

AUDITED FINANCIAL STATEMENTS

CLARENDON COUNTY

MANNING, SOUTH CAROLINA

JUNE 30, 2014

AUDITED FINANCIAL STATEMENTS

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MANNING, SOUTH CAROLINA

JUNE 30, 2014

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clarendon County, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

INDEPENDENT AUDITOR'S REPORT
(continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clarendon County, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of funding progress for retirees' health plan information on pages 7 through 15 and 74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITOR'S REPORT
(continued)

Other Information

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

The combining and individual fund schedules, supplemental section, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules, supplemental section, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2015, on our consideration of Clarendon County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clarendon County's internal control over financial reporting and compliance.

McGee & Co. LLP

Orangeburg, South Carolina
January 12, 2015

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2014**

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, 2014. 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, 2014 by \$23.6 million (net position). Of this amount, of \$1.4 million are classified as unrestricted net position that may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position decreased \$0.5 million over the previous year, a reduction of 2.0%.
- At June 30, 2014, the County's governmental fund balance sheet reported a combined ending fund balance of \$18.0 million, an increase of \$2.9 million over the previous fiscal year. Nearly 72% of this increase is associated with capital improvement projects within the County. Of the \$18.0 million, \$8.8 million remains in the various funds of the County as committed, assigned or unreserved.
- The General Fund reported a fund balance of \$2.9 million, effectively no change from last fiscal year. This ending balance equates to 15% of General Fund expenditures for the year.
- Total bonded debt increased \$4.0 million, primarily due to issuance of \$3.5 million General Obligation Bonds for the construction of a new South Carolina Department of Social Services facility. Said building will also house new office space for the South Carolina Probation and Parole county office and a Clarendon County Coroner's office.

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, 2014**

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

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

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

Both of the government-wide financial statements distinguish functions of Clarendon County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The County's governmental activities include general government, public safety, judicial, 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 16 and 17 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, 2014**

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

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

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

The basic governmental funds financial statements can be found on pages 18 through 20 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 22 through 24.

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 25 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 30 through 73 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 75 through 80 of this report.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2014**

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Clarendon County, assets exceeded liabilities by \$23.6 million at the close of the most recent fiscal year. The County's decrease in net position for this fiscal year amounts to \$0.5 million, a reduction of 2.0%.

The largest portion of the County's net position (81%) reflects its investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current and other assets	\$ 19,336	\$ 16,854	\$ 1,037	\$ 838	\$ 20,373	\$ 17,692
Capital assets	<u>27,175</u>	<u>25,977</u>	<u>8,646</u>	<u>8,686</u>	<u>35,821</u>	<u>34,663</u>
Total assets	<u>46,511</u>	<u>42,831</u>	<u>9,683</u>	<u>9,524</u>	<u>56,194</u>	<u>52,355</u>
Long-term liabilities outstanding	24,079	19,382	6,547	6,652	30,626	26,034
Other liabilities	<u>295</u>	<u>893</u>	<u>1,553</u>	<u>1,333</u>	<u>1,848</u>	<u>2,226</u>
Total liabilities	<u>24,374</u>	<u>20,275</u>	<u>8,100</u>	<u>7,985</u>	<u>32,474</u>	<u>28,260</u>
Deferred inflows of resources	<u>102</u>	-	-	-	<u>102</u>	-
Net position						
Invested in capital assets, net of related debt	18,183	17,715	888	875	19,071	18,590
Restricted	2,500	1,967	687	653	3,187	2,620
Unrestricted	<u>1,352</u>	<u>2,874</u>	<u>8</u>	<u>11</u>	<u>1,360</u>	<u>2,885</u>
Total net position	<u>\$ 22,035</u>	<u>\$ 22,556</u>	<u>\$ 1,583</u>	<u>\$ 1,539</u>	<u>\$ 23,618</u>	<u>\$ 24,095</u>

An additional portion of the County's net position of the governmental activities (13%) represents resources that are subject to external restrictions on how they may be used or deemed to be unspendable. The remaining balance of net position (\$1.4 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, 2014**

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

The changes in net position displayed below shows the governmental activities during the fiscal year. Increases in property taxes, when combined with increased federal and state grant revenue, offset an increase in general government expenditures. Included below are unfunded OPEB expenditures of \$0.9 million in the current fiscal year negatively impacting changes in net position.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues						
Program Revenues:						
Charges from Services	\$ 2,193	\$ 2,256	\$ 765	\$ 749	\$ 2,958	\$ 3,005
Grants and Contributions	2,307	1,473	192	396	2,499	1,869
General revenues:						
Ad valorem taxes	16,085	15,266	-	-	16,085	15,266
Other taxes	2,898	2,814	-	-	2,898	2,814
State shared	2,928	2,673	-	-	2,928	2,673
Interest	9	10	-	-	9	10
Other	<u>351</u>	<u>402</u>	<u>-</u>	<u>-</u>	<u>351</u>	<u>402</u>
Total revenues	26,771	24,894	957	1,145	27,728	26,039
Expenses:						
Program Activities:						
Government Activities:						
General government	8,071	6,766	-	-	8,071	6,766
Public safety	10,269	10,139	-	-	10,269	10,139
Physical environment	3,377	3,247	-	-	3,377	3,247
Transportation	197	228	-	-	197	228
Economic environment	653	758	-	-	653	758
Court related	1,852	1,825	-	-	1,852	1,825
Cultural and recreational	743	652	-	-	743	652
Agencies	910	1,032	-	-	910	1,032
Interest on long-term debt	892	1,277	-	-	892	1,277
Business-type Activities:						
Water and sewer fund	-	-	736	659	736	659
Weldon Auditorium	-	-	<u>506</u>	<u>481</u>	<u>506</u>	<u>481</u>
Total expenses	26,964	25,924	1,242	1,140	28,206	27,064
Transfers in (out)	(329)	(303)	329	314	-	11
Special items	<u>-</u>	<u>-</u>	<u>-</u>	<u>(496)</u>	<u>-</u>	<u>(496)</u>
Change in net position	<u>(522)</u>	<u>(1,333)</u>	<u>44</u>	<u>(177)</u>	<u>(478)</u>	<u>(1,510)</u>
Beginning net position	<u>22,557</u>	<u>23,890</u>	<u>1,539</u>	<u>1,716</u>	<u>24,096</u>	<u>25,606</u>
Ending net position	<u>\$ 22,035</u>	<u>\$ 22,557</u>	<u>\$ 1,583</u>	<u>\$ 1,539</u>	<u>\$ 23,618</u>	<u>\$ 24,096</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2014**

Primary Governmental Activities: Revenues for the County's governmental activities were \$26.7 million for fiscal year 2014 and \$1.0 million for its Business-type activities. Taxes constitute the largest source of County revenues, amounting to approximately \$19.0 million for the fiscal year 2014. Real property taxes (\$11.5 million) represent 61% of total taxes and 43% of all revenue combined. Lastly, intergovernmental revenues increased to \$2.9 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, 2014, Clarendon County governmental funds reported combined fund balances of \$18.0 million, an increase of \$2.9 million over the prior year balances. The main component of this increase was the issuance of debt within the Capital Projects fund for the construction of a new South Carolina Department of Social Services facility. Said building will also house new office space for the South Carolina Probation and Parole county office and a Clarendon County Coroner's office (\$3.5 million).

The General Fund is the chief operating fund of the County. At June 30, 2014, total fund balance in the General Fund was \$2.9 million, of which \$2.0 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 14.6% and 9.7%, respectively. The fund balance of the General Fund showed a slight increase of 1.0%, or \$29 thousand during the fiscal year as revenues and expenses were well matched.

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 2014 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 and savings incurred at the departmental level within both the County detention facility and judicial functions.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2014**

Capital Asset and Debt Administration

Capital assets: Clarendon County's investment in capital assets for its governmental type activities as of June 30, 2014 amounts to \$27.2 million (net of accumulated depreciation) and \$8.6 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 3.3% as work was underway in the renovations and improvements of the County courthouse.

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

	Government Activities		Business-type Activities		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	\$ 2,829	\$ 2,829	\$ 120	\$ 117	\$ 2,949	\$ 2,946
Infrastructure	3,787	3,383	-	-	3,787	3,383
Construction in progress	1,492	617	123	69	1,615	686
Buildings and improvements	16,674	17,043	3,138	3,224	19,812	20,267
Water distribution system	-	-	5,104	5,129	5,104	5,129
Machinery and equipment	<u>2,393</u>	<u>2,105</u>	<u>161</u>	<u>147</u>	<u>2,554</u>	<u>2,252</u>
Total	<u>\$ 27,175</u>	<u>\$ 25,977</u>	<u>\$ 8,646</u>	<u>\$ 8,686</u>	<u>\$ 35,821</u>	<u>\$ 34,663</u>

Additional information on the County's capital assets can be found in Note 6 on pages 44 through 48 of this report.

Long-term debt: At the end of the current fiscal year, Clarendon County had a total bonded debt outstanding of \$25.8 million, of which \$5.7 million is backed by the full faith and credit of the County.

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

	<u>2014</u>	<u>2013</u>
General obligation bond(s)	\$ 5,684	\$ 1,623
Revenue bond(s)	20,067	20,151
Capital lease(s)	<u>198</u>	<u>369</u>
	<u>\$ 25,949</u>	<u>\$ 22,143</u>

The County's total debt increased \$3.8 million primarily as a result of the issuance of general obligation bond(s) associated with the construction of a new facility to house the South Carolina department of social services, probation and parole, as well as a new County coroner's office. The County currently has a rating of "A+" from Standard & Poor's Corporation on general obligation bond issues. As of June 30, 2014, the County's general obligation debt and capital lease approximated one hundred sixty-eight dollars (\$168) per capita.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2014**

Additional information on Clarendon County's long-term debt can be found in Note 8 on pages 50 through 58 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Clarendon County is currently 8.3%, which represents a decrease from a year ago. This compares to the state's average unemployment rate of 5.7% and the national average rate of 6.3%.
- Assessed taxable property valuation increased to \$101.9 million in 2014, primarily in real property and vehicle sectors.
- County-wide gross taxable sales declined slightly 0.4%, from \$484 million in 2013 to \$482 million in 2014.

All of these factors were considered in preparing the County's budget for the 2015 fiscal year. Per the Fiscal Year 2015 Adopted Budget, disbursements are budgeted at \$19.1 million, a 2.3% increase from the fiscal year 2014 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 the 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.

Other Matter – New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68, *Accounting and Financial Reporting for Pensions (Employers)*, which is intended to improve guidance for accounting and reporting on pensions that governments provide to their employees. GASB Statement No. 68, which is effective for fiscal years beginning after June 15, 2014 will require the County to recognize a net pension liability on its statement of net position and an additional pension expense on its statement of activities for the year ending June 30, 2015.

Once adopted, the County's financial statements for the fiscal year ending June 30, 2015, will be significantly impacted as follows:

- The beginning balance of the County's net position will be restated in an amount equal to the County's proportionate share of the retirement plan's collective net position liability to reflect this liability as of the beginning of the fiscal year (July 1, 2014). Based on preliminary estimates received from the SC Public Employee Benefit Authority (PEBA), the organization that administers the State's retirement plans, including the SC Retirement System of which the County is an active member, the County's portion of collective net pension liability as of June 30, 2014, that will be recognized and used to restate the beginning net position balance of the County as of July 1, 2014, is estimated to be \$9,870,683.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2014**

- o The County will be required to recognize a pension expense based on actuarial calculations of future retirement benefits (deferred outflows of resources) as of June 30, 2014, in addition to the recognition of the annual required contribution (ARC) obligations to the cost-sharing multiple-employer SC retirement system (SCRS) plan. Based on preliminary estimates received from SC PEBA, the County's balance of deferred outflows of resources (future benefit provision) as of June 30, 2014, totals \$213,983, which is expected to be recognized as pension expense over the next four (4) fiscal years as follows: \$66,187 each year for the years ending June 30, 2015, 2016, 2017 and \$15,422 for year ending June 30, 2018.

Actual amounts that will be used by the County to adjust net position beginning balance for its proportionate share of the plan's collective net pension liability and to recognize the additional pension expense related to the balance of deferred outflows of resources over the next four (4) fiscal years will not be available until the retirement plan's stand-alone audited financial statements are complete.

Funding requirements of the pension plan obligations will not be governed by the County's funding policy. GASB Statement No. 68 reporting requirements do not impact the funding of the pension plans, only the financial accounting and reporting of the plans.

Requests for Information

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

CLARENDON COUNTY, SOUTH CAROLINA
STATEMENTS OF NET POSITION
JUNE 30, 2014

	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	\$ 9,019,898	\$ 290,032	\$ 9,309,930	\$ 188,804	\$ 2,348,741
Receivables:					
Delinquent taxes	1,924,508	-	1,924,508	-	-
Other	244,869	60,508	305,377	16,382	-
Due from fiduciary funds	102,644	-	102,644	-	-
Prepaid expense	-	-	-	23,487	-
Due from other governments	2,626,011	-	2,626,011	-	-
Inventories	51,026	-	51,026	-	-
Capital leases and notes receivable - Note 5	-	-	-	-	42,400
Total current assets	<u>13,968,956</u>	<u>350,540</u>	<u>14,319,496</u>	<u>228,673</u>	<u>2,391,141</u>
Non-current assets:					
Restricted cash and cash equivalents	5,366,738	686,496	6,053,234	-	-
Notes receivable - Note 5	-	-	-	-	580,768
Non-depreciable capital assets-net - Note 6	4,320,668	242,796	4,563,464	24,000	2,764,830
Depreciable capital assets-net - Note 6	22,854,463	8,403,377	31,257,840	195,697	1,059,724
Total non-current assets	<u>32,541,869</u>	<u>9,332,669</u>	<u>41,874,538</u>	<u>219,697</u>	<u>4,405,322</u>
Total assets	<u>46,510,825</u>	<u>9,683,209</u>	<u>56,194,034</u>	<u>448,370</u>	<u>6,796,463</u>
LIABILITIES					
Current liabilities (payable from current assets):					
Accounts payable	587,550	21,787	609,337	22,583	-
Due to other governments	108,980	-	108,980	-	-
Internal balances	(1,392,901)	1,392,901	-	-	-
Due to fiduciary funds - Note 7	772	-	772	-	-
Unearned revenue	131,866	19,221	151,087	-	188,167
Note payable - Note 8	-	-	-	-	121,520
Other liabilities	185,941	-	185,941	-	-
Accrued compensated absences - Note 8	33,416	345	33,761	-	-
Closures and maintenance costs payable - Note 8	19,600	-	19,600	-	-
Capital lease - Note 8	92,229	-	92,229	-	-
Bond payable - Note 8	527,718	118,774	646,492	-	-
Total current liabilities	<u>295,171</u>	<u>1,553,028</u>	<u>1,848,199</u>	<u>22,583</u>	<u>309,687</u>
Non-current liabilities:					
Accrued compensated absences - Note 8	371,050	3,969	375,019	18,763	-
Closures and maintenance costs payable - Note 8	524,200	-	524,200	-	-
Note payable	-	-	-	-	1,072,174
OPEB payable	4,460,549	55,198	4,515,747	137,088	-
Capital lease - Note 8	106,376	-	106,376	-	-
Bond payable - Note 8	18,616,157	6,488,206	25,104,363	-	-
Total long-term liabilities	<u>24,078,332</u>	<u>6,547,373</u>	<u>30,625,705</u>	<u>155,851</u>	<u>1,072,174</u>
Total liabilities	<u>24,373,503</u>	<u>8,100,401</u>	<u>32,473,904</u>	<u>178,434</u>	<u>1,381,861</u>
DEFERRED INFLOWS OF RESOURCES					
Bond premium	102,289	-	102,289	-	-
Total deferred inflows of resources	<u>102,289</u>	<u>-</u>	<u>102,289</u>	<u>-</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	18,182,799	888,437	19,071,236	219,697	3,069,739
Restricted:					
Debt service	1,601,231	686,496	2,287,727	-	-
Local option sales tax revenue	899,182	-	899,182	-	-
I-95 Mega-site	-	-	-	-	1,349,816
Unrestricted	1,351,821	7,875	1,359,696	50,239	995,047
Total net position	<u>\$ 22,035,033</u>	<u>\$ 1,582,808</u>	<u>\$ 23,617,841</u>	<u>\$ 269,936</u>	<u>\$ 5,414,602</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, 2014

