293</u>	<u>379,543</u>	<u>1,273,836</u>
CHANGE IN NET ASSETS	909,971	(122,171)	787,800
Net assets at beginning of year - Note 13	<u>10,746</u>	<u>915,375</u>	<u>926,121</u>
NET ASSETS AT END OF YEAR	<u>\$ 920,717</u>	<u>\$ 793,204</u>	<u>\$ 1,713,921</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, 2012

	WATER & SEWER UTILITY	WELDON AUDITORIUM	TOTAL ENTERPRISE FUNDS
Cash Flows From Operating Activities:			
Cash received from customers	\$ 424,064	\$ 106,247	\$ 530,311
Cash paid to suppliers for goods and services	(217,709)	(253,230)	(470,939)
Cash paid to employees for services	(123,636)	(109,368)	(233,004)
Internal activity-payments to other funds	(427,578)	(1,495)	(429,073)
Net Cash Provided (Used) By Operating Activities	<u>(344,859)</u>	<u>(257,846)</u>	<u>(602,705)</u>
Cash Flows from Noncapital Financing Activities			
Transfers	-	379,543	379,543
Cash Flows From Capital and Related Financing Activities:			
Bond proceeds	4,400,748	-	4,400,748
Principal payments	(2,533,000)	(45,000)	(2,578,000)
Interest paid on debt	(40,873)	(138,884)	(179,757)
Grant proceeds	894,293	-	894,293
Purchase of capital assets	(3,097,792)	-	(3,097,792)
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(376,624)</u>	<u>(183,884)</u>	<u>(560,508)</u>
Cash Flow From Investing Activities:			
Interest income	676	212	888
Net Cash Provided (Used) By Investing Activities	<u>676</u>	<u>212</u>	<u>888</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(720,807)	(61,975)	(782,782)
Cash and Cash Equivalents at Beginning of Year	<u>843,918</u>	<u>746,314</u>	<u>1,590,232</u>
Cash and Cash Equivalents at End of Year	<u>\$ 123,111</u>	<u>\$ 684,339</u>	<u>\$ 807,450</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by operating Activities			
Operating income (loss)	\$ 55,875	\$ (363,042)	\$ (307,167)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation expense	40,460	85,954	126,414
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(8,787)	-	(8,787)
(Increase) decrease in prepaids	-	19,050	19,050
Increase (decrease) in accounts payable	(15,994)	1,801	(14,193)
Increase (decrease) in due to other funds	(427,578)	(1,495)	(429,073)
Increase (decrease) in OPEB liability	6,172	3,086	9,258
Increase (decrease) in deferred revenue	4,993	(3,200)	1,793
Net Cash Provided by (Used for) Operating Activities	<u>\$ (344,859)</u>	<u>\$ (257,846)</u>	<u>\$ (602,705)</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, 2012**

ASSETS

Cash	\$ 3,883,060
Delinquent taxes receivable	1,706,265
Due from credit card	1,219
Due from other funds	48,565
Due from other magistrates	154
Due from trust fund holders	1,827
Total Assets	5,641,090

LIABILITIES

Due to trust fund holders	4,020,005
Due to Treasurer - cash overage (shortage)	24,271
Due to other funds	97,222
Deferred revenue	1,499,438
Due to other magistrates	154
Total Liabilities	5,641,090

NET ASSETS

Total Net Assets	\$ -
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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 34,971. The County is governed by an elected five member council.

The financial statements of the County have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which along with subsequent GASB pronouncements (Statements of Interpretations), constitute 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. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Franchise fees, licenses, sales taxes, gas taxes, operating and capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the County.

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

**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)

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

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:

Assets	Years
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, 2012:

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

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

Budgetary Basis Of Accounting (continued)

	General Fund
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - budgetary basis	\$ (693,842)
Timing differences:	
Net change in encumbrances	<u>71,342</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - GAAP basis	<u>\$ (622,500)</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, 2012, the carrying amount of the County's deposits and investments was \$11,157,572 and the bank balances and investment pool balances were \$12,089,816. To reconcile this information to the financial statements, we include the following:

Cash and investments	\$ 11,157,572
Cash on hand	<u>750</u>
Total cash	<u>\$ 11,158,322</u>
Proprietary fund	\$ 807,450
Fiduciary funds	3,883,060
Governmental funds	<u>6,467,812</u>
Total all funds	<u>\$ 11,158,322</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 2012, none of the County's bank balance of \$7,661,671 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.

	Maturities	Fair Value
State investment pool	18 months to 2 years	\$ 2,775,574
Treasury money market	7 day weighted average	<u>1,652,571</u>
		<u>\$ 4,428,145</u>

Discretely Presented Component Units

Harvin Clarendon County Library

As of June 30, 2012, the bank balance of the Library's deposits totaled \$252,959. Of the bank balance, \$252,959 was covered by the Federal Depository Insurance Corporation (FDIC) insurance.

Clarendon County Business Development Corporation (BDC)

As of June 30, 2012, the bank balance of the BDC's deposits totaled \$1,212,276. The bank balance of \$1,212,276 was covered by the Federal Depository Insurance Corporation (FDIC) and collateral pledged by the bank in the Corporation's name.

**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 \$815,000. 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,

2013	\$ 198,810
2014	198,810
2015	198,810
2016	198,810
2017	198,810
2018-2019	<u>364,485</u>
 Total minimum lease payments	 <u>\$ 1,358,535</u>

Select Laboratories - SC, LLC

The BDC leases a building to Select Laboratories-SC, LLC for \$3,962.67 per month. These payments are used by the BDC to pay the notes payable on the property. The lease amount is fixed for an initial period of five years. After 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,

2013	\$ 51,515
2014	<u>496,407</u>
 Total minimum lease payments	 547,922
 Less amount representing interest	 <u>(66,129)</u>
 Present value of minimum lease payment	 <u>\$ 481,793</u>

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.

	\$ 119,505
Less Current Portion	<u>(50,000)</u>
 Long Term Portion	 <u>\$ 69,505</u>

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

NOTE 5 - NOTES RECEIVABLE AND LEASE AGREEMENTS (continued)

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, 2012 was as follows:

	Beginning Balance	Adjustments	Additions	Retire- ments	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 2,992,506	\$ -	\$ 76,834	\$ -	\$ 3,069,340
Construction in progress	<u>1,676,221</u>	<u>86,255</u>	<u>5,381,338</u>	<u>1,489,553</u>	<u>5,654,261</u>
Total capital assets not being depreciated	<u>4,668,727</u>	<u>86,255</u>	<u>5,458,172</u>	<u>1,489,553</u>	<u>8,723,601</u>
Capital assets being depreciated:					
Buildings and improvements	13,568,973	-	2,021,929	94,981	15,495,921
Infrastructure	5,666,170	-	243,398	-	5,909,568
Equipment	<u>10,097,020</u>	<u>-</u>	<u>304,413</u>	<u>125,045</u>	<u>10,276,388</u>
Total capital assets being depreciated	<u>29,332,163</u>	<u>-</u>	<u>2,569,740</u>	<u>220,026</u>	<u>31,681,877</u>
Less accumulated depreciation for:					
Buildings and improvements	4,041,172	-	326,949	71,737	4,296,384
Infrastructure	1,600,894	-	340,332	-	1,941,226
Equipment	<u>7,095,911</u>	<u>-</u>	<u>778,042</u>	<u>125,045</u>	<u>7,748,908</u>
Total accumulated depreciation	<u>12,737,977</u>	<u>-</u>	<u>1,445,323</u>	<u>196,782</u>	<u>13,986,518</u>
Total capital assets being depreciated	<u>16,594,186</u>	<u>-</u>	<u>1,124,417</u>	<u>23,244</u>	<u>17,695,359</u>
Governmental activities capital assets, net	<u>\$ 21,262,913</u>	<u>\$ 86,255</u>	<u>\$ 6,582,589</u>	<u>\$ 1,512,797</u>	<u>\$ 26,418,960</u>

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

NOTE 6 - CAPITAL ASSETS (continued)

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

Governmental activities:	
Public Safety	\$ 666,487
General Government	633,774
Physical Environment	101,403
Cultural/Recreation	31,478
Court	5,807
Transportation	277
Economic Environment	<u>6,097</u>

Total depreciation expense-governmental activities \$ 1,445,323

Business Type Activities

	Beginning Balance	Additions	Ending Balance
Water and Sewer			
Capital assets not being depreciated:			
Land	\$ 96,272	\$ 22,555	\$ 118,827
Construction in Progress	<u>1,568,174</u>	<u>2,700,364</u>	<u>4,268,538</u>
Total capital assets not being depreciated	<u>1,664,446</u>	<u>2,722,919</u>	<u>4,387,365</u>
Capital assets being depreciated:			
Buildings and improvements	1,978	-	1,978
Water system	678,570	374,873	1,053,443
Equipment	<u>213,437</u>	<u>-</u>	<u>213,437</u>
Total capital assets being depreciated	<u>893,985</u>	<u>374,873</u>	<u>1,268,858</u>
Less accumulated depreciation for:			
Buildings and improvements	511	198	709
Water system	64,229	26,810	91,039
Equipment	<u>29,288</u>	<u>13,452</u>	<u>42,740</u>
Total accumulated depreciation	<u>94,028</u>	<u>40,460</u>	<u>134,488</u>
Total capital assets being depreciated	<u>799,957</u>	<u>334,413</u>	<u>1,134,370</u>
Governmental activities capital assets, net	<u>\$ 2,464,403</u>	<u>\$ 3,057,332</u>	<u>\$ 5,521,735</u>

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

NOTE 6 - CAPITAL ASSETS (continued)

	Beginning Balance	Additions	Ending Balance
Weldon Auditorium			
Capital assets being depreciated:			
Buildings and improvements	<u>\$ 3,438,173</u>	<u>\$ -</u>	<u>\$ 3,438,173</u>
Total capital assets being depreciated	<u>3,438,173</u>	<u>-</u>	<u>3,438,173</u>
Less accumulated depreciation for:			
Buildings and improvements	<u>42,977</u>	<u>85,954</u>	<u>128,931</u>
Total accumulated depreciation	<u>42,977</u>	<u>85,954</u>	<u>128,931</u>
Total capital assets being depreciated	<u>3,395,196</u>	<u>(85,954)</u>	<u>3,309,242</u>
Governmental activities capital assets, net	<u>\$ 3,395,196</u>	<u>\$ (85,954)</u>	<u>\$ 3,309,242</u>