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets								
	Expenses	Program Revenues			Primary Government			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Harvin Clarendon County Library	Business Development Corporation
Primary Government:									
Governmental activities:									
Public safety	\$ 10,268,926	\$ 276,661	\$ 421,714	\$ 24,465	\$ (9,546,086)	\$ -	\$ (9,546,086)		
General government	8,071,082	114,193	1,575,787	-	(6,381,102)	-	(6,381,102)		
Agencies	909,572	84,103	250,000	-	(575,469)	-	(575,469)		
Physical environment	3,377,253	877,442	23,213	-	(2,476,598)	-	(2,476,598)		
Court related	1,852,179	666,262	-	-	(1,185,917)	-	(1,185,917)		
Economic environment	653,336	57,762	11,606	-	(583,968)	-	(583,968)		
Culture/Recreation	742,725	78,642	-	-	(664,083)	-	(664,083)		
Transportation	196,846	37,889	-	-	(158,957)	-	(158,957)		
Interest	891,989	-	-	-	(891,989)	-	(891,989)		
Total governmental activities	26,963,908	2,192,954	2,282,320	24,465	(22,464,169)	-	(22,464,169)		
Business-Type Activities:									
Water & Sewer Utility	736,349	672,922	-	191,951	-	128,524	128,524		
Weldon Auditorium	505,911	92,232	-	-	-	(413,679)	(413,679)		
Total business-type activities	1,242,260	765,154	-	191,951	-	(285,155)	(285,155)		
Total Primary Government:	28,206,168	2,958,108	2,282,320	216,416	(22,464,169)	(285,155)	(22,749,324)		
Component Units:									
Harvin Clarendon County Library	\$ 744,556	\$ 21,866	\$ 86,823	\$ 9,007			\$ (626,860)	\$ -	
Business Development Corporation	326,207	282,179	-	352,375			-	308,347	
Total Component Units	\$ 1,070,763	\$ 304,045	\$ 86,823	\$ 361,382			(626,860)	308,347	
General Revenues:									
Taxes:									
Property taxes, levied for general purposes					14,537,445	-	14,537,445	-	
Property taxes, levied for debt services					1,547,161	-	1,547,161	-	
Sales and use taxes					2,898,242	-	2,898,242	-	
Franchise fees					111,058	-	111,058	-	
State shared revenues					2,927,493	-	2,927,493	-	
Interest earnings					9,380	396	9,776	34,690	
Gain on sale of fixed assets					2,093	-	2,093	-	
Miscellaneous					237,426	-	237,426	-	
County appropriation					-	-	-	540,000	
Total general revenues					22,270,298	396	22,270,694	540,000	
Transfers					(328,390)	328,390	-	-	
Total general revenues, transfers and special item					21,941,908	328,786	22,270,694	540,000	
Change in net position					(522,261)	43,631	(478,630)	(86,860)	
Net position - beginning					* 22,557,294	1,539,177	24,096,471	* 356,796	
Net position - ending					\$ 22,035,033	\$ 1,582,808	\$ 23,617,841	\$ 269,936	
								\$ 5,071,565	
								\$ 5,414,602	

* 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, 2014**

	GENERAL	CAPITAL PROJECTS	GENERAL COUNTY DEBT SVC	FIRE DEPARTMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash and cash equivalents	\$ 419,870	\$ 8,611,480	\$ 1,478,711	\$ 1,508,970	\$ 2,367,605	\$ 14,386,636
Accounts receivable						
Property taxes	1,528,827	-	65,283	279,870	50,528	1,924,508
Other	116,791	177	-	-	127,901	244,869
Due from other funds	57,239	-	20	-	17	57,276
Due from fiduciary funds	102,644	-	-	-	-	102,644
Due from business enterprise	242,145	1,150,756	-	-	-	1,392,901
Due from other governments	2,626,011	-	-	-	-	2,626,011
Supplies inventory	51,026	-	-	-	-	51,026
Total assets	<u>\$ 5,144,553</u>	<u>\$ 9,762,413</u>	<u>\$ 1,544,014</u>	<u>\$ 1,788,840</u>	<u>\$ 2,546,051</u>	<u>\$ 20,785,871</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 407,796	\$ 100,011	\$ -	\$ 73,042	\$ 6,701	\$ 587,550
Accrued payroll and withholdings	146,472	-	-	-	-	146,472
Due to other funds	37	-	-	-	57,239	57,276
Due to fiduciary funds	772	-	-	-	-	772
Due to other governments	108,980	-	-	-	-	108,980
Unearned revenue	123,730	-	-	-	-	123,730
Advance mobile home revenue	8,136	-	-	-	-	8,136
Other liabilities	39,469	-	-	-	-	39,469
Total liabilities	<u>835,392</u>	<u>100,011</u>	<u>-</u>	<u>73,042</u>	<u>63,940</u>	<u>1,072,385</u>
Deferred Inflows of Resources						
Unavailable Revenue-Property						
Taxes	1,358,652	-	57,303	243,457	45,303	1,704,715
Total Deferred Inflows of Resources	<u>1,358,652</u>	<u>-</u>	<u>57,303</u>	<u>243,457</u>	<u>45,303</u>	<u>1,704,715</u>
Fund balances:						
Nonspendable	51,026	-	-	-	-	51,026
Restricted	899,182	5,366,738	1,486,711	-	1,374,373	9,127,004
Committed	-	3,429,230	-	-	-	3,429,230
Assigned	46,048	-	-	1,472,341	1,062,435	2,580,824
Unassigned	1,954,253	866,434	-	-	-	2,820,687
Total fund balances	<u>2,950,509</u>	<u>9,662,402</u>	<u>1,486,711</u>	<u>1,472,341</u>	<u>2,436,808</u>	<u>18,008,771</u>
Total Liabilities, Deferred Inflows of Resources, and Fund balances	<u>\$ 5,144,553</u>	<u>\$ 9,762,413</u>	<u>\$ 1,544,014</u>	<u>\$ 1,788,840</u>	<u>\$ 2,546,051</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, therefore, are not reported in funds.	27,175,131
Long-term liabilities, including bonds payable (\$19,143,875), capital lease (\$198,605), accrued compensated absences (\$404,466), closure and maintenances costs payable (\$543,800) and bond premium (\$102,289) are not reported in funds.	(20,393,035)
Other Post Employment Benefits (OPEB) liability represents the future unfunded costs associated with current benefits design.	(4,460,549)
Delinquent taxes receivable are not financial resources in the current period and, therefore, are reported as unearned revenue in the funds.	1,704,715
Total net position - total governmental activities	<u>\$ 22,035,033</u>

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

CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	GENERAL	CAPITAL PROJECTS	GENERAL COUNTY DEBT SVC	FIRE DEPARTMENT	OTHER GOVERNMENTAL FUNDS	TOTAL
REVENUES						
Taxes	\$ 14,499,038	\$ -	\$ 1,386,756	\$ 2,274,153	\$ 658,620	\$ 18,818,567
Licenses and permits	105,240	-	-	-	-	105,240
Intergovernmental	3,558,907	-	-	-	1,684,765	5,243,672
Charges for services	1,137,440	-	-	-	144,142	1,281,582
Fines and forfeitures	448,268	-	-	-	105,411	553,679
Special assessments	-	-	-	-	60,103	60,103
Interest	1,729	3,454	535	1,372	2,290	9,380
Miscellaneous	526,979	-	-	-	374	527,353
Total revenues	<u>20,277,601</u>	<u>3,454</u>	<u>1,387,291</u>	<u>2,275,525</u>	<u>2,655,705</u>	<u>26,599,576</u>
EXPENDITURES						
Current:						
General government	6,277,614	55,682	33,050	-	784,233	7,150,579
Public safety	6,718,888	15,978	-	2,014,678	394,211	9,143,755
Physical environment	3,241,362	-	-	-	-	3,241,362
Transportation	199,068	-	-	-	-	199,068
Economic environment	626,558	-	-	-	-	626,558
Agencies	905,572	-	-	-	-	905,572
Culture/Recreation	495,150	-	-	-	155,263	650,413
Court Related	1,528,739	-	-	-	228,887	1,757,626
Debt service:						
Principal	-	-	465,000	-	127,982	592,982
Interest and fiscal charges	-	310,565	578,654	-	4,207	893,426
Capital outlay	228,802	1,842,969	-	31,029	689,916	2,792,716
Total expenditures	<u>20,221,753</u>	<u>2,225,194</u>	<u>1,076,704</u>	<u>2,045,707</u>	<u>2,384,699</u>	<u>27,954,057</u>
Excess of revenues over (under) expenditures	55,848	(2,221,740)	310,587	229,818	271,006	(1,354,481)
OTHER FINANCING SOURCES (USES)						
Sale of assets	2,093	-	-	-	-	2,093
Bond proceeds	-	4,323,726	296,175	-	-	4,619,901
Transfers	(29,000)	-	-	-	(299,390)	(328,390)
Net other financing sources (uses)	<u>(26,907)</u>	<u>4,323,726</u>	<u>296,175</u>	<u>-</u>	<u>(299,390)</u>	<u>4,293,604</u>
Net changes in fund balances	<u>28,941</u>	<u>2,101,986</u>	<u>606,762</u>	<u>229,818</u>	<u>(28,384)</u>	<u>2,939,123</u>
Fund balances at beginning of year, as restated - Note 13	<u>2,921,568</u>	<u>7,560,416</u>	<u>879,949</u>	<u>1,242,523</u>	<u>2,465,192</u>	<u>15,069,648</u>
Fund balances at end of year	<u>\$ 2,950,509</u>	<u>\$ 9,662,402</u>	<u>\$ 1,486,711</u>	<u>\$ 1,472,341</u>	<u>\$ 2,436,808</u>	<u>\$ 18,008,771</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, 2014

Net Changes in fund balances - total governmental funds		\$ 2,939,123
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	2,792,716	
Less current year depreciation	<u>(1,582,933)</u>	1,209,783
Lease and bond proceeds provide current financial resources to government funds, but incurring debt increases long-term liabilities in the statement of net position.		
Bond proceeds	(4,619,901)	
Bond principal payment	465,000	
Bond premium	1,437	
Capital lease payment	<u>170,214</u>	(3,983,250)
Gains or losses on the sale of capital assets are not presented in this financial statement because they do not provide or use current financial resources but they are presented in the statement of activities.		
		(11,958)
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	(7,971)	
Change in OPEB liability	(844,356)	
Change in closure and maintenance costs payable	<u>8,000</u>	(844,327)
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>168,368</u>
Change in net position of governmental activities.		<u><u>\$ (522,261)</u></u>

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

**CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	<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	\$ 14,539,850	\$ 14,539,850	\$ 14,499,038	\$ (40,812)
Licenses and permits	107,700	107,700	105,240	(2,460)
Intergovernmental	1,614,520	1,614,520	3,558,907	1,944,387
Charges for services	1,148,000	1,148,000	1,137,440	(10,560)
Fines and forfeitures	503,000	503,000	448,268	(54,732)
Interest	2,500	2,500	1,729	(771)
Miscellaneous	435,000	435,000	526,979	91,979
Total revenues	<u>18,350,570</u>	<u>18,350,570</u>	<u>20,277,601</u>	<u>1,927,031</u>
EXPENDITURES				
Current:				
General government	4,541,909	4,523,097	6,239,880	(1,716,783)
Public safety	6,988,478	6,995,122	6,896,651	98,471
Physical environment	3,208,989	3,223,489	3,270,642	(47,153)
Transportation	220,359	220,359	199,068	21,291
Economic environment	636,163	636,163	626,546	9,617
Culture/Recreation	490,304	499,516	503,297	(3,781)
Court related	1,589,583	1,592,539	1,528,739	63,800
Agencies	920,785	906,285	905,572	713
Total expenditures	<u>18,596,570</u>	<u>18,596,570</u>	<u>20,170,395</u>	<u>(1,573,825)</u>
Excess of revenues over (under) expenditures	(246,000)	(246,000)	107,206	353,206
OTHER FINANCING SOURCES (USES)				
Sale of assets	175,000	175,000	2,093	(172,907)
Transfers In/(Out)	(29,000)	(29,000)	(29,000)	-
Net other financing sources (uses)	<u>146,000</u>	<u>146,000</u>	<u>(26,907)</u>	<u>(172,907)</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	<u>\$ (100,000)</u>	<u>\$ (100,000)</u>	80,299	<u>\$ 180,299</u>
Fund balances at beginning of year as restated - Note 13			<u>2,845,729</u>	
Fund balances at end of year			<u>\$ 2,926,028</u>	

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

CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				
	WATER UTILITY	SEWER UTILITY	TOTAL UTILITY	WELDON AUDITORIUM	TOTAL ENTERPRISE FUNDS
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 128,892	\$ 40,702	\$ 169,594	\$ 120,438	\$ 290,032
Accounts receivable, net of allowance	49,497	10,934	60,431	77	60,508
Total current assets	<u>178,389</u>	<u>51,636</u>	<u>230,025</u>	<u>120,515</u>	<u>350,540</u>
Noncurrent Assets					
Restricted cash and cash equivalents	33,856	-	33,856	652,640	686,496
Capital assets:					
Land	81,210	38,771	119,981	-	119,981
Buildings and improvements	1,978	-	1,978	3,438,173	3,440,151
Machinery and equipment	217,740	28,026	245,766	-	245,766
Water and sewer system	5,106,599	313,184	5,419,783	-	5,419,783
Construction in Progress	122,815	-	122,815	-	122,815
Less: Accumulated Depreciation	(324,870)	(76,613)	(401,483)	(300,840)	(702,323)
Total noncurrent assets	<u>5,239,328</u>	<u>303,368</u>	<u>5,542,696</u>	<u>3,789,973</u>	<u>9,332,669</u>
TOTAL ASSETS	<u>5,417,717</u>	<u>355,004</u>	<u>5,772,721</u>	<u>3,910,488</u>	<u>9,683,209</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	13,691	3,521	17,212	4,575	21,787
Due to other funds	1,142,705	72,939	1,215,644	177,257	1,392,901
Unearned revenue	18,847	374	19,221	-	19,221
Accrued compensated absences	119	13	132	213	345
Bond payable	53,774	-	53,774	65,000	118,774
Total current liabilities	<u>1,229,136</u>	<u>76,847</u>	<u>1,305,983</u>	<u>247,045</u>	<u>1,553,028</u>
Noncurrent Liabilities:					
Accrued compensated absences	1,363	151	1,514	2,455	3,969
Bond payable	3,478,206	-	3,478,206	3,010,000	6,488,206
Net OPEB liability - Note 12	29,861	3,318	33,179	22,019	55,198
Total noncurrent liabilities	<u>3,509,430</u>	<u>3,469</u>	<u>3,512,899</u>	<u>3,034,474</u>	<u>6,547,373</u>
TOTAL LIABILITIES	<u>4,738,566</u>	<u>80,316</u>	<u>4,818,882</u>	<u>3,281,519</u>	<u>8,100,401</u>
NET POSITION					
Net investment in capital assets	587,923	238,181	826,104	62,333	888,437
Restricted:					
Debt service	33,856	-	33,856	652,640	686,496
Unrestricted	57,372	36,507	93,879	(86,004)	7,875
TOTAL NET POSITION	<u>\$ 679,151</u>	<u>\$ 274,688</u>	<u>\$ 953,839</u>	<u>\$ 628,969</u>	<u>\$ 1,582,808</u>

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

**CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				TOTAL ENTERPRISE FUNDS
	WATER UTILITY	SEWER UTILITY	TOTAL UTILITY	WELDON AUDITORIUM	
OPERATING REVENUES					
Charges for services	\$ 515,180	\$ 157,742	\$ 672,922	\$ 83,943	\$ 756,865
Total operating revenues	<u>515,180</u>	<u>157,742</u>	<u>672,922</u>	<u>83,943</u>	<u>756,865</u>
OPERATING EXPENSES					
Cost of sales & services	207,615	80,932	288,547	-	288,547
Production expense	-	-	-	72,739	72,739
Personnel & benefits	121,447	13,494	134,941	96,361	231,302
Administration	22,781	7,594	30,375	105,927	136,302
Depreciation	154,046	14,558	168,604	85,954	254,558
Total operating expenses	<u>505,889</u>	<u>116,578</u>	<u>622,467</u>	<u>360,981</u>	<u>983,448</u>
OPERATING INCOME (LOSS)	<u>9,291</u>	<u>41,164</u>	<u>50,455</u>	<u>(277,038)</u>	<u>(226,583)</u>
NON-OPERATING REVENUE (EXPENSES)					
Investment income	91	28	119	277	396
Interest expense	(113,882)	-	(113,882)	(136,641)	(250,523)
Total non-operating revenue (expenses)	<u>(113,791)</u>	<u>28</u>	<u>(113,763)</u>	<u>(136,364)</u>	<u>(250,127)</u>
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(104,500)	41,192	(63,308)	(413,402)	(476,710)
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital contributions	191,951	-	191,951	-	191,951
Transfers	(4,500)	(1,500)	(6,000)	334,390	328,390
Net other financing sources (uses)	<u>187,451</u>	<u>(1,500)</u>	<u>185,951</u>	<u>334,390</u>	<u>520,341</u>
CHANGE IN NET POSITION	82,951	39,692	122,643	(79,012)	43,631
Net position at beginning of year - Note 13	<u>596,200</u>	<u>234,996</u>	<u>831,196</u>	<u>707,981</u>	<u>1,539,177</u>
NET POSITION AT END OF YEAR	<u>\$ 679,151</u>	<u>\$ 274,688</u>	<u>\$ 953,839</u>	<u>\$ 628,969</u>	<u>\$ 1,582,808</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, 2014

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	WATER & SEWER UTILITY	WELDON AUDITORIUM	TOTAL ENTERPRISE FUNDS
Cash Flows From Operating Activities:			
Cash received from customers	\$ 687,718	\$ 83,866	\$ 771,584
Cash paid to suppliers for goods and services	(320,349)	(177,272)	(497,621)
Cash paid to employees for services	(127,577)	(89,798)	(217,375)
Internal activity-payments to other funds	(12,660)	177,257	164,597
Net Cash Provided (Used) By Operating Activities	<u>227,132</u>	<u>(5,947)</u>	<u>221,185</u>
Cash Flows from Noncapital Financing Activities			
Transfers	(6,000)	334,390	328,390
Cash Flows From Capital and Related Financing Activities:			
Principal payments	(8,819)	(65,000)	(73,819)
Interest paid on debt	(113,882)	(136,641)	(250,523)
Grant proceeds	191,951	-	191,951
Purchase of capital assets	(214,395)	-	(214,395)
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(145,145)</u>	<u>(201,641)</u>	<u>(346,786)</u>
Cash Flow From Investing Activities:			
Interest income	119	277	396
Net Cash Provided (Used) By Investing Activities	<u>119</u>	<u>277</u>	<u>396</u>
Net Increase (Decrease) in Cash and Cash Equivalents	76,106	127,079	203,185
Cash and Cash Equivalents at Beginning of Year	<u>127,344</u>	<u>645,999</u>	<u>773,343</u>
Cash and Cash Equivalents at End of Year	<u>\$ 203,450</u>	<u>\$ 773,078</u>	<u>\$ 976,528</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by operating Activities			
Operating income (loss)	\$ 50,455	\$ (277,038)	\$ (226,583)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation expense	168,604	85,954	254,558
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	2,324	(77)	2,247
(Increase) decrease in prepaids	-	1,375	1,375
Increase (decrease) in accounts payable	(1,427)	19	(1,408)
Increase (decrease) in due to other funds	(12,660)	177,257	164,597
Increase (decrease) in accrued compensated absences	582	(219)	363
Increase (decrease) in OPEB liability	6,782	6,782	13,564
Increase (decrease) in deferred revenue	12,472	-	12,472
Net Cash Provided by (Used for) Operating Activities	<u>\$ 227,132</u>	<u>\$ (5,947)</u>	<u>\$ 221,185</u>

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

**CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2014**

ASSETS

Cash	\$ 3,685,110
Delinquent taxes receivable	1,951,098
Due from credit card	3,140
Due from other funds	.772
Due from other magistrates	32
Total Assets	<u>\$ 5,640,152</u>

LIABILITIES

Due to trust fund holders	\$ 5,523,762
Due to Treasurer - cash overage (shortage)	13,714
Due to other funds	102,644
Due to other magistrates	32
Total Liabilities	<u>\$ 5,640,152</u>

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

**CLARENDON COUNTY
COMBINING BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2014**

	GOVERNMENTAL FUNDS		
	HARVIN CLARENDON COUNTY LIBRARY	BUSINESS DEVELOPMENT CORPORATION	TOTAL
ASSETS			
Cash	\$ 188,804	\$ 2,348,741	\$ 2,537,545
Prepaid items	23,487	-	23,487
Notes and interest receivable	-	172,140	172,140
Capital and operating lease receivable	-	451,028	451,028
Grants and miscellaneous receivable	16,382	-	16,382
TOTAL ASSETS	\$ 228,673	\$ 2,971,909	\$ 3,200,582
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts and payroll withholdings payable	\$ 22,583	\$ -	\$ 22,583
Unearned revenue	-	188,167	188,167
Total Liabilities	22,583	188,167	210,750
Fund Balances			
Nonspendable	23,487	150,000	173,487
Restricted	-	1,349,816	1,349,816
Committed	95,000	-	95,000
Unassigned	87,603	1,283,926	1,371,529
Total Fund Balances	206,090	2,783,742	2,989,832
TOTAL LIABILITIES AND FUND BALANCES	\$ 228,673	\$ 2,971,909	\$ 3,200,582
Amounts reported for governmental activities in the statement of net position are different because:			
Total fund balance	\$ 206,090	\$ 2,783,742	\$ 2,989,832
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	219,697	3,824,554	4,044,251
Liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
Accrued compensated absences	(18,763)	-	(18,763)
Notes payable	-	(1,193,694)	(1,193,694)
Net OPEB liability	(137,088)	-	(137,088)
Total net position	\$ 269,936	\$ 5,414,602	\$ 5,684,538

**CLARENDON COUNTY
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 DISCRETELY PRESENTED COMPONENT UNITS
 FOR THE YEAR ENDED JUNE 30, 2014**

	<u>GOVERNMENTAL FUNDS</u>		
	<u>HARVIN CLARENDON COUNTY LIBRARY</u>	<u>BUSINESS DEVELOPMENT CORPORATION</u>	<u>TOTAL</u>
REVENUES			
Federal	\$ 7,974	\$ -	\$ 7,974
State	75,000	-	75,000
Local	574,722	669,244	1,243,966
TOTAL REVENUES	<u>657,696</u>	<u>669,244</u>	<u>1,326,940</u>
EXPENDITURES			
General operations	661,906	164,140	826,046
Capital outlay	14,293	372,464	386,757
Debt service	-	219,323	219,323
TOTAL EXPENDITURES	<u>676,199</u>	<u>755,927</u>	<u>1,432,126</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(18,503)</u>	<u>(86,683)</u>	<u>(105,186)</u>
NET CHANGE IN FUND BALANCES	(18,503)	(86,683)	(105,186)
FUND BALANCES, BEGINNING OF YEAR	<u>224,593</u>	<u>2,870,425</u>	<u>3,095,018</u>
FUND BALANCES, END OF YEAR	<u>\$ 206,090</u>	<u>\$ 2,783,742</u>	<u>\$ 2,989,832</u>

CLARENDON COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF COMPONENT UNITS
TO THE STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2014

	HARVIN CLARENDON COUNTY LIBRARY	BUSINESS DEVELOPMENT CORPORATION	TOTAL
Net change in fund balances - total governmental funds	\$ (18,503)	\$ (86,683)	\$ (105,186)
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.			
Expenditures for capital assets	14,293	372,464	386,757
Less current year depreciation	(47,234)	(68,497)	(115,731)
Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.			
Change in compensated absences	(1,616)	-	(1,616)
Change in net OPEB liability	(33,800)	-	(33,800)
Incurring debt increases long-term liabilities in the statement of activities			
Principal payments	-	125,753	125,753
Change in net position of governmental activities	<u>\$ (86,860)</u>	<u>\$ 343,037</u>	<u>\$ 256,177</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

Blended Component Unit:

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

Discretely Presented Component Units:

Harvin Clarendon County Library

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity (continued)

Discretely Presented Component Units: (continued)

Business Development Corporation of Clarendon County (BDC)

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

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

B. Measurement Focus and Basis of Accounting

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

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

1. Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as its discretely presented component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting (continued)

1. Government-wide Financial Statements (continued)

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

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

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

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

2. Fund Financial Statements

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting (continued)

2. Fund Financial Statements

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

Governmental Funds

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting (continued)

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

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other 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.

C. Description of Funds

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.

General County Debt Service Fund – The General County Debt Service fund is established for the purpose of accumulating resources for the payment of principal and interest on general long term debt.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Description of Funds (continued)

1. Governmental Major Funds: (continued)

Other Governmental Funds

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

Debt Service Fund – 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:

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.

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.

D. Assets, Liabilities, and Net Position or Equity

1. Cash and Cash Equivalents

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

2. Receivables and Payables

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

3. Inventory

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

4. Capital Assets

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

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

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

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

Assets	Years
Buildings and improvements	15 – 50
Machinery and equipment	3 – 10
Infrastructure	25

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and/or the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of resources that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any items that qualify for reporting in this category in the current year.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

5. Deferred Outflows/Inflows of Resources (continued)

In addition to liabilities, the Statement of Net Position and/or the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of resources that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The County has one item that arises under the accrual basis of accounting. The Statement of Net Position reports bond premiums as an inflow of resources.

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 position.

8. Nature and Purpose of Restrictions of Fund Equity

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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;
- 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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

9. Net Position

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

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 \$25,000 or 25% 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.

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

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

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, 2014:

	General Fund
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - budgetary basis	\$ 80,299
Timing differences:	
Net change in encumbrances	<u>(51,358)</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - GAAP basis	<u>\$ 28,941</u>

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

Actual expenditures exceeded those budgeted by \$1,573,825 because grant expenditures are not budgeted (as grant revenues are not budgeted).

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Primary Government

At June 30, 2014, the carrying amount of the County's deposits and investments was \$19,045,944 and the bank balances and investment pool balances were \$19,902,397. To reconcile this information to the financial statements, we include the following:

Cash and investments	\$ 19,045,944
Cash on hand	<u>2,330</u>
Total cash	<u>\$ 19,048,274</u>

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

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

Primary Government (continued)

Proprietary fund	\$ 976,528
Fiduciary funds	3,685,110
Governmental funds	<u>14,386,636</u>
Total all funds	<u>\$ 19,048,274</u>

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 2014, none of the County's bank balance of \$6,717,339 was exposed to custodial credit risk.

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

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

	Maturities	Fair Value
State investment pool	18 months to 2 years	\$ 5,855,227
Treasury money market	19 day weighted average	<u>7,329,831</u>
		<u>\$ 13,185,058</u>

Discretely Presented Component Units

Harvin Clarendon County Library

As of June 30, 2014, the bank balance of the Library's deposits totaled \$200,654. Of the bank balance, \$200,654 was covered by the Federal Depository Insurance Corporation (FDIC) insurance.

Business Development Corporation of Clarendon County (BDC)

As of June 30, 2014, the book balance of the BDC's deposits totaled \$2,348,741. The bank balance of \$1,842,851 and an additional \$506,769 in certificates of deposit were covered by the Federal Depository Insurance Corporation (FDIC) or collateralized by 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. Uncollectible property taxes are not material and have not been reported.