Component Units

Harvin Clarendon County Library

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

	Balance July 1, 2011	Additions	Disposals	Balance June 30 2012
Capital assets, not being depreciated:				
Land	<u>\$ 24,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,000</u>
Capital assets being depreciated:				
Building	405,413	-	-	405,413
Equipment	341,050	14,919	-	355,969
Books	<u>557,295</u>	<u>-</u>	<u>80,430</u>	<u>476,865</u>
Total Capital Assets being depreciated	<u>1,303,758</u>	<u>14,919</u>	<u>80,430</u>	<u>1,238,247</u>

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

NOTE 6 - CAPITAL ASSETS (continued)

	Balance July 1, 2011	Additions	Disposals	Balance June 30 2012
Less accumulated depreciation for:				
Building	264,212	10,741	-	274,953
Equipment	215,471	32,276	-	247,747
Books	<u>552,298</u>	<u>4,996</u>	<u>80,430</u>	<u>476,864</u>
Total accumulated depreciated	<u>1,031,981</u>	<u>48,013</u>	<u>80,430</u>	<u>999,564</u>
Total Capital Assets, being depreciated, net	<u>271,777</u>	<u>(33,094)</u>	<u>-</u>	<u>238,683</u>
Total Capital Assets, net	<u>\$ 295,777</u>	<u>\$ (33,094)</u>	<u>\$ -</u>	<u>\$ 262,683</u>

Depreciation expense for the year ended June 30, 2012 was \$48,013.

Clarendon County Business Development Corporation (BDC)

Capital asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land	<u>\$ 2,451,603</u>	<u>\$ -</u>	<u>\$ 36,540</u>	<u>\$ 2,415,063</u>
Total capital assets not being depreciated	<u>2,451,603</u>	<u>-</u>	<u>36,540</u>	<u>2,415,063</u>
Capital assets being depreciated:				
Buildings and improvements	3,278,230	-	628,674	2,649,556
Infrastructure	<u>254,911</u>	<u>-</u>	<u>-</u>	<u>254,911</u>
Total capital assets being depreciated	<u>3,533,141</u>	<u>-</u>	<u>628,674</u>	<u>2,904,467</u>

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

NOTE 6 - CAPITAL ASSETS (continued)

Component Units (continued)

	Beginning Balance	Additions	Retirements	Ending Balance
Less accumulated depreciation for:				
Buildings and improvements	770,717	95,304	22,702	843,319
Infrastructure	<u>34,696</u>	<u>8,497</u>	<u>-</u>	<u>43,193</u>
Total accumulated depreciation	<u>805,413</u>	<u>103,801</u>	<u>22,702</u>	<u>886,512</u>
Total capital assets being depreciated, net	<u>2,727,728</u>	<u>(103,801)</u>	<u>605,972</u>	<u>2,017,955</u>
Total capital assets, net	<u>\$ 5,179,331</u>	<u>\$ (103,801)</u>	<u>\$ 642,512</u>	<u>\$ 4,433,018</u>

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

Building and Improvements	30 years
---------------------------	----------

Depreciation expense for the year ended June 30, 2012 was \$103,801.

NOTE 7 - INTERFUND BALANCES

Individual fund interfund receivable and payable balances at June 30, 2012, were as follows:

	Interfund Receivables	Interfund Payables
Governmental Funds		
General Fund	\$ 356,137	\$ 2,519
Capital Projects Fund	-	315,873
Special Revenue Funds:		
Special purpose districts	694	-
Law Enforcement	-	40,264
Debt Service Funds:		
Fire Department	241	-
General Obligations	<u>1,584</u>	<u>-</u>
Governmental Funds	<u>358,656</u>	<u>358,656</u>

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

NOTE 7 - INTERFUND BALANCES (continued)

	Interfund Receivables	Interfund Payables
Enterprise Funds		
General Fund	44,656	-
Capital Projects Fund	1,338,285	-
Water & Sewer Fund	<u>-</u>	<u>1,382,941</u>
Enterprise Fund	<u>1,382,941</u>	<u>1,382,941</u>
Fiduciary Funds		
General Fund	97,222	48,565
Fiduciary Fund types:		
Town of Turbeville	329	-
Town of Manning	5,702	-
Town of Summerton	698	-
Tax Collector	-	920
Magistrates:		
General and Civil	-	71,209
Clerk of Court	-	25,093
Hospital Debt Service	4,963	-
School Debt Service	6,190	-
School Operating	<u>30,683</u>	<u>-</u>
Fiduciary Funds	<u>145,787</u>	<u>145,787</u>
	<u>\$ 1,887,384</u>	<u>\$ 1,887,384</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.

Operating Transfers	Transfers In	Transfers Out
General Fund	\$ 148,888	\$ 412,375
Capital Projects Fund	753,000	-
Fire Department	-	767,389
Weldon Auditorium	379,543	-
Business Development Corporation	202,375	-
Non Major Funds	-	274,543
Agency Fund – Delinquent Tax	<u>-</u>	<u>29,499</u>
	<u>\$1,483,806</u>	<u>\$ 1,483,806</u>

**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 to maturity. \$ 1,478,000

\$156,000 Bond issued August 17, 2011 (Series 2011) to fund semi-annual installment lease purchase obligation on Administrative complex. Due in annual installments beginning March 1, 2012 of \$17,000 and ending March 1, 2016 of \$36,000. Interest accrues at a rate of 2.49% and is payable semi-annually on March 1 and September 1 each year to maturity. 139,000

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

Total General Obligations Bonds Payable \$ 1,773,000

The annual debt service payments for General Obligation bonds outstanding at June 30, 2012, are as follows:

General Obligation Bonds

June 30,	Principal	Interest
2013	\$ 401,700	\$ 48,366
2014	421,400	37,276
2015	446,200	25,757
2016	471,000	13,549
2017	<u>32,700</u>	<u>651</u>
	<u>\$ 1,773,000</u>	<u>\$ 125,599</u>

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

NOTE 8 - LONG-TERM DEBT (Continued)

A. Primary Government (Continued)

Governmental Activities (Continued)

Blended Component Unit – Clarendon Facilities Corporation

In December, 2010, the Clarendon Facilities Corporation (CFC) issued \$6,500,000 Installment Purchase Revenue Bonds (Administration Building Project) Series 2010 pursuant to an Installment Purchase and Use Agreement ("Agreement") between the County and the CFC. Proceeds were used to construct an Administrative building to house all of the County's non-court related governmental functions. 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 obligations 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 the County to pay the installment payments of the purchase price due in such fiscal year. It is anticipated that the payments will be funded by the County with the future issuance of short-term general obligation bonds or restricted Fee-in-Lieu of revenue.

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, 2012 \$ 6,500,000

The annual debt service payments for Blended Component Unit Installment Purchase Revenue bonds outstanding at June 30, 2012, are as follows:

Revenue Bonds

June 30,	Principal	Interest
2013	\$ -	\$ 281,853
2014	-	281,853
2015	-	281,853
2016	-	281,853
2017	-	281,853
2018 – 2022	1,915,000	1,251,504
2023 – 2027	2,315,000	831,600
2028 – 2030	<u>2,270,000</u>	<u>233,088</u>
	<u>\$ 6,500,000</u>	<u>\$ 3,725,457</u>

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

NOTE 8 - LONG-TERM DEBT (Continued)

A. Primary Government (Continued)

Governmental Activities (Continued)

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 \$232,836. \$ 209,410

\$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 \$38,587. 90,129

\$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 \$29,466. 119,812

\$83,700 – Lease/purchase agreement to finance the purchase of one backhoe loader. Due in annual payments of \$12,163, including interest, due on August 31 of each year. First payment due August 31, 2011 and ending payment due August 31, 2016. The dozer's gross cost is \$83,700 and the accumulated depreciation is \$6,933. 71,537

Total Capital Leases \$ 490,888

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

NOTE 8 - LONG-TERM DEBT (Continued)

A. Primary Government (Continued)

Governmental Activities (Continued)

Future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 2012:

Year Ending June 30,	
2013	\$ 140,400
2014	140,400
2015	144,421
2016	77,163
2017	<u>35,200</u>
Total Minimum Lease Payment	537,584
Less Amount Representing Interest	<u>46,696</u>
Present Value of Net Minimum Lease Payment	<u>\$ 490,888</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.

\$ 3,205,000

**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, 2012, are as follows:

Revenue Bonds

June 30,	Principal	Interest
2013	\$ 65,000	\$ 136,159
2014	65,000	134,859
2015	65,000	133,234
2016	70,000	131,209
2017	70,000	129,065
2018 – 2022	385,000	607,597
2023 – 2027	470,000	522,794
2028 – 2032	575,000	410,239
2033 – 2037	725,000	259,231
2038 – 2041	<u>715,000</u>	<u>69,944</u>
	<u>\$ 3,205,000</u>	<u>\$ 2,534,331</u>

Enterprise Revenue Bonds – Water & Sewer

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

\$ 2,533,000

\$1,007,800 Bond issued April 19, 2012 (Series 2012B) to fund water system expansion. Total draws as of 6/30/12 were \$777,019. Interest only due April 19, 2013 and April 19, 2014. Due in equal monthly installments thereafter beginning May 1, 2014 of \$3,568 and ending April 19, 2052. Interest accrues at a rate of 2.75%.