Property taxes at the fund level are recorded as receivables and unearned 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

Business Development Corporation of Clarendon County (BDC)

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

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

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

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

Meritor Heavy Vehicle Systems, LLC

The BDC leases a building to Meritor Heavy Vehicle Systems, LLC for \$16,567.50 per month. The BDC entered into a new five year lease agreement commencing on March 1, 2014. The new lease payment is \$12,162.50 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 \$935,000. The future minimum lease payments are as follows:

June 30,	
2015	\$ 145,950
2016	145,950
2017	145,950
2018	145,950
2019	<u>85,138</u>
Total minimum lease payments	<u>\$ 668,938</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 original amount of the lease receivable was \$509,000. After the initial term expires, and every five years thereafter, the amount of rent will be renegotiated based on the recalculation of interest on the note and mortgage entered into between the corporation and the bank. Effective July 1, 2014, the new monthly lease payment will be \$3,711.19. At the end of the lease, the building reverts to Select Laboratories – SC, LLC. This lease is classified as a direct financing lease. The future minimum lease payments are as follows:

June 30,	
2015	44,534
2016	44,534
2017	44,534
2018	44,534
2019	<u>386,942</u>
Total minimum lease payments	565,078
Less amount representing interest	<u>(114,050)</u>
Present value of minimum lease payment	<u>\$ 451,028</u>

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

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

Lee County, South Carolina

The BDC has a note receivable from an adjacent county of the State dated June 24, 2008. The loan was made so that the County could participate in a multi-county development project located within Clarendon County. The 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.

Current Portion \$19,505

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, 2014 was as follows:

	Beginning Balance	Additions	Retire- ments	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 2,828,791	\$ -	\$ -	\$ 2,828,791
Construction in progress	<u>617,336</u>	<u>874,541</u>	-	<u>1,491,877</u>
Total capital assets not being depreciated	<u>3,446,127</u>	<u>874,541</u>	-	<u>4,320,668</u>
Capital assets being depreciated:				
Buildings and improvements	21,723,343	9,539	-	21,732,882
Infrastructure	5,917,268	916,854	-	6,834,122
Equipment	<u>10,359,581</u>	<u>991,783</u>	<u>134,156</u>	<u>11,217,208</u>
Total capital assets being depreciated	<u>38,000,192</u>	<u>1,918,176</u>	<u>134,156</u>	<u>39,784,212</u>
Less accumulated depreciation for:				
Buildings and improvements	4,680,240	378,713	-	5,058,953
Infrastructure	2,533,882	513,314	-	3,047,196
Equipment	<u>8,254,892</u>	<u>690,906</u>	<u>122,198</u>	<u>8,823,600</u>
Total accumulated depreciation	<u>15,469,014</u>	<u>1,582,933</u>	<u>122,198</u>	<u>16,929,749</u>
Total capital assets being depreciated, net	<u>22,531,178</u>	<u>335,243</u>	<u>11,958</u>	<u>22,854,463</u>
Governmental activities capital assets, net	<u>\$ 25,977,305</u>	<u>\$ 1,209,784</u>	<u>\$ 11,958</u>	<u>\$ 27,175,131</u>

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

NOTE 6 - CAPITAL ASSETS (continued)

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

Governmental activities:

General Government	\$ 793,445
Public Safety	629,740
Physical Environment	80,697
Cultural/Recreation	73,188
Economic Environment	3,769
Court Related	1,817
Transportation	<u>277</u>

Total depreciation expense-governmental activities \$ 1,582,933

Business Type Activities

	Beginning Balance	Additions	Retirements	Ending Balance
Water and Sewer				
Capital assets not being depreciated:				
Land	\$ 117,152	\$ 2,829	\$ -	\$ 119,981
Construction in Progress	<u>69,337</u>	<u>53,478</u>	<u>-</u>	<u>122,815</u>
Total capital assets not being depreciated	<u>186,489</u>	<u>56,307</u>	<u>-</u>	<u>242,796</u>
Capital assets being depreciated:				
Buildings and improvements	1,978	-	-	1,978
Water system	5,294,025	125,758	-	5,419,783
Equipment	<u>213,437</u>	<u>32,329</u>	<u>-</u>	<u>245,766</u>
Total capital assets being depreciated	<u>5,509,440</u>	<u>158,087</u>	<u>-</u>	<u>5,667,527</u>
Less accumulated depreciation for:				
Buildings and improvements	907	198	-	1,105
Water system	165,025	150,928	-	315,953
Equipment	<u>66,946</u>	<u>17,479</u>	<u>-</u>	<u>84,425</u>
Total accumulated depreciation	<u>232,878</u>	<u>168,605</u>	<u>-</u>	<u>401,483</u>
Total capital assets being depreciated, net	<u>5,276,562</u>	<u>(10,518)</u>	<u>-</u>	<u>5,266,044</u>
Business-Type activities capital assets, net	<u>\$ 5,463,051</u>	<u>\$ 45,789</u>	<u>\$ -</u>	<u>\$ 5,508,840</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	\$ 3,438,173	\$ -	\$ 3,438,173
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>214,886</u>	<u>85,954</u>	<u>300,840</u>
Total accumulated depreciation	<u>214,886</u>	<u>85,954</u>	<u>300,840</u>
Total capital assets being depreciated, net	<u>3,223,287</u>	<u>(85,954)</u>	<u>3,137,333</u>
Business-Type activities capital assets, net	<u>\$ 3,223,287</u>	<u>\$ (85,954)</u>	<u>\$ 3,137,333</u>

Component Units

Harvin Clarendon County Library

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

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 24,000	\$ -	\$ -	\$ 24,000
Capital assets being depreciated:				
Building	405,413	-	-	405,413
Equipment	390,547	14,293	7,728	397,112
Books	<u>395,324</u>	<u>-</u>	<u>89,250</u>	<u>306,074</u>
Total Capital Assets being depreciated	<u>1,191,284</u>	<u>14,293</u>	<u>96,978</u>	<u>1,108,599</u>

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

NOTE 6 - CAPITAL ASSETS (continued)

	Beginning Balance	Additions	Disposals	Ending Balance
Less accumulated depreciation for:				
Building	285,694	10,741	-	296,435
Equipment	281,628	36,493	(7,728)	310,393
Books	<u>395,324</u>	<u>-</u>	<u>(89,250)</u>	<u>306,074</u>
Total accumulated depreciated	<u>962,646</u>	<u>47,234</u>	<u>(96,978)</u>	<u>912,902</u>
Total Capital Assets, being depreciated, net	<u>228,638</u>	<u>(32,941)</u>	<u>-</u>	<u>195,697</u>
Total Capital Assets, net	<u>\$ 252,638</u>	<u>\$ (32,941)</u>	<u>\$ -</u>	<u>\$ 219,697</u>

Depreciation expense for the year ended June 30, 2014 was \$47,234.

Business Development Corporation of Clarendon County (BDC)

Capital asset activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land restricted for I-95 Mega-site	\$ 961,855	\$ -	\$ -	\$ 961,855
Land	1,430,511	307,079	-	1,737,590
Construction WIP	<u>-</u>	<u>65,385</u>	<u>-</u>	<u>65,385</u>
Total capital assets not being depreciated	<u>2,392,366</u>	<u>372,464</u>	<u>-</u>	<u>2,764,830</u>
Capital assets being depreciated:				
Buildings and improvements	1,800,000	-	-	1,800,000
Infrastructure	<u>254,911</u>	<u>-</u>	<u>-</u>	<u>254,911</u>
Total capital assets being depreciated	<u>2,054,911</u>	<u>-</u>	<u>-</u>	<u>2,054,911</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	875,000	60,000	-	935,000
Infrastructure	<u>51,690</u>	<u>8,497</u>	<u>-</u>	<u>60,187</u>
Total accumulated depreciation	<u>926,690</u>	<u>68,497</u>	<u>-</u>	<u>995,187</u>
Total capital assets being depreciated, net	<u>1,128,221</u>	<u>(68,497)</u>	<u>-</u>	<u>1,059,724</u>
Total capital assets, net	<u>\$ 3,520,587</u>	<u>\$ 303,967</u>	<u>\$ -</u>	<u>\$ 3,824,554</u>

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

Building and Improvements 30 years

Depreciation expense for the year ended June 30, 2014 was \$68,497.

NOTE 7 - INTERFUND BALANCES

Individual fund interfund receivable and payable balances at June 30, 2014, were as follows:

	Interfund Receivables	Interfund Payables
Governmental Funds		
General Fund	\$ 57,239	\$ 37
Special Revenue Funds:		
Special purpose districts	13	-
Law Enforcement	-	57,239
Debt Service Funds:		
Fire Department	4	-
General Obligations	<u>20</u>	<u>-</u>
Governmental Funds	<u>57,276</u>	<u>57,276</u>

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

NOTE 7 - INTERFUND BALANCES (continued)

	Interfund Receivables	Interfund Payables
Enterprise Funds		
General Fund	242,145	-
Capital Projects Fund	1,150,756	-
Weldon Auditorium	-	177,257
Water & Sewer Fund	<u>-</u>	<u>1,215,644</u>
Enterprise Fund	<u>1,392,901</u>	<u>1,392,901</u>
Fiduciary Funds		
General Fund	102,644	772
Fiduciary Fund types:		
Town of Turbeville	3	-
City of Manning	71	-
Town of Summerton	9	-
Magistrates:		
General and Civil	-	75,285
Clerk of Court	-	27,359
Hospital Debt Service	68	-
School Debt Service	69	-
School Operating	<u>552</u>	<u>-</u>
Fiduciary Funds	<u>103,416</u>	<u>103,416</u>
	<u>\$ 1,553,593</u>	<u>\$ 1,553,593</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	\$ 11,000	\$ 40,000
Water & Sewer	-	6,000
Weldon Auditorium	334,390	-
Non Major Funds	<u>-</u>	<u>299,390</u>
	<u>\$ 345,390</u>	<u>\$ 345,390</u>

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

NOTE 8 - LONG-TERM DEBT

A. Primary Government

Governmental Activities

General Obligation Bonds

<p>\$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.</p>	<p>\$ 783,000</p>
<p>\$139,000 Bond issued August 17, 2011 (Series 2011) to fund semi-annual installment lease purchase obligation on Administrative complex. Due in annual installments beginning March 1, 2012 of \$17,000 and ending March 1, 2016 of \$36,000. Interest accrues at a rate of 2.49% and is payable semi-annually on March 1 and September 1 each year to maturity.</p>	<p>71,000</p>
<p>\$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.</p>	<p>95,900</p>
<p>\$156,000 Bond issued August 14, 2012 (Series 2012B) to fund semi-annual installment lease purchase obligation on Administrative complex. Due in annual installments beginning March 1, 2013 of \$18,200 and ending March 1, 2017 of \$35,300. Interest accrues at a rate of 1.63% and is payable semi-annually on March 1 and September 1 each year to maturity.</p>	<p>104,200</p>
<p>\$113,600 Bond issued February 13, 2013 (Series 2013A) to fund semi-annual installment lease purchase obligation on Courthouse Project. Due in annual installments beginning March 1, 2017 of \$80,482 and ending March 1, 2018 of \$33,118. Interest accrues at a rate of 1.82% and is payable semi-annually on March 1 and September 1 each year to maturity.</p>	<p>113,600</p>

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

NOTE 8 - LONG-TERM DEBT

A. Primary Government (continued)

Governmental Activities (continued)

General Obligation Bonds (continued)

<p>\$720,000 Bond issued September 6, 2013 (Series 2013B) To fund acquisition of self contained breathing apparatus for the Fire service. Due in equal annual installments of \$62,518 (principal and interest) beginning September 6, 2014 and ending September 1, 2028. Interest accrues at a rate of 3.50%.</p>	720,000
<p>\$151,650 Bond issued August 13, 2013 (Series 2013C) to fund semi-annual installment lease purchase obligation on Courthouse Project. Due in annual installments beginning March 1, 2017 of \$120,241 and ending March 1, 2018 of \$31,409. Interest accrues at a rate of 2.17% and is payable semi-annually on March 1 and September 1 each year to maturity.</p>	151,650
<p>\$144,525 Bond issued February 12, 2014 (Series 2014A) to fund semi-annual installment lease purchase obligation on Courthouse Project. Due in annual installments beginning March 1, 2017 of \$86,315 and ending March 1, 2018 of \$58,210. Interest accrues at a rate of 1.51% and is payable semi-annually on March 1 and September 1 each year to maturity.</p>	144,525
<p>\$3,500,000 Bond issued April 10, 2014 (Series 2014B) to fund construction of new office building for Dept. of Social Services, State Probation and Parole and County Coroner office. Due in annual installments beginning March 1, 2017 of \$105,000 and ending March 1, 2039 of \$220,000. Interest accrues at a blended rate of 3.61% and is payable semi-annually on March 1 and September 1 each year to maturity.</p>	<u>3,500,000</u>
<p style="text-align: center;">Total General Obligations Bonds Payable</p>	<p><u>\$ 5,683,875</u></p>

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

NOTE 8 - LONG-TERM DEBT (continued)

A. Primary Government (continued)

Governmental Activities (continued)

The annual debt service payments for General Obligation bonds outstanding at June 30, 2014, are as follows:

General Obligation Bonds

June 30,	Principal	Interest
2015	\$ 517,718	\$ 173,094
2016	544,324	172,639
2017	500,015	157,809
2018	274,111	146,657
2019	152,823	139,745
2020 – 2024	847,676	623,114
2025 – 2029	982,208	477,906
2030 – 2034	840,000	308,400
2035 - 2039	<u>1,025,000</u>	<u>126,200</u>
	<u>\$ 5,683,875</u>	<u>\$ 2,325,564</u>

Blended Component Unit – Clarendon Facilities Corporation

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

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

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

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

NOTE 8 - LONG-TERM DEBT (continued)

A. Primary Government (continued)

Blended Component Unit – Clarendon Facilities Corporation (continued)

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

June 30, 2014 \$ 13,460,000

The annual debt service payments for Clarendon Facilities Corporation Installment Purchase Revenue bonds outstanding at June 30, 2014, are as follows:

Revenue Bonds

June 30,	Principal	Interest
2015	\$ 10,000	\$ 534,778
2016	10,000	534,528
2017	10,000	534,278
2018	370,000	528,178
2019	380,000	516,158
2020 – 2024	2,105,000	2,359,758
2025 – 2029	2,585,000	1,860,060
2030 – 2034	2,650,000	1,225,832
2035 – 2039	2,750,000	748,314
2040 – 2043	<u>2,590,000</u>	<u>198,933</u>
	<u>\$ 13,460,000</u>	<u>\$ 9,040,817</u>

Capital Leases

\$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 \$65,046.