777,019

Balance at June 30, 2012

\$ 3,310,019

**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 Revenue bonds outstanding at June 30, 2012, are as follows:

Revenue Bonds

June 30,	Principal	Interest
2013	\$ -	\$ 97,372
2014	8,819	97,394
2015	53,775	96,645
2016	55,275	95,145
2017	56,818	93,602
2018 – 2022	308,775	443,325
2023 – 2027	354,329	397,771
2028 – 2032	406,604	345,496
2033 – 2037	466,591	285,509
2038 – 2042	535,427	216,673
2043 – 2047	614,420	137,680
2048 – 2052	<u>449,186</u>	<u>47,063</u>
	<u>\$ 3,310,019</u>	<u>\$ 2,353,675</u>

A. Primary Government

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds					
- 2010 Refunding Series	\$ 1,798,000	\$ -	\$ 320,000	\$ 1,478,000	\$ 338,000
- Series 2011	-	156,000	17,000	139,000	34,000
- Series 2012	-	156,000	-	156,000	29,700
Revenue Bonds					
- Installment Purchase	<u>6,500,000</u>	<u>-</u>	<u>-</u>	<u>6,500,000</u>	<u>-</u>
Total Bonds	<u>8,298,000</u>	<u>312,000</u>	<u>337,000</u>	<u>8,273,000</u>	<u>401,700</u>
Other Liabilities					
Compensated Absences	413,230	-	71,213	342,017	32,650
Closure & Maintenance	356,850	-	19,225	337,625	18,250
Capital Leases	<u>528,493</u>	<u>83,700</u>	<u>121,305</u>	<u>490,888</u>	<u>122,048</u>
Total Other Liabilities	<u>1,298,573</u>	<u>83,700</u>	<u>211,743</u>	<u>1,170,530</u>	<u>172,948</u>
Governmental Activities Long Term Liabilities	<u>9,596,573</u>	<u>395,700</u>	<u>548,743</u>	<u>9,443,530</u>	<u>574,648</u>

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

NOTE 8 - LONG-TERM DEBT (continued)

B. Business Type Activities (continued)

A. Primary Government (continued)

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Business Type Activities					
Revenue Bonds					
Weldon 2010 Series	3,250,000	-	45,000	3,205,000	65,000
Water Expansion BAN	1,442,271	1,090,729	2,533,000	-	-
Water Expansion (2012A)	-	2,533,000	-	2,533,000	-
Water Expansion (2012B)	-	777,019	-	777,019	-
Business Type Activities	<u>4,692,271</u>	<u>4,400,748</u>	<u>2,578,000</u>	<u>6,515,019</u>	<u>65,000</u>
Long Term Liabilities					
Total Combined	<u>\$ 14,288,844</u>	<u>\$ 4,796,448</u>	<u>\$ 3,126,743</u>	<u>\$ 15,958,549</u>	<u>\$ 639,648</u>

C. Discretely Presented Component Units

Clarendon County Business Development Corporation (BDC)

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

\$ 973,447

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.
Subtotal of notes payable

469,678
1,443,125

Less current portion

(124,941)

Notes payable – noncurrent portion

\$ 1,318,184

The maturities of long-term debt is as follows:

June 30,	<u>Principal</u>	<u>Interest</u>
2013	\$ 124,941	\$ 111,493
2014	574,441	99,878
2015	130,677	58,205
2016	142,227	46,655
2017	154,799	34,083
2018 - 2019	<u>316,040</u>	<u>26,078</u>
	<u>\$ 1,443,125</u>	<u>\$ 376,392</u>

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

NOTE 9 - OPERATING LEASES

The County entered into an operating lease for its Judicial building. The thirty (30) year lease term began October 1, 2004 and ends September 30, 2034. There is a renewal option for an additional ten years with a thirty-day notice. The rental amount is \$7,000 per month for a term of fifteen years. The remaining rental amount is \$3,000 plus the percentage of increase or decrease in the Consumer Price Index of all urban consumers for the next fifteen years. The lease does contain cancellation provisions and is subject to annual appropriations. The lease expense for 2011-12 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.

The County entered into an operating lease for a 7230 John Deere Tractor for use in its Public Works area. The 60 month lease term began November 18, 2011 and ends November 18, 2016. Annual lease payments are \$19,634.86.

The future minimum rental payments are as follows:

2013	\$ 176,984
2014	176,984
2015	159,040
2016	126,851
2017	103,635
2018 - 2022	288,000
2023 - 2027	180,000
2028 - 2032	180,000
2033 - 2035	<u>81,000</u>
	<u>\$ 1,472,494</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 \$227,550.

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

June 30, 2013	\$ 20,000
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**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

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. 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, 2012. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Clarendon County has not accumulated or segregated funds to meet this reserve.

NOTE 11 - RETIREMENT PLANS

The South Carolina Retirement System (SCRS) and Police Officer's Retirement System (PORS) are cost-sharing, multi-employer defined benefit pension plans administered by the 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.

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

NOTE 11 - RETIREMENT PLANS (Continued)

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

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

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 2011-2012 are as follows:

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

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

Required employer contributions for fiscal year 2011-2012 are as follows:

SCRS

Class II	9.385% of earnable compensation
Group Life Insurance	0.15% of earnable compensation

State ORP

Employer contribution	9.385% of earnable compensation
Death Benefit Program	0.15% of earnable compensation

PORS

Class I	7.80% of earnable compensation
Class II	11.363% of earnable compensation
Group Life Insurance	0.20% of earnable compensation
Accidental Death Program	0.20% of earnable compensation

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

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

NOTE 11 - RETIREMENT PLANS (continued)

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

	2010		2011		2012	
	SCRS	PORS	SCRS	PORS	SCRS	PORS
Employee contributions	\$ 271,936	\$ 230,789	\$ 291,700	\$ 246,950	\$ 298,735	\$ 252,164
Employer contributions	\$ 390,948	\$ 378,139	\$ 414,660	\$ 422,854	\$ 438,220	\$ 456,340

The County's 2011 – 2012 contributions represented less than one percent of total contributions required of all participating entities. Also, employer group-life contributions of \$22,985 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

	2010 SCRS	2011 SCRS	2012 SCRS
Employee contributions	\$ 16,319	\$ 17,141	\$ 17,673
Employer contributions	\$ 23,198	\$ 24,366	\$ 25,475

The Library's 2011 – 2012 contributions represented less than one percent of total contributions required of all participating entities. Also, employer group-life contributions of \$410 were paid by the Library in the current fiscal year. All employers contribute at the actuarially required contribution rates.

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS

Background

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

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

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

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.

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.

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

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

- 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 County are eligible for Plan coverage; they are eligible for trust fund paid premiums as follows:

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

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

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

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

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

The County's annual OPEB cost and the net OPEB obligation is based on a 4.5% discount rate, including an inflation component of 3%, and amortizing the initial unfunded actuarial liability over 30 years based on a level percent of payroll method for 2012 is as follows:

Annual required contribution	\$ 1,000,933
Interest on net OPEB obligation	92,832
Adjustment to annual required contribution	<u>(86,008)</u>
Annual OPEB cost (expense)	1,007,757
Contributions made	<u>(236,200)</u>
Increase (decrease) in net OPEB obligation	771,557
Net OPEB obligation, beginning of year	<u>2,062,939</u>
Net OPEB obligation, end of year	<u>\$ 2,834,496</u>

Actuarial Methods and Assumptions

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

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

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

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

Trend Information:

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

Fiscal Year Ending	Annual OPEB Cost	Employer Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2012	\$1,007,757	\$ 236,200	23%	\$ 2,834,496
June 30, 2011	\$ 976,171	\$ 240,633	33%	\$ 2,062,939
June 30, 2010	\$ 958,522	\$ 299,176	45%	\$ 1,327,401

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.

Harvin Clarendon County Library

Background

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

Plan Description

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

Funding Policy

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

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

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

Annual OPEB Cost and Net OPEB Obligation

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

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

Schedule of Employer Contributions

Fiscal Year Ending	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	\$ 27,573	\$ 4,720	17.0%	\$ 22,853
6/30/2011	\$ 28,266	\$ 4,964	17.6%	\$ 46,155
6/30/2012	\$ 29,006	\$ 5,237	18.1%	\$ 69,925

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	\$ 29,253
Interest on net OPEB obligation	2,047
Adjustment to annual required contribution	<u>(2,293)</u>
Annual OPEB cost (expense)	29,007
Estimated contributions made	<u>(5,237)</u>
Increase (decrease) in net OPEB obligation	23,770
Net OPEB obligation, beginning of year	<u>46,155</u>
Net OPEB obligation, end of year	<u>\$ 69,925</u>

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

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

Methods and Assumptions

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

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

NOTE 13 - FUND EQUITY

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

Primary Government

	Net Assets	General Fund Fund Balance GAAP Basis	Capital Projects Fund Balance GAAP Basis	General Fund Fund Balance Budgetary Basis
As previously reported, June 30, 2011	\$ 25,142,445	\$ 3,833,701	\$ 6,949,523	\$ 3,793,152
General Fund				
Credit card transactions	(12,324)	(12,324)	-	(12,324)
FY07 deferred revenue	10,000	10,000	-	10,000
Void stale dated checks	1,043	1,043	-	1,043
Capital Projects				
Construction expense not accrued	-	-	(86,255)	-
As restated, June 30, 2011	<u>\$ 25,141,164</u>	<u>\$ 3,832,420</u>	<u>\$ 6,863,268</u>	<u>\$ 3,791,871</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, 2012 was classified as follows:

Description	General Fund	Capital Projects	Fire Department	Other Governmental	Total Governmental Funds
Nonspendable:					
Inventory	\$ 42,660	\$ -	\$ -	\$ -	\$ 42,660
Restricted:					
LOST Reserve	1,232,440	-	-	-	1,232,440
Admin bldg project	-	501,883	-	-	501,883
Local drug interdiction	-	-	-	202,404	202,404
Justice grant program revenue	-	-	-	69,982	69,982
Solicitor's office	-	-	-	119,513	119,513
Debt service	-	-	-	275,651	275,651
Committed:					
Airport expansion	195,000	-	-	-	195,000
Fire station improvements	-	585,072	-	-	585,072
Assigned:					
Encumbrances	111,890	-	-	4,850	116,740
Fire Protection	-	-	892,607	-	892,607
Road improvements	-	-	-	654,556	654,556
Vocational school appropriation	-	-	-	4,044	4,044
Tourism related efforts	-	-	-	294,463	294,463
911 Center improvements	-	-	-	738,911	738,911
Clerk of Court discretionary	4,116	-	-	-	4,116
Archives collection acquisitions	5,190	-	-	-	5,190
Unassigned:	<u>1,618,624</u>	<u>1,171,420</u>	<u>-</u>	<u>-</u>	<u>2,790,044</u>
Total fund balances	<u>\$ 3,209,920</u>	<u>\$ 2,258,375</u>	<u>\$ 892,607</u>	<u>\$ 2,364,374</u>	<u>\$ 8,725,276</u>

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

Description	General Fund
Non-spendable	\$ 10,382
Committed:	
Capital building fund	50,000
Unassigned	<u>156,637</u>
Total fund balances	<u>\$ 217,019</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, 2012, 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, 2012, 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, 2012, the County had incurred \$4,268,538 in costs on an uncompleted construction project, Phase I Water system expansion. Additional costs to complete the project for the contract signed on April 15, 2011 are expected to be approximately \$670,235. The Project is being funded by a \$1,951,000 U.S. Department of Agriculture RDA grant and RDA loan(s) totaling \$3,540,800, at 2.75% interest only the first 2 years then amortized over the remaining 38 years.

NOTE 17 - SUBSEQUENT EVENTS

The County has informed the Lake Marion Regional Water Authority (LMRWA) of its intent to terminate its membership. The withdrawal provision requires that LMRWA reimburse the County the original membership fees, as well as subsequent payments. The sum of the payments is \$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, 2013.

In October, 2012, through the blended component unit, the Clarendon Facilities Corporation, the County issued \$6,810,000 in installment purchase revenue bonds for renovations and improvements to the county courthouse. Final architectural renderings and project specifications are nearly complete and the County intends to solicit construction bids by the end of calendar year 2012. The construction period is anticipated to last 18 months.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
YEAR ENDED JUNE 30, 2012**

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

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

COMBINING AND INDIVIDUAL FUND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

DEBT SERVICE FUNDS

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, 2012**

	Special Revenue					
	Bureau of Tourism Accommodation Fund	Hospitality Tax Fund	C-Program Fund	Drug Enforcement and Other Sheriff's Fund	Special Purpose District	E-911
ASSETS						
Cash and cash equivalents	\$ 92,500	\$ 185,442	\$ 598,766	\$ 312,650	\$ -	\$ 738,911
Accounts receivable	-	23,224	95,090	-	-	-
Due from other funds	-	-	-	-	694	-
Delinquent taxes receivable	-	-	-	-	30,735	-
Total Assets	\$ 92,500	\$ 208,666	\$ 693,856	\$ 312,650	\$ 31,429	\$ 738,911
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable	\$ 1,853	\$ -	\$ 39,300	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	27,385	-
Due to other funds	-	-	-	40,264	-	-
Total Liabilities	1,853	-	39,300	40,264	27,385	-
Fund Equity:						
Fund balances:						
Restricted	-	-	-	272,386	-	-
Committed	-	-	-	-	-	-
Assigned	90,647	208,666	654,556	-	4,044	738,911
Total Fund Equity	90,647	208,666	654,556	272,386	4,044	738,911
Total Liabilities and Fund Equity	\$ 92,500	\$ 208,666	\$ 693,856	\$ 312,650	\$ 31,429	\$ 738,911

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012**

	<u>Special Revenue</u>		<u>Debt Service</u>		Total Nonmajor Governmental Funds
	Victims Advocate Fund	Third Circuit Drug Court	Fire Protection	General County Debt Service	
ASSETS					
Cash and cash equivalents	\$ 602	\$ 121,326	\$ 96,580	\$ 167,928	\$ 2,314,705
Accounts receivable	-	-	-	-	118,314
Due from other funds	-	-	241	1,584	2,519
Delinquent taxes receivable	-	-	12,740	52,153	95,628
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 602</u>	<u>\$ 121,326</u>	<u>\$ 109,561</u>	<u>\$ 221,665</u>	<u>\$ 2,531,166</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$ 602	\$ 1,813	\$ -	\$ -	\$ 43,568
Deferred revenue	-	-	10,904	44,671	82,960
Due to other funds	-	-	-	-	40,264
Total Liabilities	<u>602</u>	<u>1,813</u>	<u>10,904</u>	<u>44,671</u>	<u>166,792</u>
Fund Equity:					
Fund balances:					
Restricted	-	119,513	98,657	176,994	667,550
Committed	-	-	-	-	-
Assigned	-	-	-	-	1,696,824
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Equity	<u>-</u>	<u>119,513</u>	<u>98,657</u>	<u>176,994</u>	<u>2,364,374</u>
Total Liabilities and Fund Equity	<u>\$ 602</u>	<u>\$ 121,326</u>	<u>\$ 109,561</u>	<u>\$ 221,665</u>	<u>\$ 2,531,166</u>

**CLARENDON COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012**

Special Revenue

	Bureau of Tourism Accommodation Fund	Hospitality Tax Fund	C-Program Fund	Drug Enforcement and Other Sheriff's Fund	Special Purpose District	E-911
REVENUES						
Taxes	\$ -	\$ 267,919	\$ -	\$ -	\$ 192,700	\$ -
Intergovernmental	114,913	-	1,183,816	-	-	35,257
Charges for services	-	-	-	-	-	234,425
Fines and forfeitures	-	-	-	199,676	-	-
Special assessments	-	-	-	-	-	-
Interest	55	319	816	76	-	1,478
Total Revenues	<u>114,968</u>	<u>268,238</u>	<u>1,184,632</u>	<u>199,752</u>	<u>192,700</u>	<u>271,160</u>
EXPENDITURES						
Current:						
General government	-	-	632,635	-	195,940	-
Public safety	-	-	-	66,733	-	195,492
Culture/Recreation	83,001	3,000	-	-	-	-
Court related	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fees	-	-	-	-	-	-
Capital outlay	-	83,445	449,646	-	-	30,395
Total Expenditures	<u>83,001</u>	<u>86,445</u>	<u>1,082,281</u>	<u>66,733</u>	<u>195,940</u>	<u>225,887</u>
Excess of revenues over (under) expenditures	<u>31,967</u>	<u>181,793</u>	<u>102,351</u>	<u>133,019</u>	<u>(3,240)</u>	<u>45,273</u>
OTHER FINANCING SOURCES (USES)						
Capital lease	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-
Transfers in (out)	(5,000)	(264,543)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(5,000)</u>	<u>(264,543)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>26,967</u>	<u>(82,750)</u>	<u>102,351</u>	<u>133,019</u>	<u>(3,240)</u>	<u>45,273</u>
Equity Transfer	-	-	-	-	-	-
Fund balances at beginning 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>
Fund balances at end of year	<u>\$ 90,647</u>	<u>\$ 208,666</u>	<u>\$ 654,556</u>	<u>\$ 272,386</u>	<u>\$ 4,044</u>	<u>\$ 738,911</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Special Revenue</u>		<u>Debt Service</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Victims Advocate Fund</u>	<u>Third Circuit Drug Court</u>	<u>Fire Protection</u>	<u>County General Debt Service</u>	
REVENUES					
Taxes	\$ -	\$ -	\$ 93,443	\$ 384,655	\$ 938,717
Intergovernmental	12,000	225,000	-	-	1,570,986
Charges for services	-	-	-	-	234,425
Fines and forfeitures	-	-	-	-	199,676
Special assessments	67,084	-	-	-	67,084
Interest	-	138	238	257	3,377
Total Revenues	<u>79,084</u>	<u>225,138</u>	<u>93,681</u>	<u>384,912</u>	<u>3,014,265</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	828,575
Public safety	79,084	-	-	-	341,309
Culture/Recreation	-	-	-	-	86,001
Court related	-	187,526	-	-	187,526
Debt service:					
Principal	-	-	78,484	337,000	415,484
Interest and fees	-	-	10,175	364,793	374,968
Capital outlay	-	-	-	-	563,486
Total Expenditures	<u>79,084</u>	<u>187,526</u>	<u>88,659</u>	<u>701,793</u>	<u>2,797,349</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>37,612</u>	<u>5,022</u>	<u>(316,881)</u>	<u>216,916</u>
OTHER FINANCING SOURCES (USES)					
Capital lease	-	-	-	-	-
Bond proceeds	-	-	-	312,000	312,000
Transfers in (out)	-	(5,000)	-	-	(274,543)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(5,000)</u>	<u>-</u>	<u>312,000</u>	<u>37,457</u>
Net change in fund balances	<u>-</u>	<u>32,612</u>	<u>5,022</u>	<u>(4,881)</u>	<u>254,373</u>
Equity Transfer	-	-	-	-	-
Fund balances at beginning of year	<u>-</u>	<u>86,901</u>	<u>93,635</u>	<u>181,875</u>	<u>2,110,001</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 119,513</u>	<u>\$ 98,657</u>	<u>\$ 176,994</u>	<u>\$ 2,364,374</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
REVENUES						
Taxes						
Real estate taxes	\$ 8,910,799	\$ 8,910,799	\$ 8,080,287	\$ -	\$ 8,080,287	\$ (830,512)
Local option sales tax	2,500,000	2,500,000	2,398,494	-	2,398,494	(101,506)
Vehicle taxes	1,105,856	1,105,856	1,137,577	-	1,137,577	31,721
Delinquent taxes	1,399,000	1,399,000	1,499,561	-	1,499,561	100,561
Local accommodations	175,000	175,000	192,922	-	192,922	17,922
Payment in lieu of taxes	90,000	90,000	77,416	-	77,416	(12,584)
Treasurer's cost to cities	4,250	4,250	4,339	-	4,339	89
Payment in lieu - motor carrier	170,000	170,000	82,545	-	82,545	(87,455)
Total taxes	14,354,905	14,354,905	13,473,141	-	13,473,141	(881,764)
Licenses and permits						
Moving permits	3,000	3,000	2,475	-	2,475	(525)
Building permits	100,000	100,000	85,790	-	85,790	(14,210)
Total licenses and permits	103,000	103,000	88,265	-	88,265	(14,735)
Charges for services						
Assessors fees	10,000	10,000	3,239	-	3,239	(6,761)
Master in Equity fees	24,000	24,000	42,707	-	42,707	18,707
Probate fees	60,000	60,000	81,286	-	81,286	21,286
Planning and public service fees	5,000	5,000	8,940	-	8,940	3,940
ROD fees and charges	135,000	135,000	124,337	-	124,337	(10,663)
Animal control fees	2,000	2,000	2,075	-	2,075	75
Landfill fees	195,000	195,000	201,931	-	201,931	6,931
County road user fee	695,000	695,000	716,072	-	716,072	21,072
Municipal inmate housing	25,000	25,000	29,256	-	29,256	4,256
Total charges for services	1,151,000	1,151,000	1,209,843	-	1,209,843	58,843
Fines and forfeitures						
Clerk of court fines and fees	130,000	130,000	123,409	-	123,409	(6,591)
Magistrate fines and fees	450,000	450,000	417,834	-	417,834	(32,166)
Sheriff's fines and fees	5,500	5,500	2,806	-	2,806	(2,694)
	585,500	585,500	544,049	-	544,049	(41,451)
Investment income						
	17,058	17,058	4,418	-	4,418	(12,640)
Miscellaneous						
Hangar rent	45,000	45,000	38,444	-	38,444	(6,556)
Multi-County Industrial Park	50,000	50,000	39,178	-	39,178	(10,822)
Miscellaneous revenue	121,400	121,400	149,149	-	149,149	27,749
SC Utility Rural Development Funds	-	-	302,375	-	302,375	302,375
Recreation Programs	75,010	75,010	64,948	-	64,948	(10,062)
Franchise fees	62,000	62,000	92,710	-	92,710	30,710
House arrest system	5,000	5,000	420	-	420	(4,580)
	358,410	358,410	687,224	-	687,224	328,814