\$ 62,764

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

NOTE 8 - LONG-TERM DEBT (continued)

A. Primary Government (continued)

Governmental Activities (continued)

\$160,423 – Lease/purchase agreement to finance the purchase of one motor grader. Due in annual payments of \$22,929, including interest, due on September 10 of each year. First payment due September 10, 2010 and ending payment due September 10, 2015. The grader’s gross cost is \$160,723 and the accumulated depreciation is \$61,611. 82,396

\$83,700 – Lease/purchase agreement to finance the purchase of one backhoe loader. Due in annual payments of \$12,163, including interest, due on August 31 of each year. First payment due August 31, 2011 and ending payment due August 31, 2016. The backhoe’s gross cost is \$83,200 and the accumulated depreciation is \$23,573. 53,445

Total Capital Leases \$ 198,605

Future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 2014:

Year Ending June 30,	
2015	\$ 100,091
2016	77,163
2017	<u>35,200</u>
Total Minimum Lease Payment	212,454
Less Amount Representing Interest	<u>13,849</u>
Present Value of Net Minimum Lease Payment	<u>\$ 198,605</u>

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

NOTE 8 - LONG-TERM DEBT (continued)

B. Business Type Activities

Enterprise Revenue Bond – Weldon Auditorium

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

\$ 3,075,000

The annual debt service payments for Weldon Auditorium Enterprise Charge Limited Obligation bonds outstanding at June 30, 2014, are as follows:

Revenue Bonds June 30,	Principal	Interest
2015	\$ 65,000	\$ 133,234
2016	70,000	131,209
2017	70,000	129,065
2018	70,000	126,878
2019	75,000	124,424
2020 – 2024	415,000	577,059
2025 – 2029	510,000	481,537
2030 – 2034	630,000	354,944
2035 – 2039	795,000	187,031
2040 – 2041	375,000	17,931
	<u>\$ 3,075,000</u>	<u>\$ 2,263,312</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%.

\$ 2,526,691

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

1,005,290

Balance at June 30, 2014

\$ 3,531,981

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

NOTE 8 - LONG-TERM DEBT (continued)

B. Business Type Activities (continued)

The annual debt service payments for Water and Sewer Enterprise Revenue bonds outstanding at June 30, 2014, are as follows:

Revenue Bonds

June 30,	Principal	Interest
2015	\$ 53,774	\$ 96,646
2016	55,275	95,145
2017	56,817	93,603
2018	58,404	92,016
2019	60,033	90,387
2020 – 2024	326,248	425,852
2025 – 2029	374,380	377,720
2030 – 2034	429,613	322,488
2035 – 2039	492,994	259,106
2040 – 2044	565,726	186,374
2045 – 2049	649,189	102,911
2050 – 2052	<u>409,528</u>	<u>16,664</u>
	<u>\$ 3,531,981</u>	<u>\$ 2,158,912</u>

A. Primary Government

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds					
- 2010 Refunding Series	\$ 1,140,000	\$ -	\$ 357,000	\$ 783,000	\$ 380,000
- Series 2011	105,000	-	34,000	71,000	35,000
- Series 2012	126,300	-	30,400	95,900	31,200
- Series 2012B	137,800	-	33,600	104,200	34,200
- Series 2013A	113,600	-	-	113,600	-
- Series 2013B	-	720,000	-	720,000	37,318
- Series 2013C	-	151,650	-	151,650	-
- Series 2014A	-	144,525	-	144,525	-
- Series 2014B	-	3,500,000	-	3,500,000	-
Revenue Bonds					
- IPRB (Administration)	6,500,000	-	-	6,500,000	-
- IPRB (Courthouse)	<u>6,970,000</u>	<u>-</u>	<u>10,000</u>	<u>6,960,000</u>	<u>10,000</u>
Total Bonds	<u>15,092,700</u>	<u>4,516,175</u>	<u>465,000</u>	<u>19,143,875</u>	<u>527,718</u>

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

NOTE 8 - LONG-TERM DEBT (continued)

B. Business Type Activities (continued)

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Other Liabilities					
Compensated Absences	396,495	7,971	-	404,466	33,416
Closure & Maintenance	551,800	-	8,000	543,800	19,600
Capital Leases	<u>368,819</u>	<u>-</u>	<u>170,214</u>	<u>198,605</u>	<u>92,229</u>
Total Other Liabilities	<u>1,317,114</u>	<u>7,971</u>	<u>178,214</u>	<u>1,146,871</u>	<u>145,245</u>
Governmental Activities					
Long Term Liabilities	<u>16,409,814</u>	<u>4,524,146</u>	<u>643,214</u>	<u>20,290,746</u>	<u>672,963</u>
Business Type Activities					
Revenue Bonds					
Weldon 2010 Series	3,140,000	-	65,000	3,075,000	65,000
Water Expansion (2012A)	2,533,000	-	6,309	2,526,691	38,470
Water Expansion (2012B)	<u>1,007,800</u>	<u>-</u>	<u>2,510</u>	<u>1,005,290</u>	<u>15,304</u>
Total Bonds	<u>6,680,800</u>	<u>-</u>	<u>73,819</u>	<u>6,606,981</u>	<u>118,774</u>
Other Liabilities					
Compensated Absences	<u>3,951</u>	<u>363</u>	<u>-</u>	<u>4,314</u>	<u>345</u>
Total Other Liabilities	<u>3,951</u>	<u>363</u>	<u>-</u>	<u>4,314</u>	<u>345</u>
Business Type Activities					
Long Term Liabilities	<u>6,684,751</u>	<u>363</u>	<u>73,819</u>	<u>6,611,295</u>	<u>119,119</u>
Total Combined	<u>\$ 23,094,565</u>	<u>\$ 4,524,509</u>	<u>\$ 717,033</u>	<u>\$ 26,902,041</u>	<u>\$ 792,082</u>

C. Discretely Presented Component Units

Business Development Corporation of Clarendon County (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. Note modified February, 2014, with monthly payments of \$11,500 beginning March, 2014 at interest of 5.0%

\$ 754,815

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 was refinanced at 5.95% and monthly payments of \$3,711 beginning July, 2014

438,879

Subtotal of notes payable 1,193,694

Less current portion (121,520)

Notes payable – noncurrent portion \$ 1,072,174

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

NOTE 8 - LONG-TERM DEBT (continued)

C. Discretely Presented Component Units (continued)

The maturities of long-term debt is as follows:

June 30,	<u>Principal</u>	<u>Interest</u>
2015	\$ 121,520	\$ 61,013
2016	127,927	54,607
2017	134,673	47,862
2018	141,776	40,758
2019	<u>667,798</u>	<u>29,024</u>
	<u>\$ 1,193,694</u>	<u>\$ 233,264</u>

NOTE 9 - OPERATING LEASES

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

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

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

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

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

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

NOTE 9 - OPERATING LEASES (continued)

The future minimum rental payments are as follows:

2015	\$ 180,819
2016	148,630
2017	125,414
2018	105,779
2019	84,000
2020 - 2024	192,000
2025 - 2029	180,000
2030 - 2034	180,000
2035	<u>9,000</u>
	<u>\$ 1,205,642</u>

NOTE 10 - PROVISION FOR CLOSURE COSTS

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

While Clarendon County's original landfill was closed and capped in 2002 to municipal waste, the construction demolition and land clearing debris (C&D) landfill is still open with a life expectancy of twenty five years. The municipal landfill's liability at June 30, 2014 is \$543,800. See Note 8.

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

NOTE 10 - PROVISION FOR CLOSURE COSTS (continued)

The nature and source of landfill closure and postclosure care requirements are monitored by both federal and State of South Carolina environmental protection agencies. Levels of ground water pollutants are set by State agencies and the monitoring of these amounts have been reported to County officials to be in conformity with guidelines. The County annually obtains updated and revised estimates of total future closure and post-closure costs from its consulting engineers. The provision for closure costs reported in the financial statements as operating expense represents the portion of these estimated future outlays which are allocable to the current year based on the amount of capacity used. The estimated total current cost of the landfill closure and post-closure care is based on the amount that would be paid if all equipment, facilities and services required to close, monitor and maintain the landfill were acquired as of June 30, 2014. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Clarendon County has not accumulated or segregated funds to meet this reserve.

NOTE 11 - RETIREMENT PLANS

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

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

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

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

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

NOTE 11 - RETIREMENT PLANS (continued)

Required employee contributions to the Plans for fiscal year 2013-2014 are as follows:

SCRS Class II	7.5% of earnable compensation
PORS Class II	7.84% 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 2013-2014 are as follows:

SCRS

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

PORS

Class II	12.44% of earnable compensation
Group Life Insurance	0.20% of earnable compensation
Accidental Death Program	0.20% of earnable compensation

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

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

	2012		2013		2014	
	SCRS	PORS	SCRS	PORS	SCRS	PORS
Employee contributions	\$ 298,735	\$ 252,164	\$ 326,090	\$ 278,917	\$ 352,517	\$ 323,569
Employer contributions	\$ 438,220	\$ 456,340	\$ 493,606	\$ 490,896	\$ 491,170	\$ 513,421

The County's 2013 – 2014 contributions represented less than one percent of total contributions required of all participating entities. Also, employer group-life contributions of \$23,559 were paid by the County in the current fiscal year. All employers contribute at the actuarially required contribution rates.

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

NOTE 11 - RETIREMENT PLANS (continued)

Discretely Presented Component Units

Harvin Clarendon County Library

	2012 SCRS	2013 SCRS	2014 SCRS
Employee contributions	\$ 17,673	\$ 20,449	\$ 23,120
Employer contributions	\$ 25,475	\$ 30,528	\$ 32,213

The Library's 2013 – 2014 contributions represented less than one percent of total contributions required of all participating entities. Also, employer group-life contributions of \$462 were paid by the Library in the current fiscal year. All employers contribute at the actuarially required contribution rates.

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS

Background

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

Plan Description

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

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

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

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

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

Plan Description (continued)

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

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

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

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

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

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

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

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

Plan Description (continued)

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

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

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

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

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

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

The County's annual OPEB cost and the net OPEB obligation is based on a 4.5% discount rate, including an inflation component of 3%, and amortizing the initial unfunded actuarial liability over 30 years based on a level percent of payroll method for 2014 is as follows:

Annual required contribution	\$ 1,216,230
Interest on net OPEB obligation	164,602
Adjustment to annual required contribution	<u>(152,502)</u>
Annual OPEB cost (expense)	1,228,330
Contributions made	<u>(370,410)</u>
Increase (decrease) in net OPEB obligation	857,920
Net OPEB obligation, beginning of year - restated	<u>3,657,827</u>
Net OPEB obligation, end of year	<u><u>\$ 4,515,747</u></u>

Actuarial Methods and Assumptions

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

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

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

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

Trend Information:

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

Fiscal Year Ending	Annual OPEB Cost	Employer Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2012	\$ 1,007,757	\$ 282,542	28.0%	\$ 2,788,154
June 30, 2013	\$ 1,190,029	\$ 320,356	26.9%	\$ 3,657,827
June 30, 2014	\$ 1,228,330	\$ 370,410	30.2%	\$ 4,515,747

Funded Status and Funding Progress:

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

Harvin Clarendon County Library

Background

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

Plan Description

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

Funding Policy

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

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

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

Annual OPEB Cost and Net OPEB Obligation

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

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

Schedule of Employer Contributions

Fiscal Year Ending	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2012	\$ 29,007	\$ 5,237	18.1%	\$ 69,925
June 30, 2013	\$ 39,022	\$ 5,659	14.5%	\$ 103,285
June 30, 2014	\$ 33,800	\$ 6,040	17.87%	\$ 137,088

Funded Status and Funding Progress

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

Annual required contribution	\$ 40,352
Interest on net OPEB obligation	4,648
Adjustment to annual required contribution	<u>(5,160)</u>
Annual OPEB cost (expense)	39,840
Estimated contributions made	<u>(6,040)</u>
Increase (decrease) in net OPEB obligation	33,800
Net OPEB obligation, beginning of year	<u>103,288</u>
Net OPEB obligation, end of year	<u>\$ 137,088</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, 2013 was restated as follows:

Primary Government

	Net Position	General Fund Fund Balance GAAP Basis	Other Govern- mental Fund Balance GAAP Basis	General Fund Fund Balance Budgetary Basis
As previously reported, June 30, 2013	\$ 22,555,758	\$ 2,920,457	\$ 2,464,767	\$ 2,844,618
General Fund				
Encumbrances to actual	1,190	1,190	-	1,190
Taxes to be distributed	(79)	(79)	-	(79)
Other Governmental				
Deposit in Transit	<u>425</u>	<u>-</u>	<u>425</u>	<u>-</u>
As restated, June 30, 2013	<u>\$ 22,557,294</u>	<u>\$ 2,921,568</u>	<u>\$ 2,465,192</u>	<u>\$ 2,845,729</u>

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

NOTE 14 - FUND BALANCE REPORTING

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

The County fund balance as of June 30, 2014 was classified as follows:

Description	General Fund	Capital Projects	General County Debt Svc	Fire Department	Other Governmental	Total Governmental Funds
Nonspendable:						
Inventory	\$ 51,026	\$ -	\$ -	\$ -	\$ -	\$ 51,026
Restricted:						
LOST Reserve	899,182	-	-	-	-	899,182
Courthouse bldg. project	-	5,366,738	-	-	-	5,366,738
Local drug interdiction	-	-	-	-	84,847	84,847
Justice grant program revenue	-	-	-	-	65,648	65,648
Solicitor's office	-	-	-	-	176,523	176,523
Debt service	-	-	1,486,711	-	114,520	1,601,231
911 Center improvements	-	-	-	-	932,835	932,835
Committed:						
Fire station improvements	-	110,922	-	-	-	110,922
DSS bldg. project	-	3,318,308	-	-	-	3,318,308
Assigned:						
Encumbrances	24,481	-	-	13,358	-	37,839
Fire protection	-	-	-	1,458,983	-	1,458,983
Local law enforcement	13,261	-	-	-	-	13,261
Road improvements	-	-	-	-	758,691	758,691
Vocational school appropriation	-	-	-	-	2,821	2,821
Tourism related efforts	-	-	-	-	300,923	300,923
Clerk of Court discretionary	5,633	-	-	-	-	5,633
Archives collection acquisitions	2,673	-	-	-	-	2,673
Unassigned:	<u>1,954,253</u>	<u>866,434</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,820,687</u>
Total fund balances	<u>\$ 2,950,509</u>	<u>\$ 9,662,402</u>	<u>\$ 1,486,711</u>	<u>\$ 1,472,341</u>	<u>\$ 2,436,808</u>	<u>\$18,008,771</u>

The Library fund balance as of June 30, 2014 was classified as follows:

Description	General Fund
Non-spendable	\$ 23,487
Committed:	
Capital building fund	95,000
Unassigned	<u>87,603</u>
Total fund balances	<u>\$ 206,090</u>

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

NOTE 15 - RISK MANAGEMENT

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

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

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

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

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

The County has not reported a supplemental premium assessment expenditure, and the related liability at June 30, 2014, 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, 2014, and that the amount of the premium is reasonably estimable, have not been satisfied.