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Intergovernmental						
State						
Accommodations tax	30,000	30,000	31,048	-	31,048	1,048
Merchant's inventory tax	48,220	48,220	48,909	-	48,909	689
Solid waste tire fees	14,000	14,000	13,353	-	13,353	(647)
State aid and allocations	1,080,000	1,080,000	1,076,433	-	1,076,433	(3,567)
Clerk/Sheriff/Probate Judge supplements	7,900	7,900	7,875	-	7,875	(25)
Vital records fees	9,000	9,000	7,668	-	7,668	(1,332)
Palmetto pride	-	-	4,284	-	4,284	4,284
EMS Grant in aid	-	-	59,119	-	59,119	59,119
Waste oil grant(s)	-	-	2,809	-	2,809	2,809
Waste tire grant(s)	-	-	9,546	-	9,546	9,546
Solid waste grant(s)	-	-	2,811	-	2,811	2,811
Economic Development grant(s)	-	-	150,000	-	150,000	150,000
Federal						
Santee Cooper airport improvement	-	-	52,285	-	52,285	52,285
Emergency management plan(s)	-	-	22,402	-	22,402	22,402
Drug Task Force	-	-	176,500	-	176,500	176,500
V-Safe	-	-	3,237	-	3,237	3,237
Veterans affairs	4,500	4,500	4,337	-	4,337	(163)
DSS - Clerk of Court	145,000	145,000	162,530	-	162,530	17,530
DSS - Revenue	30,000	30,000	29,435	-	29,435	(565)
DSS - Sheriff	8,500	8,500	11,913	-	11,913	3,413
USDA facilities grant(s)	-	-	80,167	-	80,167	80,167
Justice Assistance grants	-	-	64,381	-	64,381	64,381
	<u>1,377,120</u>	<u>1,377,120</u>	<u>2,021,042</u>	<u>-</u>	<u>2,021,042</u>	<u>643,922</u>
TOTAL REVENUES	\$ 17,946,993	\$ 17,946,993	\$ 18,027,982	\$ -	\$ 18,027,982	\$ 80,989