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

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

NOTE 16 - CONTINGENCIES AND COMMITMENTS

Grants:

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

Construction Commitments:

As of June 30, 2014, the County had incurred \$641,220 in costs on an uncompleted construction project, new fire station in the Town of Summerton. Additional costs to complete the project for the contract signed on December 5, 2012 are expected to be approximately \$110,922. The Project is being funded through the Capital Projects Fund with available fund balance.

In October, 2012, through the blended component unit, the Clarendon Facilities Corporation, the County issued \$6,970,000 in installment purchase revenue bonds for renovations and improvements to the county courthouse. As of June 30, 2014, the County had incurred \$815,873 in costs. Additional costs to complete the project for the contract signed on April 4, 2014 are expected to be approximately \$5,070,400.

As of June 30, 2014, the Business Development Corporation of Clarendon County (BCD) had incurred \$65,385 on an uncompleted construction project for a new 50,000 square foot spec building. The total projected cost of the project is \$2.130 million to be funded by loans, grants, and available fund balance.

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

NOTE 17 - NEW PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has issued Statement No. 69 *Accounting and Financial Reporting for Pensions (Employers) – an amendment of GASB Statement No. 27*, to improve guidance for accounting and reporting on pensions that governments provide to their employees. GASB believes it is important to give users of the financial statements of cost-sharing employers access to better, more transparent financial information. Consequently, under the new standard, the GASB is requiring that cost-sharing governments report a net liability, pension expense and pension-related deferred inflows and outflows of resources based on the government's proportionate share of the collective amounts for all the governments participating in the plan. Issued June 2012, this statement replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of GASB Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trust or equivalent arrangements that meet certain criteria. GASB Statement No. 68 will be effective for the County, fiscal year ending June 30, 2015. This statement relates to accounting and financial reporting and does not apply to how governments approach the funding of their pension plans. At present, there is a close connection between the ways many governments fund pensions and how they account for and report information about them in financial reports. This statement separates how the accounting and financial reporting is determined from how pensions are funded.

Key changes when GASB Statement No., 68 is adopted by participating governments will include:

- Separating how the accounting and financial reporting is determined from how pensions are funded.
- Employers with defined benefit pension plans will recognize a net pension liability, as defined by the standard, in their government-wide, proprietary and fiduciary fund financial statements.
- Incorporating ad hoc cost-of-living adjustments and other ad hoc postemployment benefit changes into projections of benefit payments, if an employer's past practice and future expectations of granting them indicate they are essentially automatic.
- Using a discount rate that applies (a) the expected long-term rate of return on pension plan investments for which plan assets are expected to be available to make projected benefit payments, and (b) the interest rate on a tax-exempt 20 year AA/Aa or higher rated municipal bond index to projected benefit payments for which plan assets are not expected to be available for long-term investment in a qualified trust.
- Adopting a single actuarial cost allocation method – entry age normal – rather than the current choice among six actuarial cost methods.
- Requiring more extensive note disclosures and required supplementary information.

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

NOTE 17 - NEW PRONOUNCEMENTS (continued)

- Requires a restatement of beginning net position balance equal to the government's proportionate share of the plan's collective net pension liability to reflect this liability as of the beginning of the year.
- The recognition of pension expense based on actuarial calculations in addition to the recognition of the annual required contribution (ARC) obligations to the State's cost-sharing multiple-employer retirement plan.

Once GASB Statement No. 68 is adopted during the year ending June 30, 2015, management expects the financial impact of recognizing the net pension liability on the government's statement of net position will be significant. The government's actual proportionate share of the collective net pension liability that will be used to adjust beginning net position by the recognition of this liability will not be available until the plan's stand-alone audited financial statements are complete.

NOTE 18 - SUBSEQUENT EVENTS

In August, 2014 the County issued General Obligation debt (Series 2014C) in the amount of \$155,025 to mature March 1, 2018. Proceeds will be used to make semi-annual payments for component unit, the Clarendon Facilities Corporation, on installment purchase revenue bonds for renovations and improvements to the county courthouse.

In October, 2014 the County issued General Obligation debt (Series 2014D) in the amount of \$200,000 to mature October 15, 2019. Proceeds will be used to acquire and equip multiple vehicles within the Sheriff and Facilities departments and will be repaid in ten (10) equal semi-annual installments of \$21,297 (principal and interest).

In September, 2011, the County received a Letter of Conditions from the US Department of Agriculture for a \$2,000,000 and a \$4,000,000 expansion project of its water system. The \$2,000,000 project will be primarily financed through a \$821,000 RDA grant and an RDA loan of \$1,179,000, at 3.375% amortized over 40 years. The \$4,000,000 project will be primarily financed through a \$1,481,000 RDA grant and an RDA loan of \$2,501,000, at 3.375% amortized over 40 years. These expansion projects are pending final approval from the US Department of Agriculture prior to going out for bid by the end of calendar year 2014.

In August 2014, the Business Development Corporation of Clarendon County (BDC) signed a contract for the construction of a 50,000 square foot spec building for \$2,064,851.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
YEAR ENDED JUNE 30, 2014**

		(1)	(2)	(3)	(4)	(5)	(6)
	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (2)-(1)	Funded Ratio (1)/(2)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll ((2)-(1))/(5)
Clarendon County	6/30/2008	\$ -	\$ 9,405,998	\$ 9,405,998	0.00%	\$ 6,918,209	135.96%
	6/30/2010	\$ -	\$ 9,541,664	\$ 9,541,664	0.00%	\$ 7,490,632	127.38%
	6/30/2012	\$ -	\$ 11,805,065	\$ 11,805,065	0.00%	\$ 7,352,588	160.56%

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

COMBINING AND INDIVIDUAL FUND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

DEBT SERVICE FUNDS

Fire Protection	To account for the accumulation of ad valorem taxes to pay the principal, interest, and fiscal charges.
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**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014**

	<u>Special Revenue</u>				
	Bureau of Tourism Accommodation Fund	Hospitality Tax Fund	C-Program Fund	Drug Enforcement and Other Sheriff's Fund	Special Purpose District
ASSETS					
Cash and cash equivalents	\$ 89,331	\$ 186,227	\$ 661,710	\$ 207,734	\$ -
Accounts receivable	-	28,040	99,861	-	-
Due from other funds	-	-	-	-	13
Delinquent taxes receivable	-	-	-	-	34,175
Total Assets	<u>\$ 89,331</u>	<u>\$ 214,267</u>	<u>\$ 761,571</u>	<u>\$ 207,734</u>	<u>\$ 34,188</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY					
Liabilities:					
Accounts payable	\$ 2,675	\$ -	\$ 2,880	\$ -	\$ -
Due to other funds	-	-	-	57,239	-
Total Liabilities	<u>2,675</u>	<u>-</u>	<u>2,880</u>	<u>57,239</u>	<u>-</u>
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes	-	-	-	-	31,367
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,367</u>
Fund Equity:					
Fund balances:					
Restricted	-	-	-	150,495	-
Assigned	86,656	214,267	758,691	-	2,821
Total Fund Equity	<u>86,656</u>	<u>214,267</u>	<u>758,691</u>	<u>150,495</u>	<u>2,821</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Equity	<u>\$ 89,331</u>	<u>\$ 214,267</u>	<u>\$ 761,571</u>	<u>\$ 207,734</u>	<u>\$ 34,188</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014**

	<u>Special Revenue</u>			<u>Debt Service</u>	Total Nonmajor Governmental Funds
	E-911	Victims Advocate Fund	Third Circuit Drug Court	Fire Protection	
ASSETS					
Cash and cash equivalents	\$ 932,835	\$ 493	\$ 177,176	\$ 112,099	\$ 2,367,605
Accounts receivable	-	-	-	-	127,901
Due from other funds	-	-	-	4	17
Delinquent taxes receivable	-	-	-	16,353	50,528
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 932,835</u>	<u>\$ 493</u>	<u>\$ 177,176</u>	<u>\$ 128,456</u>	<u>\$ 2,546,051</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY					
Liabilities:					
Accounts payable	\$ -	\$ 493	\$ 653	\$ -	\$ 6,701
Due to other funds	-	-	-	-	57,239
Total Liabilities	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	493	653	-	63,940
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes	-	-	-	13,936	45,303
Total Deferred Inflows of Resources	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	13,936	45,303
Fund Equity:					
Fund balances:					
Restricted	932,835	-	176,523	114,520	1,374,373
Assigned	-	-	-	-	1,062,435
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Equity	932,835	-	176,523	114,520	2,436,808
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources, and Fund Equity	<u>\$ 932,835</u>	<u>\$ 493</u>	<u>\$ 177,176</u>	<u>\$ 128,456</u>	<u>\$ 2,546,051</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	Special Revenue				
	Bureau of Tourism Accommodation Fund	Hospitality Tax Fund	C-Program Fund	Drug Enforcement and Other Sheriff's Fund	Special Purpose District
REVENUES					
Taxes	\$ -	\$ 301,001	\$ -	\$ -	\$ 207,856
Intergovernmental	121,447	-	1,096,356	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	105,411	-
Special assessments	-	-	-	-	-
Interest	41	112	877	95	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>121,488</u>	<u>301,113</u>	<u>1,097,233</u>	<u>105,506</u>	<u>207,856</u>
EXPENDITURES					
Current:					
General government	-	147	570,486	-	213,600
Public safety	-	-	-	78,417	-
Culture/Recreation	155,263	-	-	-	-
Court related	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fees	-	-	-	-	-
Capital outlay	-	-	666,729	11,000	-
Total Expenditures	<u>155,263</u>	<u>147</u>	<u>1,237,215</u>	<u>89,417</u>	<u>213,600</u>
Excess of revenues over (under) expenditures	<u>(33,775)</u>	<u>300,966</u>	<u>(139,982)</u>	<u>16,089</u>	<u>(5,744)</u>
OTHER FINANCING SOURCES (USES)					
Capital lease	-	-	-	-	-
Bond proceeds	-	-	-	-	-
Transfers in (out)	<u>(5,000)</u>	<u>(289,390)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(5,000)</u>	<u>(289,390)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(38,775)</u>	<u>11,576</u>	<u>(139,982)</u>	<u>16,089</u>	<u>(5,744)</u>
Fund balances at beginning of year	<u>125,431</u>	<u>202,691</u>	<u>898,673</u>	<u>134,406</u>	<u>8,565</u>
Fund balances at end of year	<u>\$ 86,656</u>	<u>\$ 214,267</u>	<u>\$ 758,691</u>	<u>\$ 150,495</u>	<u>\$ 2,821</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	Special Revenue			Debt Service	Total Nonmajor Governmental Funds
	E-911	Victims Advocate Fund	Third Circuit Drug Court	Fire Protection	
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 149,763	\$ 658,620
Intergovernmental	192,962	24,000	250,000	-	1,684,765
Charges for services	144,142	-	-	-	144,142
Fines and forfeitures	-	-	-	-	105,411
Special assessments	-	60,103	-	-	60,103
Interest	921	-	99	145	2,290
Miscellaneous	-	374	-	-	374
Total Revenues	<u>338,025</u>	<u>84,477</u>	<u>250,099</u>	<u>149,908</u>	<u>2,655,705</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	784,233
Public safety	231,317	84,477	-	-	394,211
Culture/Recreation	-	-	-	-	155,263
Court related	-	-	228,887	-	228,887
Debt service:					
Principal	-	-	-	127,982	127,982
Interest and fees	-	-	-	4,207	4,207
Capital outlay	12,187	-	-	-	689,916
Total Expenditures	<u>243,504</u>	<u>84,477</u>	<u>228,887</u>	<u>132,189</u>	<u>2,384,699</u>
Excess of revenues over (under) expenditures	<u>94,521</u>	<u>-</u>	<u>21,212</u>	<u>17,719</u>	<u>271,006</u>
OTHER FINANCING SOURCES (USES)					
Capital lease	-	-	-	-	-
Bond proceeds	-	-	-	-	-
Transfers in (out)	-	-	(5,000)	-	(299,390)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>-</u>	<u>(299,390)</u>
Net change in fund balances	<u>94,521</u>	<u>-</u>	<u>16,212</u>	<u>17,719</u>	<u>(28,384)</u>
Fund balances at beginning of year	<u>838,314</u>	<u>-</u>	<u>160,311</u>	<u>96,801</u>	<u>2,465,192</u>
Fund balances at end of year	<u>\$ 932,835</u>	<u>\$ -</u>	<u>\$ 176,523</u>	<u>\$ 114,520</u>	<u>\$ 2,436,808</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
REVENUES						
Taxes						
Real estate taxes	\$ 8,946,000	\$ 8,946,000	\$ 9,025,405	\$ -	\$ 9,025,405	\$ 79,405
Local option sales tax	2,400,000	2,400,000	2,408,863	-	2,408,863	8,863
Vehicle taxes	1,200,500	1,200,500	1,319,957	-	1,319,957	119,457
Delinquent taxes	1,500,000	1,500,000	1,373,793	-	1,373,793	(126,207)
Local accommodations	210,000	210,000	188,378	-	188,378	(21,622)
Payment in lieu of taxes	114,000	114,000	45,383	-	45,383	(68,617)
Treasurer's cost to cities	4,350	4,350	4,087	-	4,087	(263)
Payment in lieu - motor carrier	165,000	165,000	133,172	-	133,172	(31,828)
Total taxes	<u>14,539,850</u>	<u>14,539,850</u>	<u>14,499,038</u>	<u>-</u>	<u>14,499,038</u>	<u>(40,812)</u>
Licenses and permits						
Moving permits	2,700	2,700	2,425	-	2,425	(275)
Building permits	105,000	105,000	102,815	-	102,815	(2,185)
Total licenses and permits	<u>107,700</u>	<u>107,700</u>	<u>105,240</u>	<u>-</u>	<u>105,240</u>	<u>(2,460)</u>
Charges for services						
Assessors fees	3,000	3,000	4,866	-	4,866	1,866
Master in Equity fees	30,000	30,000	20,260	-	20,260	(9,740)
Probate fees	80,000	80,000	65,193	-	65,193	(14,807)
Planning and public service fees	10,000	10,000	7,030	-	7,030	(2,970)
ROD fees and charges	125,000	125,000	135,386	-	135,386	10,386
Animal control fees	3,500	3,500	2,110	-	2,110	(1,390)
Landfill fees	160,000	160,000	157,112	-	157,112	(2,888)
County road user fee	710,000	710,000	720,330	-	720,330	10,330
Municipal inmate housing	26,500	26,500	25,153	-	25,153	(1,347)
Total charges for services	<u>1,148,000</u>	<u>1,148,000</u>	<u>1,137,440</u>	<u>-</u>	<u>1,137,440</u>	<u>(10,560)</u>
Fines and forfeitures						
Clerk of court fines and fees	140,000	140,000	126,306	-	126,306	(13,694)
Magistrate fines and fees	360,000	360,000	319,117	-	319,117	(40,883)
Sheriff's fines and fees	3,000	3,000	2,845	-	2,845	(155)
	<u>503,000</u>	<u>503,000</u>	<u>448,268</u>	<u>-</u>	<u>448,268</u>	<u>(54,732)</u>
Investment income						
	<u>2,500</u>	<u>2,500</u>	<u>1,729</u>	<u>-</u>	<u>1,729</u>	<u>(771)</u>
Miscellaneous						
Hangar rent	40,000	40,000	37,889	-	37,889	(2,111)
Multi-County Industrial Park	50,200	50,200	50,732	-	50,732	532
Miscellaneous revenue	135,200	135,200	216,172	-	216,172	80,972
Recreation Programs	103,600	103,600	78,642	-	78,642	(24,958)
Franchise fees	105,000	105,000	111,058	-	111,058	6,058
Contributions	-	-	20,880	-	20,880	20,880
Central SC Alliance grant	-	-	11,606	-	11,606	11,606
House arrest system	1,000	1,000	-	-	-	(1,000)
	<u>435,000</u>	<u>435,000</u>	<u>526,979</u>	<u>-</u>	<u>526,979</u>	<u>91,979</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	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	31,392	-	31,392	1,392
Merchant's inventory tax	48,220	48,220	48,909	-	48,909	689
Solid waste tire fees	14,000	14,000	13,412	-	13,412	(588)
State aid and allocations	1,288,600	1,288,600	1,291,820	-	1,291,820	3,220
Election commission	-	-	9,637	-	9,637	9,637
Clerk/Sheriff/Probate Judge supplements	7,900	7,900	7,875	-	7,875	(25)
Vital records fees	7,300	7,300	-	-	-	(7,300)
EMS Grant in aid	-	-	6,941	-	6,941	6,941
EMS Trauma grant	-	-	11,278	-	11,278	11,278
Waste oil grant(s)	-	-	4,799	-	4,799	4,799
Waste tire grant(s)	-	-	7,807	-	7,807	7,807
Solid waste grant(s)	-	-	10,607	-	10,607	10,607
Economic Development grant(s)	-	-	600,000	-	600,000	600,000
Federal						
Drug Task Force	-	-	168,483	-	168,483	168,483
V-Safe	-	-	3,343	-	3,343	3,343
Veterans affairs	4,500	4,500	4,467	-	4,467	(33)
Title IV-D Clerk of Court	160,000	160,000	145,599	-	145,599	(14,401)
Title IV-D Sheriff	9,000	9,000	10,457	-	10,457	1,457
DSS - Revenue	45,000	45,000	29,076	-	29,076	(15,924)
USDA facilities grant(s)	-	-	2,903	-	2,903	2,903
Emergency management grants	-	-	66,918	-	66,918	66,918
FEMA Ice Storm 2014	-	-	604,654	-	604,654	604,654
FEMA Safer grants	-	-	67,661	-	67,661	67,661
Airport improvement program	-	-	371,133	-	371,133	371,133
Justice Assistance grants	-	-	39,736	-	39,736	39,736
	<u>1,614,520</u>	<u>1,614,520</u>	<u>3,558,907</u>	<u>-</u>	<u>3,558,907</u>	<u>1,944,387</u>
TOTAL REVENUES	<u>\$ 18,350,570</u>	<u>\$ 18,350,570</u>	<u>\$ 20,277,601</u>	<u>\$ -</u>	<u>\$ 20,277,601</u>	<u>\$ 1,927,031</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	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	\$ 220,229	\$ 220,229	\$ 229,682	\$ -	\$ 229,682	\$ (9,453)
	15,900	15,900	17,129	-	17,129	(1,229)
	<u>236,129</u>	<u>236,129</u>	<u>246,811</u>	<u>-</u>	<u>246,811</u>	<u>(10,682)</u>
County Council:						
Salaries and related Operations	153,502	132,263	131,954	-	131,954	309
	13,450	13,450	12,304	(4,205)	8,099	5,351
	<u>166,952</u>	<u>145,713</u>	<u>144,258</u>	<u>(4,205)</u>	<u>140,053</u>	<u>5,660</u>
Assessor:						
Salaries and related Operations	458,416	460,960	417,727	-	417,727	43,233
	32,040	32,040	26,185	398	26,583	5,457
	<u>490,456</u>	<u>493,000</u>	<u>443,912</u>	<u>398</u>	<u>444,310</u>	<u>48,690</u>
Auditor:						
Salaries and related Operations	170,161	170,161	172,141	-	172,141	(1,980)
	15,502	15,502	11,281	2,373	13,654	1,848
	<u>185,663</u>	<u>185,663</u>	<u>183,422</u>	<u>2,373</u>	<u>185,795</u>	<u>(132)</u>
Treasurer:						
Salaries and related Operations	164,863	164,863	158,288	-	158,288	6,575
	12,188	12,188	5,928	-	5,928	6,260
	<u>177,051</u>	<u>177,051</u>	<u>164,216</u>	<u>-</u>	<u>164,216</u>	<u>12,835</u>
Finance:						
Salaries and related Operations	219,700	240,939	243,627	-	243,627	(2,688)
	7,975	7,975	9,128	-	9,128	(1,153)
	<u>227,675</u>	<u>248,914</u>	<u>252,755</u>	<u>-</u>	<u>252,755</u>	<u>(3,841)</u>
Human Resources:						
Salaries and related Operations	154,050	154,050	152,491	-	152,491	1,559
	22,330	22,330	17,890	-	17,890	4,440
	<u>176,380</u>	<u>176,380</u>	<u>170,381</u>	<u>-</u>	<u>170,381</u>	<u>5,999</u>
Grants Administration						
Salaries and related Operations	106,242	106,242	103,056	-	103,056	3,186
	7,199	7,199	6,703	-	6,703	496
	<u>113,441</u>	<u>113,441</u>	<u>109,759</u>	<u>-</u>	<u>109,759</u>	<u>3,682</u>
Procurement						
Salaries and related Operations	104,893	104,893	107,014	-	107,014	(2,121)
	6,047	6,047	5,175	-	5,175	872
	<u>110,940</u>	<u>110,940</u>	<u>112,189</u>	<u>-</u>	<u>112,189</u>	<u>(1,249)</u>
Tax Collector:						
Salaries and related Operations	95,558	95,558	95,316	-	95,316	242
	76,764	76,764	61,508	-	61,508	15,256
	<u>172,322</u>	<u>172,322</u>	<u>156,824</u>	<u>-</u>	<u>156,824</u>	<u>15,498</u>
Voter Registration:						
Salaries and related Operations	101,770	101,770	132,779	-	132,779	(31,009)
	43,230	43,230	26,597	-	26,597	16,633
	<u>145,000</u>	<u>145,000</u>	<u>159,376</u>	<u>-</u>	<u>159,376</u>	<u>(14,376)</u>
Information Technology:						
Salaries and related Operations	68,710	68,710	68,863	-	68,863	(153)
	295,818	295,818	279,301	-	279,301	16,517
	<u>364,528</u>	<u>364,528</u>	<u>348,164</u>	<u>-</u>	<u>348,164</u>	<u>16,364</u>
Veterans Affairs:						
Salaries and related Operations	56,426	56,426	56,453	-	56,453	(27)
	5,370	5,370	4,644	-	4,644	726
	<u>61,796</u>	<u>61,796</u>	<u>61,097</u>	<u>-</u>	<u>61,097</u>	<u>699</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Nondepartmental Expenditures:						
Special Projects	125,000	125,000	90,832	-	90,832	34,168
Legal Assistance	40,000	40,000	24,976	-	24,976	15,024
Rent - Judicial Annex	106,500	106,500	106,656	-	106,656	(156)
Workmen's compensation	253,625	253,625	225,929	-	225,929	27,696
Audit fee	37,000	37,000	33,570	-	33,570	3,430
Unemployment	15,000	15,000	6,451	-	6,451	8,549
Electricity	360,000	360,000	353,192	-	353,192	6,808
Printing and postage	120,000	120,000	104,347	-	104,347	15,653
Christmas bonus	54,500	54,500	44,696	-	44,696	9,804
Property and liability insurance	258,245	258,245	257,890	-	257,890	355
Drug screening	5,000	5,000	4,612	-	4,612	388
Water	35,000	35,000	32,810	-	32,810	2,190
Retirees' insurance	255,000	255,000	282,625	-	282,625	(27,625)
Telephone	140,000	140,000	128,791	-	128,791	11,209
Personnel	21,356	-	-	-	-	-
Holiday compensation	61,500	61,500	67,422	-	67,422	(5,922)
Retirement expense	1,350	1,350	1,471	-	1,471	(121)
FICA expense	8,500	8,500	9,136	-	9,136	(636)
Police retirement	6,000	6,000	6,874	-	6,874	(874)
Bank fees and charges	10,000	10,000	23,420	-	23,420	(13,420)
	<u>1,913,576</u>	<u>1,892,220</u>	<u>1,805,700</u>	<u>-</u>	<u>1,805,700</u>	<u>86,520</u>
Grant Expense:						
Santee Cooper airport improvement	-	-	355,474	-	355,474	(355,474)
Business Development Corp	-	-	-	-	-	-
SC Aeronautics commission	-	-	18,709	-	18,709	(18,709)
Emergency watershed	-	-	-	-	-	-
Emergency management plan(s)	-	-	38,091	-	38,091	(38,091)
EMS Grant in aid	-	-	6,941	-	6,941	(6,941)
EMS Trauma grant	-	-	11,278	-	11,278	(11,278)
Waste oil grant(s)	-	-	4,799	-	4,799	(4,799)
Waste tire grant(s)	-	-	7,807	-	7,807	(7,807)
Solid waste grant(s)	-	-	10,607	-	10,607	(10,607)
Drug Task Force	-	-	185,791	(163)	185,628	(185,628)
Central SC Alliance	-	-	11,606	-	11,606	(11,606)
FEMA Ice Storm 2014	-	-	590,783	-	590,783	(590,783)
FEMA Safer grant	-	-	24,413	-	24,413	(24,413)
V-Safe	-	-	6,470	-	6,470	(6,470)
Justice Assistance grant(s)	-	-	5,973	-	5,973	(5,973)
Economic Development grant(s)	-	-	600,000	-	600,000	(600,000)
USDA Facilities grant(s)	-	-	53,365	(49,494)	3,871	(3,871)
	<u>-</u>	<u>-</u>	<u>1,932,107</u>	<u>(49,657)</u>	<u>1,882,450</u>	<u>(1,882,450)</u>
Total General Government and Administration	<u>4,541,909</u>	<u>4,523,097</u>	<u>6,290,971</u>	<u>(51,091)</u>	<u>6,239,880</u>	<u>(1,716,783)</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	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	155,327	158,283	161,931	-	161,931	(3,648)
Operations	91,625	91,625	92,255	-	92,255	(630)
	<u>246,952</u>	<u>249,908</u>	<u>254,186</u>	<u>-</u>	<u>254,186</u>	<u>(4,278)</u>
Magistrates:						
Salaries and related	479,240	479,240	463,772	-	463,772	15,468
Operations	21,750	21,750	17,880	-	17,880	3,870
	<u>500,990</u>	<u>500,990</u>	<u>481,652</u>	<u>-</u>	<u>481,652</u>	<u>19,338</u>
Probate Judge:						
Salaries and related	136,494	136,494	132,201	-	132,201	4,293
Operations	11,080	11,080	8,619	-	8,619	2,461
	<u>147,574</u>	<u>147,574</u>	<u>140,820</u>	<u>-</u>	<u>140,820</u>	<u>6,754</u>
Family Court:						
Salaries and related	125,897	125,897	125,200	-	125,200	697
Operations	6,700	6,700	7,080	-	7,080	(380)
	<u>132,597</u>	<u>132,597</u>	<u>132,280</u>	<u>-</u>	<u>132,280</u>	<u>317</u>
Register of Deeds:						
Salaries and related	104,717	104,717	100,105	-	100,105	4,612
Operations	58,853	58,853	32,243	-	32,243	26,610
	<u>163,570</u>	<u>163,570</u>	<u>132,348</u>	<u>-</u>	<u>132,348</u>	<u>31,222</u>
Master in Equity:						
Salaries and related	24,776	24,776	24,591	-	24,591	185
Operations	10,020	10,020	9,646	-	9,646	374
	<u>34,796</u>	<u>34,796</u>	<u>34,237</u>	<u>-</u>	<u>34,237</u>	<u>559</u>
DSS Funds - Clerk of Court:						
Salaries and related	100,131	100,131	97,566	-	97,566	2,565
Operations	12,000	12,000	6,998	-	6,998	5,002
	<u>112,131</u>	<u>112,131</u>	<u>104,564</u>	<u>-</u>	<u>104,564</u>	<u>7,567</u>
Circuit Court Judges:						
Allowance	17,160	17,160	14,839	-	14,839	2,321
Solicitor:						
Allowance	158,813	158,813	158,813	-	158,813	-
Public Defender:						
Allowance	75,000	75,000	75,000	-	75,000	-
	<u>250,973</u>	<u>250,973</u>	<u>248,652</u>	<u>-</u>	<u>248,652</u>	<u>2,321</u>
Total Court Related	<u>1,589,583</u>	<u>1,592,539</u>	<u>1,528,739</u>	<u>-</u>	<u>1,528,739</u>	<u>63,800</u>
Public Safety:						
Sheriff:						
Salaries and related	2,284,333	2,284,333	2,292,628	-	2,292,628	(8,295)
Operations	762,980	762,980	702,344	14,619	716,963	46,017
	<u>3,047,313</u>	<u>3,047,313</u>	<u>2,994,972</u>	<u>14,619</u>	<u>3,009,591</u>	<u>37,722</u>
Emergency Preparedness:						
Salaries and related	71,560	71,560	71,479	-	71,479	81
Operations	15,140	15,140	15,083	(5,346)	9,737	5,403
	<u>86,700</u>	<u>86,700</u>	<u>86,562</u>	<u>(5,346)</u>	<u>81,216</u>	<u>5,484</u>
Correctional Center:						
Salaries and related	1,502,655	1,509,299	1,466,846	-	1,466,846	42,453
Operations	471,400	471,400	405,821	505	406,326	65,074
	<u>1,974,055</u>	<u>1,980,699</u>	<u>1,872,667</u>	<u>505</u>	<u>1,873,172</u>	<u>107,527</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Coroner:						
Salaries and related	47,839	47,839	47,838	-	47,838	1
Operations	91,010	91,010	117,779	(398)	117,381	(26,371)
	<u>138,849</u>	<u>138,849</u>	<u>165,617</u>	<u>(398)</u>	<u>165,219</u>	<u>(26,370)</u>
Communications:						
Salaries and related	644,411	644,411	656,706	-	656,706	(12,295)
Operations	5,100	5,100	3,397	-	3,397	1,703
	<u>649,511</u>	<u>649,511</u>	<u>660,103</u>	<u>-</u>	<u>660,103</u>	<u>(10,592)</u>
EMS:						
Contract	880,395	880,395	880,395	-	880,395	-
Animal Control:						
Salaries and related	48,305	48,305	49,592	-	49,592	(1,287)
Operations	163,350	163,350	181,279	(3,916)	177,363	(14,013)
	<u>211,655</u>	<u>211,655</u>	<u>230,871</u>	<u>(3,916)</u>	<u>226,955</u>	<u>(15,300)</u>
Total Public Safety	<u>6,988,478</u>	<u>6,995,122</u>	<u>6,891,187</u>	<u>5,464</u>	<u>6,896,651</u>	<u>98,471</u>
Physical Environment:						
Facilities Management:						
Salaries and related	324,782	324,782	312,447	-	312,447	12,335
Operations	175,600	190,100	193,459	-	193,459	(3,359)
	<u>500,382</u>	<u>514,882</u>	<u>505,906</u>	<u>-</u>	<u>505,906</u>	<u>8,976</u>
Landfill:						
Salaries and related	161,063	161,063	161,527	-	161,527	(464)
Operations	1,536,900	1,536,900	1,548,282	-	1,548,282	(11,382)
	<u>1,697,963</u>	<u>1,697,963</u>	<u>1,709,809</u>	<u>-</u>	<u>1,709,809</u>	<u>(11,846)</u>
County Engineer:						
Salaries and related	93,016	93,016	92,651	-	92,651	365
Operations	3,650	3,650	2,513	-	2,513	1,137
	<u>96,666</u>	<u>96,666</u>	<u>95,164</u>	<u>-</u>	<u>95,164</u>	<u>1,502</u>
Public Works:						
Salaries and related	583,478	583,478	612,323	-	612,323	(28,845)
Operations	330,500	330,500	347,440	-	347,440	(16,940)
	<u>913,978</u>	<u>913,978</u>	<u>959,763</u>	<u>-</u>	<u>959,763</u>	<u>(45,785)</u>
Total Physical Environment	<u>3,208,989</u>	<u>3,223,489</u>	<u>3,270,642</u>	<u>-</u>	<u>3,270,642</u>	<u>(47,153)</u>
Economic Environment:						
Planning and Public Service Commission:						
Salaries and related	276,554	276,554	275,528	-	275,528	1,026
Operations	37,675	37,675	25,644	469	26,113	11,562
	<u>314,229</u>	<u>314,229</u>	<u>301,172</u>	<u>469</u>	<u>301,641</u>	<u>12,588</u>
Development Board:						
Salaries and related	169,414	169,414	171,399	-	171,399	(1,985)
Operations	152,520	152,520	159,706	(6,200)	153,506	(986)
	<u>321,934</u>	<u>321,934</u>	<u>331,105</u>	<u>(6,200)</u>	<u>324,905</u>	<u>(2,971)</u>
Total Economic Environment	<u>636,163</u>	<u>636,163</u>	<u>632,277</u>	<u>(5,731)</u>	<u>626,546</u>	<u>9,617</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	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	171,889	171,889	167,762	-	167,762	4,127
	11,320	11,320	12,462	-	12,462	(1,142)
	183,209	183,209	180,224	-	180,224	2,985
Airport Commission:						
Operations	37,150	37,150	18,844	-	18,844	18,306
	37,150	37,150	18,844	-	18,844	18,306
Total Transportation	220,359	220,359	199,068	-	199,068	21,291
Recreation and Culture:						
Recreation:						
Salaries and related Operations	260,050	269,262	265,784	-	265,784	3,478
	173,160	173,160	185,376	-	185,376	(12,216)
	433,210	442,422	451,160	-	451,160	(8,738)
County Archives:						
Salaries and related Operations	51,278	51,278	47,943	-	47,943	3,335
	5,816	5,816	4,194	-	4,194	1,622
	57,094	57,094	52,137	-	52,137	4,957
Total Recreation and Culture	490,304	499,516	503,297	-	503,297	(3,781)
Miscellaneous:						
Agencies:						
Santee-Lynches Council of Government	24,690	24,690	24,690	-	24,690	-
Clarendon DSN Board	4,500	4,500	4,500	-	4,500	-
Clarendon Soil and Water Conservation	30,000	30,000	30,000	-	30,000	-
Clemson Extension	28,900	28,900	28,887	-	28,887	13
SC Association of Counties	8,672	8,672	8,672	-	8,672	-
Delegation allowance	14,000	14,000	13,300	-	13,300	700
Behavioral Services	17,500	17,500	17,500	-	17,500	-
Clarendon County Library	540,000	540,000	540,000	-	540,000	-
Clarendon First Steps	4,000	4,000	4,000	-	4,000	-
DHEC	14,500	-	-	-	-	-
Santee Wateree RTA	2,500	2,500	2,500	-	2,500	-
Indigent care	58,250	58,250	58,250	-	58,250	-
Council on Aging	7,000	7,000	7,000	-	7,000	-
County Board of Education	10,673	10,673	10,673	-	10,673	-
Paxville CDC	4,000	4,000	4,000	-	4,000	-
American Red Cross	5,000	5,000	5,000	-	5,000	-
County Adult Education	25,000	25,000	25,000	-	25,000	-
Central Carolina Technical College	121,600	121,600	121,600	-	121,600	-
	920,785	906,285	905,572	-	905,572	713
Total Miscellaneous	920,785	906,285	905,572	-	905,572	713
Total Expenditures	\$ 18,596,570	\$ 18,596,570	\$ 20,221,753	\$ (51,358)	\$ 20,170,395	\$ (1,573,825)
Other Financing Sources (Uses)						
Sale of Assets	\$ 175,000	\$ 175,000	\$ 2,093	\$ -	\$ 2,093	\$ (172,907)
Transfers In (Out)	(29,000)	(29,000)	(29,000)	-	(29,000)	-
	\$ 146,000	\$ 146,000	\$ (26,907)	\$ -	\$ (26,907)	\$ (172,907)