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
General Government and Administration:						
Administration:						
Salaries and related Operations	\$ 265,835	\$ 265,835	\$ 249,469	\$ -	\$ 249,469	\$ 16,366
	<u>22,250</u>	<u>22,250</u>	<u>29,308</u>	<u>-</u>	<u>29,308</u>	<u>(7,058)</u>
	<u>288,085</u>	<u>288,085</u>	<u>278,777</u>	<u>-</u>	<u>278,777</u>	<u>9,308</u>
County Council:						
Salaries and related Operations	142,688	142,688	134,610	-	134,610	8,078
	<u>14,550</u>	<u>14,550</u>	<u>9,824</u>	<u>10,260</u>	<u>20,084</u>	<u>(5,534)</u>
	<u>157,238</u>	<u>157,238</u>	<u>144,434</u>	<u>10,260</u>	<u>154,694</u>	<u>2,544</u>
Assessor:						
Salaries and related Operations	449,717	449,717	453,246	-	453,246	(3,529)
	<u>55,700</u>	<u>35,900</u>	<u>19,978</u>	<u>3,719</u>	<u>23,697</u>	<u>12,203</u>
	<u>505,417</u>	<u>485,617</u>	<u>473,224</u>	<u>3,719</u>	<u>476,943</u>	<u>8,674</u>
Auditor:						
Salaries and related Operations	157,509	157,509	158,569	-	158,569	(1,060)
	<u>15,901</u>	<u>15,901</u>	<u>15,191</u>	<u>951</u>	<u>16,142</u>	<u>(241)</u>
	<u>173,410</u>	<u>173,410</u>	<u>173,760</u>	<u>951</u>	<u>174,711</u>	<u>(1,301)</u>
Treasurer:						
Salaries and related Operations	172,183	172,183	153,534	-	153,534	18,649
	<u>12,188</u>	<u>12,188</u>	<u>17,700</u>	<u>967</u>	<u>18,667</u>	<u>(6,479)</u>
	<u>184,371</u>	<u>184,371</u>	<u>171,234</u>	<u>967</u>	<u>172,201</u>	<u>12,170</u>
Finance:						
Salaries and related Operations	207,741	207,741	207,704	-	207,704	37
	<u>10,175</u>	<u>10,175</u>	<u>4,956</u>	<u>-</u>	<u>4,956</u>	<u>5,219</u>
	<u>217,916</u>	<u>217,916</u>	<u>212,660</u>	<u>-</u>	<u>212,660</u>	<u>5,256</u>
Human Resources:						
Salaries and related Operations	144,718	144,718	141,699	-	141,699	3,019
	<u>26,870</u>	<u>26,870</u>	<u>15,581</u>	<u>-</u>	<u>15,581</u>	<u>11,289</u>
	<u>171,588</u>	<u>171,588</u>	<u>157,280</u>	<u>-</u>	<u>157,280</u>	<u>14,308</u>
Grants Administration						
Salaries and related Operations	102,666	102,666	102,559	-	102,559	107
	<u>7,199</u>	<u>7,199</u>	<u>6,906</u>	<u>-</u>	<u>6,906</u>	<u>293</u>
	<u>109,865</u>	<u>109,865</u>	<u>109,465</u>	<u>-</u>	<u>109,465</u>	<u>400</u>
Procurement						
Salaries and related Operations	103,833	103,833	128,902	-	128,902	(25,069)
	<u>7,517</u>	<u>7,517</u>	<u>6,360</u>	<u>-</u>	<u>6,360</u>	<u>1,157</u>
	<u>111,350</u>	<u>111,350</u>	<u>135,262</u>	<u>-</u>	<u>135,262</u>	<u>(23,912)</u>
Tax Collector:						
Salaries and related Operations	88,592	88,592	88,310	-	88,310	282
	<u>64,756</u>	<u>64,756</u>	<u>36,392</u>	<u>-</u>	<u>36,392</u>	<u>28,364</u>
	<u>153,348</u>	<u>153,348</u>	<u>124,702</u>	<u>-</u>	<u>124,702</u>	<u>28,646</u>
Voter Registration:						
Salaries and related Operations	92,721	92,721	91,976	-	91,976	745
	<u>9,284</u>	<u>9,284</u>	<u>7,348</u>	<u>-</u>	<u>7,348</u>	<u>1,936</u>
	<u>102,005</u>	<u>102,005</u>	<u>99,324</u>	<u>-</u>	<u>99,324</u>	<u>2,681</u>
Information Technology:						
Salaries and related Operations	62,213	62,213	65,137	-	65,137	(2,924)
	<u>278,185</u>	<u>278,185</u>	<u>261,526</u>	<u>8,000</u>	<u>269,526</u>	<u>8,659</u>
	<u>340,398</u>	<u>340,398</u>	<u>326,663</u>	<u>8,000</u>	<u>334,663</u>	<u>5,735</u>
Veterans Affairs:						
Salaries and related Operations	50,012	50,012	49,874	-	49,874	138
	<u>5,370</u>	<u>5,370</u>	<u>3,708</u>	<u>-</u>	<u>3,708</u>	<u>1,662</u>
	<u>55,382</u>	<u>55,382</u>	<u>53,582</u>	<u>-</u>	<u>53,582</u>	<u>1,800</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Nondepartmental Expenditures:						
Special Projects	225,759	225,759	311,979	-	311,979	(86,220)
Legal Assistance	50,000	50,000	65,480	-	65,480	(15,480)
Rent - Judicial Annex	106,500	106,500	104,976	-	104,976	1,524
Workmen's compensation	276,820	276,820	272,223	-	272,223	4,597
Audit fee	31,000	31,000	32,665	-	32,665	(1,665)
Unemployment	30,000	30,000	16,699	-	16,699	13,301
Electricity	310,000	310,000	297,644	-	297,644	12,356
Printing and postage	160,000	179,800	116,061	-	116,061	63,739
Christmas bonus	38,500	38,500	39,029	-	39,029	(529)
Property and liability insurance	218,432	218,432	223,783	-	223,783	(5,351)
Drug screening	4,000	4,000	4,497	-	4,497	(497)
Water	23,000	23,000	26,392	-	26,392	(3,392)
Retirees' insurance	250,000	250,000	236,200	-	236,200	13,800
Telephone	165,000	165,000	143,045	-	143,045	21,955
Personnel	67,402	55,279	42	-	42	55,237
Holiday compensation	57,500	57,500	61,525	-	61,525	(4,025)
Retirement expense	1,100	1,100	1,197	-	1,197	(97)
FICA expense	8,400	8,400	7,772	-	7,772	628
Police retirement	5,500	5,500	5,761	-	5,761	(261)
Bank fees and charges	30,075	30,075	16,767	-	16,767	13,308
	<u>2,058,988</u>	<u>2,066,665</u>	<u>1,983,737</u>	<u>-</u>	<u>1,983,737</u>	<u>82,928</u>
Grant Expense:						
Santee Cooper airport improvement	-	-	49,800	-	49,800	(49,800)
Palmetto Pride	-	-	4,284	-	4,284	(4,284)
Emergency management plan(s)	-	-	36,584	(14,086)	22,498	(22,498)
EMS Grant in aid	-	-	41,181	17,975	59,156	(59,156)
Waste oil grant(s)	-	-	2,911	-	2,911	(2,911)
Waste tire grant(s)	-	-	9,546	-	9,546	(9,546)
Solid waste grant(s)	-	-	2,811	-	2,811	(2,811)
Drug Task Force	-	-	198,365	(1,993)	196,372	(196,372)
V-Safe	-	-	1,550	4,923	6,473	(6,473)
Justice Assistance grant(s)	-	-	60,630	(642)	59,988	(59,988)
Economic Development grant(s)	-	-	150,000	-	150,000	(150,000)
USDA Facilities grant(s)	-	-	83,212	57,556	140,768	(140,768)
	<u>-</u>	<u>-</u>	<u>640,874</u>	<u>63,733</u>	<u>704,607</u>	<u>(704,607)</u>
Total General Government and Administration	<u>4,629,361</u>	<u>4,617,238</u>	<u>5,084,978</u>	<u>87,630</u>	<u>5,172,608</u>	<u>(555,370)</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Court Related:						
Clerk of Court:						
Salaries and related	146,909	146,909	148,722	-	148,722	(1,813)
Operations	41,425	41,425	43,387	-	43,387	(1,962)
	<u>188,334</u>	<u>188,334</u>	<u>192,109</u>	<u>-</u>	<u>192,109</u>	<u>(3,775)</u>
Magistrates:						
Salaries and related	443,124	443,124	417,817	-	417,817	25,307
Operations	21,250	21,250	15,877	-	15,877	5,373
	<u>464,374</u>	<u>464,374</u>	<u>433,694</u>	<u>-</u>	<u>433,694</u>	<u>30,680</u>
Probate Judge:						
Salaries and related	117,376	117,376	115,334	-	115,334	2,042
Operations	10,679	10,679	9,381	-	9,381	1,298
	<u>128,055</u>	<u>128,055</u>	<u>124,715</u>	<u>-</u>	<u>124,715</u>	<u>3,340</u>
Family Court:						
Salaries and related	82,419	82,419	82,653	-	82,653	(234)
Operations	6,700	6,700	6,797	-	6,797	(97)
	<u>89,119</u>	<u>89,119</u>	<u>89,450</u>	<u>-</u>	<u>89,450</u>	<u>(331)</u>
Register of Deeds:						
Salaries and related	101,334	101,334	102,779	-	102,779	(1,445)
Operations	60,050	60,050	43,081	-	43,081	16,969
	<u>161,384</u>	<u>161,384</u>	<u>145,860</u>	<u>-</u>	<u>145,860</u>	<u>15,524</u>
Master in Equity:						
Salaries and related	23,284	23,284	23,196	-	23,196	88
Operations	9,420	9,420	8,060	-	8,060	1,360
	<u>32,704</u>	<u>32,704</u>	<u>31,256</u>	<u>-</u>	<u>31,256</u>	<u>1,448</u>
DSS Funds - Clerk of Court:						
Salaries and related	133,711	133,711	135,012	-	135,012	(1,301)
Operations	13,800	13,800	15,224	-	15,224	(1,424)
	<u>147,511</u>	<u>147,511</u>	<u>150,236</u>	<u>-</u>	<u>150,236</u>	<u>(2,725)</u>
Circuit Court Judges:						
Allowance	22,160	22,160	17,359	-	17,359	4,801
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>221,172</u>	<u>-</u>	<u>221,172</u>	<u>4,801</u>
Total Court Related	<u>1,437,454</u>	<u>1,437,454</u>	<u>1,388,492</u>	<u>-</u>	<u>1,388,492</u>	<u>48,962</u>
Public Safety:						
Sheriff:						
Salaries and related	2,239,366	2,239,366	2,281,988	-	2,281,988	(42,622)
Operations	560,191	560,191	681,254	(6,144)	675,110	(114,919)
	<u>2,799,557</u>	<u>2,799,557</u>	<u>2,963,242</u>	<u>(6,144)</u>	<u>2,957,098</u>	<u>(157,541)</u>
Emergency Preparedness:						
Salaries and related	71,226	71,226	69,671	-	69,671	1,555
Operations	15,565	15,565	15,031	-	15,031	534
	<u>86,791</u>	<u>86,791</u>	<u>84,702</u>	<u>-</u>	<u>84,702</u>	<u>2,089</u>
Correctional Center:						
Salaries and related	1,474,774	1,474,774	1,479,946	-	1,479,946	(5,172)
Operations	460,850	460,850	397,606	(4,078)	393,528	67,322
	<u>1,935,624</u>	<u>1,935,624</u>	<u>1,877,552</u>	<u>(4,078)</u>	<u>1,873,474</u>	<u>62,150</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Coroner:						
Salaries and related	44,393	44,393	44,392	-	44,392	1
Operations	60,810	60,810	65,229	-	65,229	(4,419)
	<u>105,203</u>	<u>105,203</u>	<u>109,621</u>	<u>-</u>	<u>109,621</u>	<u>(4,418)</u>
Communications:						
Salaries and related	613,499	613,499	615,109	-	615,109	(1,610)
Operations	10,300	10,300	3,213	-	3,213	7,087
	<u>623,799</u>	<u>623,799</u>	<u>618,322</u>	<u>-</u>	<u>618,322</u>	<u>5,477</u>
EMS:						
Contract	901,993	901,993	901,993	-	901,993	-
Animal Control:						
Expenses	144,000	144,000	150,534	-	150,534	(6,534)
Total Public Safety	<u>6,596,967</u>	<u>6,596,967</u>	<u>6,705,966</u>	<u>(10,222)</u>	<u>6,695,744</u>	<u>(98,777)</u>
Physical Environment:						
Facilities Management:						
Salaries and related	247,660	247,660	247,790	-	247,790	(130)
Operations	165,795	165,795	137,706	(950)	136,756	29,039
	<u>413,455</u>	<u>413,455</u>	<u>385,496</u>	<u>(950)</u>	<u>384,546</u>	<u>28,909</u>
Landfill:						
Salaries and related	155,044	155,044	155,878	-	155,878	(834)
Operations	1,640,572	1,640,572	1,494,912	-	1,494,912	145,660
	<u>1,795,616</u>	<u>1,795,616</u>	<u>1,650,790</u>	<u>-</u>	<u>1,650,790</u>	<u>144,826</u>
Public Works:						
Salaries and related	601,176	601,176	594,754	-	594,754	6,422
Operations	283,425	283,425	316,231	259	316,490	(33,065)
	<u>884,601</u>	<u>884,601</u>	<u>910,985</u>	<u>259</u>	<u>911,244</u>	<u>(26,643)</u>
Total Physical Environment	<u>3,093,672</u>	<u>3,093,672</u>	<u>2,947,271</u>	<u>(691)</u>	<u>2,946,580</u>	<u>147,092</u>
Economic Environment:						
Planning and Public Service Commission:						
Salaries and related	352,393	352,393	350,027	-	350,027	2,366
Operations	55,345	55,345	36,358	(5,375)	30,983	24,362
	<u>407,738</u>	<u>407,738</u>	<u>386,385</u>	<u>(5,375)</u>	<u>381,010</u>	<u>26,728</u>
Development Board:						
Salaries and related	160,401	160,401	159,578	-	159,578	823
Operations	165,120	165,120	168,213	-	168,213	(3,093)
	<u>325,521</u>	<u>325,521</u>	<u>327,791</u>	<u>-</u>	<u>327,791</u>	<u>(2,270)</u>
Total Economic Environment	<u>733,259</u>	<u>733,259</u>	<u>714,176</u>	<u>(5,375)</u>	<u>708,801</u>	<u>24,458</u>

**CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Transportation:						
Fleet Maintenance:						
Salaries and related Operations	168,084	168,084	167,600	-	167,600	484
	10,610	10,610	8,370	-	8,370	2,240
	<u>178,694</u>	<u>178,694</u>	<u>175,970</u>	<u>-</u>	<u>175,970</u>	<u>2,724</u>
Airport Commission:						
Operations	221,300	221,300	13,363	-	13,363	207,937
	<u>221,300</u>	<u>221,300</u>	<u>13,363</u>	<u>-</u>	<u>13,363</u>	<u>207,937</u>
Total Transportation	399,994	399,994	189,333	-	189,333	210,661
Recreation and Culture:						
Recreation:						
Salaries and related Operations	228,330	240,453	237,637	-	237,637	2,816
	176,610	176,610	165,372	-	165,372	11,238
	<u>404,940</u>	<u>417,063</u>	<u>403,009</u>	<u>-</u>	<u>403,009</u>	<u>14,054</u>
County Archives:						
Salaries and related Operations	47,192	47,192	45,453	-	45,453	1,739
	6,965	6,965	4,652	-	4,652	2,313
	<u>54,157</u>	<u>54,157</u>	<u>50,105</u>	<u>-</u>	<u>50,105</u>	<u>4,052</u>
Total Recreation and Culture	459,097	471,220	453,114	-	453,114	18,106
Miscellaneous:						
Agencies:						
Santee-Lynches Council of Government	23,297	23,297	23,297	-	23,297	-
Clarendon Soil and Water Conservation	30,000	30,000	30,000	-	30,000	-
Election Commission - Supplies	13,000	13,000	2,822	-	2,822	10,178
Clemson Extension	28,887	28,887	28,887	-	28,887	-
SC Association of Counties	8,672	8,672	8,672	-	8,672	-
Delegation allowance	14,000	14,000	13,615	-	13,615	385
Behavioral Services	17,500	17,500	17,500	-	17,500	-
Clarendon County Library	540,000	540,000	540,000	-	540,000	-
Clarendon First Steps	3,700	3,700	3,700	-	3,700	-
DHEC	14,500	14,500	14,500	-	14,500	-
Santee Wateree RTA	2,600	2,600	2,600	-	2,600	-
Harvest Hope Food Bank	5,700	5,700	5,700	-	5,700	-
Indigent care	69,425	69,425	69,425	-	69,425	-
Council on Aging	3,400	3,400	3,400	-	3,400	-
County Board of Education	9,908	9,908	9,908	-	9,908	-
Communities in Schools	1,500	1,500	1,500	-	1,500	-
County Adult Education	29,800	29,800	29,800	-	29,800	-
Lake Marion Regional Water Authority	72,000	72,000	8,835	-	8,835	63,165
Central Carolina Technical College	191,300	191,300	191,300	-	191,300	-
	<u>1,079,189</u>	<u>1,079,189</u>	<u>1,005,461</u>	<u>-</u>	<u>1,005,461</u>	<u>73,728</u>
Total Miscellaneous	1,079,189	1,079,189	1,005,461	-	1,005,461	73,728
Total Expenditures	\$ 18,428,993	\$ 18,428,993	\$ 18,488,791	\$ 71,342	\$ 18,560,133	\$ (131,140)
Other Financing Sources (Uses)						
Sale of Assets	\$ 392,000	\$ 392,000	\$ 101,796	\$ -	\$ 101,796	\$ (290,204)
Transfers In (Out)	(105,000)	(105,000)	(263,487)	-	(263,487)	(158,487)
	<u>\$ 287,000</u>	<u>\$ 287,000</u>	<u>\$ (161,691)</u>	<u>\$ -</u>	<u>\$ (161,691)</u>	<u>\$ (448,691)</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, 2012**

	School Districts Debt Service	School Districts Operations	Hospital Debt Service	Probate Judge	Master-In Equity	Municipalities
ASSETS						
Cash	\$ 1,943,381	\$ -	\$ 933,399	\$ 760	\$ 6,340	\$ -
Delinquent taxes receivable	191,120	1,381,848	133,297	-	-	-
Due from credit card	-	-	-	-	-	-
Due from General Fund	6,190	30,683	4,963	-	-	6,729
Due from other magistrates	-	-	-	-	-	-
Due from trust fund holders	-	-	-	-	-	-
Total assets	<u>2,140,691</u>	<u>1,412,531</u>	<u>1,071,659</u>	<u>760</u>	<u>6,340</u>	<u>6,729</u>
LIABILITIES						
Due to trust fund holders	1,976,328	179,135	969,980	760	6,340	6,729
Due to Treasurer	-	-	-	-	-	-
Due to Treasurer - cash overage (shortage)	-	-	-	-	-	-
Deferred revenue	164,363	1,233,396	101,679	-	-	-
Due to other magistrates	-	-	-	-	-	-
Total liabilities	<u>2,140,691</u>	<u>1,412,531</u>	<u>1,071,659</u>	<u>760</u>	<u>6,340</u>	<u>6,729</u>
NET ASSETS						
Total net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF FIDUCIARY NET ASSETS
ALL AGENCY FUNDS
JUNE 30, 2012**

	Magistrates			Clerk of Court	Tax Collector	Total
	General Account	Civil Account	Part- Time			
ASSETS						
Cash	\$ 88,516	\$ 8,038	\$ 154	\$ 420,347	\$ 482,125	\$ 3,883,060
Delinquent taxes receivable	-	-	-	-	-	1,706,265
Due from credit card	1,219	-	-	-	-	1,219
Due from General Fund	-	-	-	-	-	48,565
Due from other magistrates	154	-	-	-	-	154
Due from trust fund holders	-	-	-	1,827	-	1,827
Total assets	<u>89,889</u>	<u>8,038</u>	<u>154</u>	<u>422,174</u>	<u>482,125</u>	<u>5,641,090</u>
LIABILITIES						
Due to trust fund holders	18,639	-	-	380,889	481,205	4,020,005
Due to Treasurer	63,171	8,038	-	25,093	920	97,222
Due to Treasurer - cash overage (shortage)	8,079	-	-	16,192	-	24,271
Deferred revenue	-	-	-	-	-	1,499,438
Due to other magistrates	-	-	154	-	-	154
Total liabilities	<u>89,889</u>	<u>8,038</u>	<u>154</u>	<u>422,174</u>	<u>482,125</u>	<u>5,641,090</u>
NET ASSETS						
Total net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CLARENDON COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 JUNE 30, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
Municipalities				
Assets				
Due from General Fund	\$ 37,109	\$ 1,440,003	\$ 1,470,383	\$ 6,729
Total Assets	<u>\$ 37,109</u>	<u>\$ 1,440,003</u>	<u>\$ 1,470,383</u>	<u>\$ 6,729</u>
Liabilities				
Due to trust fund holders	\$ 37,109	\$ 1,312,646	\$ 1,343,026	\$ 6,729
Total Liabilities	<u>\$ 37,109</u>	<u>\$ 1,312,646</u>	<u>\$ 1,343,026</u>	<u>\$ 6,729</u>
School Districts Debt Service				
Assets				
Cash and investments	\$ 2,325,258	\$ 5,467,356	\$ 5,849,233	\$ 1,943,381
Due from other funds	22,900	1,652,501	1,669,211	6,190
Delinquent taxes receivable	180,278	14,905	4,063	191,120
Total Assets	<u>\$ 2,528,436</u>	<u>\$ 7,134,762</u>	<u>\$ 7,522,507</u>	<u>\$ 2,140,691</u>
Liabilities				
Deferred revenue	\$ 148,009	\$ 168,279	\$ 151,925	\$ 164,363
Due to trust fund holders	2,380,427	5,151,487	5,555,586	1,976,328
Total Liabilities	<u>\$ 2,528,436</u>	<u>\$ 5,319,766</u>	<u>\$ 5,707,511</u>	<u>\$ 2,140,691</u>
School District Operations				
Assets				
Delinquent taxes receivable	\$ 1,213,388	\$ 168,460	\$ -	\$ 1,381,848
Due from General Fund	191,162	8,986,233	9,146,712	30,683
Total Assets	<u>\$ 1,404,550</u>	<u>\$ 9,154,693</u>	<u>\$ 9,146,712</u>	<u>\$ 1,412,531</u>
Liabilities				
Deferred revenue	\$ 1,077,861	\$ 155,535	\$ -	\$ 1,233,396
Due to trust fund holders	326,689	43,752,820	43,900,374	179,135
Total Liabilities	<u>\$ 1,404,550</u>	<u>\$43,908,355</u>	<u>\$43,900,374</u>	<u>\$ 1,412,531</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2012**

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
Hospital Debt Service				
Assets				
Cash and investments	\$ 3,602,395	\$ 7,214,190	\$ 9,883,186	\$ 933,399
Due from other funds	14,021	1,566,553	1,575,611	4,963
Delinquent taxes receivable	69,885	64,996	1,584	133,297
Total Assets	<u>\$ 3,686,301</u>	<u>\$ 8,845,739</u>	<u>\$11,460,381</u>	<u>\$ 1,071,659</u>
Liabilities				
Deferred revenue	\$ 55,763	\$ 45,916	\$ -	\$ 101,679
Due to trust fund holders	3,630,538	6,523,304	9,183,862	969,980
Total Liabilities	<u>\$ 3,686,301</u>	<u>\$ 6,569,220</u>	<u>\$ 9,183,862</u>	<u>\$ 1,071,659</u>
Probate Judge				
Assets				
Cash	\$ 760	\$ 88,286	\$ 88,286	\$ 760
Total Assets	<u>\$ 760</u>	<u>\$ 88,286</u>	<u>\$ 88,286</u>	<u>\$ 760</u>
Liabilities				
Due to trust fund holders	\$ 760	\$ -	\$ -	\$ 760
Total Liabilities	<u>\$ 760</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 760</u>
Master In Equity				
Assets				
Cash	\$ 9,500	\$ 254,008	\$ 257,168	\$ 6,340
Total Assets	<u>\$ 9,500</u>	<u>\$ 254,008</u>	<u>\$ 257,168</u>	<u>\$ 6,340</u>
Liabilities				
Due to Treasurer	\$ 2,260	\$ -	\$ 2,260	\$ -
Due to trust fund holders	7,240	-	900	6,340
Total Liabilities	<u>\$ 9,500</u>	<u>\$ -</u>	<u>\$ 3,160</u>	<u>\$ 6,340</u>

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
Magistrate: General Account				
Assets				
Cash	\$ 108,381	\$ 925,761	\$ 945,626	\$ 88,516
Due from credit card	2,202	1,219	2,202	1,219
Due from other magistrates	162	154	162	154
Total Assets	<u>\$ 110,745</u>	<u>\$ 927,134</u>	<u>\$ 947,990</u>	<u>\$ 89,889</u>
Liabilities				
Due to Treasurer	\$ 64,200	\$ 63,171	\$ 64,200	\$ 63,171
Due to trust fund holders	38,920	18,639	38,920	18,639
Due to Treasurer - cash overage/(shortage)	7,625	8,079	7,625	8,079
Total Liabilities	<u>\$ 110,745</u>	<u>\$ 89,889</u>	<u>\$ 110,745</u>	<u>\$ 89,889</u>
Magistrate: Civil Account				
Assets				
Cash	\$ 6,951	\$ 91,101	\$ 90,014	\$ 8,038
Total Assets	<u>\$ 6,951</u>	<u>\$ 91,101</u>	<u>\$ 90,014</u>	<u>\$ 8,038</u>
Liabilities				
Due to Treasurer	\$ 6,951	\$ 1,087	\$ -	\$ 8,038
Total Liabilities	<u>\$ 6,951</u>	<u>\$ 1,087</u>	<u>\$ -</u>	<u>\$ 8,038</u>
Magistrate: Part-time				
Assets				
Cash	\$ 162	\$ -	\$ 8	\$ 154
Total Assets	<u>\$ 162</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ 154</u>
Liabilities				
Due to other magistrates	\$ 162	\$ -	\$ 8	\$ 154
Total Liabilities	<u>\$ 162</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ 154</u>
Clerk of Court				
Assets				
Cash	\$ 449,283	\$ 518	\$ 29,454	\$ 420,347
Due from trust fund holders	1,827	-	-	1,827
Total Assets	<u>\$ 451,110</u>	<u>\$ 518</u>	<u>\$ 29,454</u>	<u>\$ 422,174</u>

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
Liabilities				
Due to Treasurer	\$ 28,542	\$ -	\$ 3,449	\$ 25,093
Due to trust fund holders	403,497	-	22,608	380,889
Due to Treasurer - cash overage/(shortage)	19,071	-	2,879	16,192
Total Liabilities	<u>\$ 451,110</u>	<u>\$ -</u>	<u>\$ 28,936</u>	<u>\$ 422,174</u>
Tax Collector				
Assets				
Cash	\$ 542,031	\$ -	\$ 59,906	\$ 482,125
Due from General Fund	18,332	-	18,332	-
Total Assets	<u>\$ 560,363</u>	<u>\$ -</u>	<u>\$ 78,238</u>	<u>\$ 482,125</u>
Liabilities				
Due to Treasurer	\$ -	\$ 920	\$ -	\$ 920
Due to trust fund holders	560,363	-	79,158	481,205
Total Liabilities	<u>\$ 560,363</u>	<u>\$ 920</u>	<u>\$ 79,158</u>	<u>\$ 482,125</u>
Total All Agency Funds				
Assets				
Cash and Investments	\$ 7,044,721	\$14,041,220	\$17,202,881	\$ 3,883,060
Delinquent taxes receivable	1,463,551	248,361	5,647	1,706,265
Due from credit card	2,202	1,219	2,202	1,219
Due from General Fund	283,524	13,645,290	13,880,249	48,565
Due from other magistrates	162	154	162	154
Due from trust fund holders	1,827	-	-	1,827
Total Assets	<u>\$ 8,795,987</u>	<u>\$27,936,244</u>	<u>\$31,091,141</u>	<u>\$ 5,641,090</u>
Liabilities				
Due to Treasurer	\$ 101,953	\$ 65,178	\$ 69,909	\$ 97,222
Due to Treasurer - cash overage/(shortage)	26,696	8,079	10,504	24,271
Due to trust fund holders	7,385,543	56,758,896	60,124,434	4,020,005
Deferred revenue	1,281,633	369,730	151,925	1,499,438
Due to other magistrates	162	-	8	154
Total Liabilities	<u>\$ 8,795,987</u>	<u>\$57,201,883</u>	<u>\$60,356,780</u>	<u>\$ 5,641,090</u>

CLARENDON COUNTY
SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES
SPECIAL REVENUE FUND - VICTIMS RIGHTS FUND
JUNE 30, 2012

	Clerk of Court	Magistrates	Total
Court Fines			
Court fines collected	\$ 17,612	\$ 436,658	\$ 454,270
Court fines retained by County	<u>10,617</u>	<u>417,583</u>	<u>428,200</u>
Court fines remitted to State Treasurer	<u>\$ 6,995</u>	<u>\$ 19,075</u>	<u>\$ 26,070</u>
Court Assessments			
Court assessments collected	\$ 14,990	\$ 362,989	\$ 377,979
Court assessments retained by County	<u>5,029</u>	<u>38,030</u>	<u>43,059</u>
Court assessments remitted to State Treasurer	<u>\$ 9,961</u>	<u>\$ 324,959</u>	<u>\$ 334,920</u>
Court Surcharges			
Court surcharges collected	<u>\$ 22,042</u>	<u>\$ 213,410</u>	<u>\$ 235,452</u>
Court surcharges retained by County	<u>\$ 12,391</u>	<u>\$ 11,634</u>	<u>\$ 24,025</u>
Victims Services			
Court assessments allocated to Victim Services	\$ 5,029	\$ 38,030	\$ 43,059
Court surcharges allocated to Victim Services	<u>12,391</u>	<u>11,634</u>	<u>24,025</u>
Funds allocated to Victim Services	<u>\$ 17,420</u>	<u>\$ 49,664</u>	67,084
Victim Services expenditures			<u>(79,084)</u>
			<u>\$ (12,000)</u>
Beginning balance - July 1, 2011		\$ -	
Excess of expenditures over revenue for current year		(12,000)	
Mutual Aid Agreement(s) - Municipalities		12,000	
Interest Income		<u>-</u>	
Ending Balance - June 30, 2012		<u>\$ -</u>	

**CLARENDON COUNTY, SOUTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2012**

Real and Other Personal Property Assessed Value	\$ 81,900,190
Vehicles Assessed Value	9,556,620
Manufacturer's Assessed Value	2,627,840
Merchants Inventory Value	688,290
Motor Carrier Assessed Value	<u>1,126,040</u>
Total Taxable Assessed Value	<u>95,898,980</u>
Debt Limit - Eight Percent (8%) of Total Taxable Assessed Value	7,671,918
Amount of Debt Applicable to Debt Limit:	<u>1,773,000</u>
LEGAL DEBT MARGIN	<u><u>\$ 5,898,918</u></u>

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December 13, 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, 2012, which collectively comprise Clarendon County's basic financial statements and have issued our report thereon dated December 13, 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

Management of Clarendon County is responsible for establishing and maintaining effective 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 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 and other deficiencies that we consider to be significant deficiencies.

**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 deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness (2012-1).

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 December 13, 2012.

Clarendon County's response to the finding 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.

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December 13, 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

To the Members of the
Clarendon County Council
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, 2012. Clarendon County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Clarendon County's management. Our responsibility is to express an opinion on Clarendon County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Clarendon County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Clarendon County's compliance with those requirements.

**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)

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, 2012.

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 to determine the 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 a certain deficiency in internal control over compliance that we consider to be a material weakness.

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 2012-1 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.

McShegler & Co. LLP

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2012**

Grantor	Grantor Number	Federal CFDA Number	Award Amount	Total Awards Expended
U. S. DEPARTMENT OF JUSTICE:				
Through SC Department of Public Safety:				
Multijurisdictional Drug Task Force	1G10011	16.738	194,541	176,500
Justice Assistance 2009 - ARRA	2009-SB-B9-1137	16.738	106,699	9,006
Justice Assistance 2009A	2009-DJ-BX-1394	16.738	25,976	20,055
Justice Assistance 2010	2010-DJ-BX-1121	16.738	22,346	19,076
Justice Assistance 2011	2011-DJ-BX-3169	16.738	17,684	17,684
Ballistic Vests 2011	BA-2000S-XT01	16.607	3,838	3,838
FEDERAL AVIATION ADMINISTRATION				
Airport Improvement Program	3-45-0038-007-2010	20.106	175,750	54,540
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Through SC Emergency Management Division:				
Alternate Emergency Op Ctr/Shelter	PDMC-04-SC-2008-002	97.017	1,500,000	333,742
Local Emergency Mgmt Planning 2010	10EMPG01	97.042	9,000	9,000
Local Emergency Mgmt Planning 2011	11EMPG01	97.042	54,023	13,401
U. S. DEPARTMENT OF AGRICULTURE				
Communities Facilities Grants:				
Clarendon County	N/A	10.766	37,000	37,000
Clarendon County Fire Department	N/A	10.766	49,875	43,167
Rural Utilities Service Grants:				
Clarendon County Rural Water - ARRA	SC-91-04	10.760	1,951,000	894,293
Rural Utilities Direct Loans:				
Clarendon County Rural Water Phase I - ARRA	SC-91-03	10.760	2,533,000	2,533,000
Clarendon County Rural Water Phase II	SC-91-06	10.760	1,007,800	777,019
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Through Department of Social Services:				
Office of Child Support Enforcement:				
Filing Fees	G-04SC404	93.563		23,250
Federal Financial Assistance	G-04SC404	93.563		32,877
Clerk of Court Incentive (IV-D)	G-04SC404	93.563		30,208
Family Court	G-04SC404	93.563		128,801
Sheriff's Department	G-04SC404	93.563		11,913
TOTAL FEDERAL ASSISTANCE				\$ 5,168,370

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTE TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR END JUNE 30, 2012**

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.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

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 was 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 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 Center/Shelter CFDA# 97.017
 - Rural Utilities Service Grant and Loans CFDA# 10.760
8. The threshold used for distinguishing Type A and Type B programs was \$300,000.
9. Clarendon County was not determined to be a low-risk auditee.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

B. Findings – Financial Statement Audit

Material Weakness

2012-1 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 of the Water and Sewer Fund related to the USDA loan/grant.

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, 2012.

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

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

C. Findings – Major Federal Program Audit

Material Weakness

See as described above.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012**

2011-1 Material Audit Adjustment

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

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

Current status: See Finding 2012-1.

2011-2 Procurement

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.

Auditor's recommendation: All purchases with these funds should follow the procurement policy of the County.

Current status: This finding was not sustained in the current year.

2011-3 Internal Control Over Compliance

Condition: During our audit, we noted that the Davis-Bacon Act compliance for the Alternate Emergency Operations Center/Shelter grant was started by the County, but was not completed. Interviews of contractor and subcontractor employees were performed, but a review of certified payrolls was not performed.

Auditor's recommendation: All certified payrolls should be examined and compared to prevailing wages to ensure that workers are paid at least prevailing wage rates.

Current status: This finding was not sustained in the current year.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA**

OTHER MATTERS

JUNE 30, 2012

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December 13, 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, 2012, 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 December 13, 2012. This letter does not affect our report dated December 13, 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 recommend that receipts for all purchases be kept on file.

PROCUREMENT

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

- A mower was not purchased in accordance with the procurement policy. No bids were obtained by the procurement department.

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

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MAGISTRATES

The magistrates are to report any overages in their accounts over \$100 on an annual basis to the Court Administration. Currently this overage total is \$8,079.

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.

GRANTS

For the Multijurisdictional Drug Task Force grant, we reconciled the expenditures from the requests for reimbursement to the general ledger of the County. We noted that salaries and fringes for the Task Force officers were understated on the requests by \$12,353. Ninety percent of this is reimbursed by the grant. When we noted the understatement, the grant had already been closed out. Therefore, the County was unable to be reimbursed for \$11,118 of expenses as approved under the grant.

We recommend that care be taken in gathering financial information for a grant reimbursement.

CLERK OF COURT

We examined the checks written in the Clerk of Court bail bondsman account for the 2011-12 year. We noted that checks were written to employees for extra time worked related to the Clerk of Court's office in 2011. These checks amounted to a total of \$1,625. However, the payroll department was not notified of these checks, and therefore the amounts were not included in the employees' taxable wages per their annual wage reports.

We recommend that all monies given to employees outside of their normal paychecks be reported to the payroll department, so that they can be included in their taxable wages.

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

McShryver & Co. LLP