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 ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 JUNE 30, 2014**

	School Districts Debt Service	School Districts Operations	Hospital Debt Service	Probate Judge	Master-In Equity	Municipalities
ASSETS						
Cash	\$ 1,426,205	\$ -	\$ 629,661	\$ 460	\$ 4,950	\$ -
Delinquent taxes receivable	172,405	1,606,281	172,412	-	-	-
Due from credit card	-	-	-	-	-	-
Due from General Fund	69	551	69	-	-	83
Due from other magistrates	-	-	-	-	-	-
Total assets	<u>\$ 1,598,679</u>	<u>\$ 1,606,832</u>	<u>\$ 802,142</u>	<u>\$ 460</u>	<u>\$ 4,950</u>	<u>\$ 83</u>
LIABILITIES						
Due to trust fund holders	\$ 1,598,679	\$ 1,606,832	\$ 802,142	\$ 460	\$ 4,950	\$ 83
Due to Treasurer	-	-	-	-	-	-
Due to Treasurer - cash overage (shortage)	-	-	-	-	-	-
Due to other magistrates	-	-	-	-	-	-
Total liabilities	<u>\$ 1,598,679</u>	<u>\$ 1,606,832</u>	<u>\$ 802,142</u>	<u>\$ 460</u>	<u>\$ 4,950</u>	<u>\$ 83</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2014**

	<u>Magistrates</u>			Clerk of Court	Tax Collector	Total
	General Account	Civil Account	Part- Time			
ASSETS						
Cash	\$ 89,002	\$ 6,050	\$ 32	\$ 630,332	\$ 898,418	\$ 3,685,110
Delinquent taxes receivable	-	-	-	-	-	1,951,098
Due from credit card	3,140	-	-	-	-	3,140
Due from General Fund	-	-	-	-	-	772
Due from other magistrates	32	-	-	-	-	32
Total assets	<u>\$ 92,174</u>	<u>\$ 6,050</u>	<u>\$ 32</u>	<u>\$ 630,332</u>	<u>\$ 898,418</u>	<u>\$ 5,640,152</u>
LIABILITIES						
Due to trust fund holders	\$ 23,533	\$ -	\$ -	\$ 588,665	\$ 898,418	\$ 5,523,762
Due to Treasurer	69,235	6,050	-	27,359	-	102,644
Due to Treasurer - cash overage (shortage)	(594)	-	-	14,308	-	13,714
Due to other magistrates	-	-	32	-	-	32
Total liabilities	<u>\$ 92,174</u>	<u>\$ 6,050</u>	<u>\$ 32</u>	<u>\$ 630,332</u>	<u>\$ 898,418</u>	<u>\$ 5,640,152</u>

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Municipalities				
Assets				
Due from General Fund	\$ 22,793	\$ 1,584,949	\$ 1,607,659	\$ 83
Total Assets	<u>\$ 22,793</u>	<u>\$ 1,584,949</u>	<u>\$ 1,607,659</u>	<u>\$ 83</u>
Liabilities				
Due to trust fund holders	\$ 22,793	\$ 1,533,089	\$ 1,555,799	\$ 83
Total Liabilities	<u>\$ 22,793</u>	<u>\$ 1,533,089</u>	<u>\$ 1,555,799</u>	<u>\$ 83</u>
School Districts Debt Service				
Assets				
Cash and investments	\$ 2,093,507	\$ 4,975,260	\$ 5,642,562	\$ 1,426,205
Due from General Fund	18,698	1,461,298	1,479,927	69
Delinquent taxes receivable	172,339	27,531	27,465	172,405
Total Assets	<u>\$ 2,284,544</u>	<u>\$ 6,464,089</u>	<u>\$ 7,149,954</u>	<u>\$ 1,598,679</u>
Liabilities				
Due to trust fund holders	\$ 2,284,544	\$ 4,983,403	\$ 5,669,268	\$ 1,598,679
Total Liabilities	<u>\$ 2,284,544</u>	<u>\$ 4,983,403</u>	<u>\$ 5,669,268</u>	<u>\$ 1,598,679</u>
School District Operations				
Assets				
Delinquent taxes receivable	\$ 1,511,819	\$ 94,462	\$ -	\$ 1,606,281
Due from General Fund	201,272	9,769,746	9,970,467	551
Total Assets	<u>\$ 1,713,091</u>	<u>\$ 9,864,208</u>	<u>\$ 9,970,467</u>	<u>\$ 1,606,832</u>
Liabilities				
Due to trust fund holders	\$ 1,713,091	\$42,968,199	\$43,074,458	\$ 1,606,832
Total Liabilities	<u>\$ 1,713,091</u>	<u>\$42,968,199</u>	<u>\$43,074,458</u>	<u>\$ 1,606,832</u>

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Hospital Debt Service				
Assets				
Cash and investments	\$ 289,527	\$ 2,396,194	\$ 2,056,060	\$ 629,661
Due from General Fund	24,562	1,873,927	1,898,420	69
Delinquent taxes receivable	138,194	34,218	-	172,412
Total Assets	<u>\$ 452,283</u>	<u>\$ 4,304,339</u>	<u>\$ 3,954,480</u>	<u>\$ 802,142</u>
Liabilities				
Due to trust fund holders	\$ 452,283	\$ 1,867,938	\$ 1,518,079	\$ 802,142
Total Liabilities	<u>\$ 452,283</u>	<u>\$ 1,867,938</u>	<u>\$ 1,518,079</u>	<u>\$ 802,142</u>
Probate Judge				
Assets				
Cash	\$ 720	\$ 71,633	\$ 71,893	\$ 460
Total Assets	<u>\$ 720</u>	<u>\$ 71,633</u>	<u>\$ 71,893</u>	<u>\$ 460</u>
Liabilities				
Due to trust fund holders	\$ 720	\$ -	\$ 260	\$ 460
Total Liabilities	<u>\$ 720</u>	<u>\$ -</u>	<u>\$ 260</u>	<u>\$ 460</u>
Master In Equity				
Assets				
Cash	\$ 6,675	\$ 39,938	\$ 41,663	\$ 4,950
Total Assets	<u>\$ 6,675</u>	<u>\$ 39,938</u>	<u>\$ 41,663</u>	<u>\$ 4,950</u>
Liabilities				
Due to Treasurer	\$ -	\$ -	\$ -	\$ -
Due to trust fund holders	6,675	-	1,725	4,950
Total Liabilities	<u>\$ 6,675</u>	<u>\$ -</u>	<u>\$ 1,725</u>	<u>\$ 4,950</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2014**

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Magistrate: General Account				
Assets				
Cash	\$ 71,700	\$ 762,154	\$ 744,852	\$ 89,002
Due from credit card	400	3,140	400	3,140
Due from other magistrates	60	32	60	32
Total Assets	<u>\$ 72,160</u>	<u>\$ 765,326</u>	<u>\$ 745,312</u>	<u>\$ 92,174</u>
Liabilities				
Due to Treasurer	\$ 57,139	\$ 69,235	\$ 57,139	\$ 69,235
Due to trust fund holders	13,270	23,533	13,270	23,533
Due to Treasurer - cash overage/(shortage)	1,751	-	2,345	(594)
Total Liabilities	<u>\$ 72,160</u>	<u>\$ 92,768</u>	<u>\$ 72,754</u>	<u>\$ 92,174</u>
Magistrate: Civil Account				
Assets				
Cash	\$ 4,925	\$ 67,906	\$ 66,781	\$ 6,050
Total Assets	<u>\$ 4,925</u>	<u>\$ 67,906</u>	<u>\$ 66,781</u>	<u>\$ 6,050</u>
Liabilities				
Due to Treasurer	\$ 4,925	\$ 1,125	\$ -	\$ 6,050
Total Liabilities	<u>\$ 4,925</u>	<u>\$ 1,125</u>	<u>\$ -</u>	<u>\$ 6,050</u>
Magistrate: Part-time				
Assets				
Cash	\$ 60	\$ -	\$ 28	\$ 32
Total Assets	<u>\$ 60</u>	<u>\$ -</u>	<u>\$ 28</u>	<u>\$ 32</u>
Liabilities				
Due to other magistrates	\$ 60	\$ -	\$ 28	\$ 32
Total Liabilities	<u>\$ 60</u>	<u>\$ -</u>	<u>\$ 28</u>	<u>\$ 32</u>

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Clerk of Court				
Assets				
Cash	\$ 426,740	\$ 203,592	\$ -	\$ 630,332
Total Assets	<u>\$ 426,740</u>	<u>\$ 203,592</u>	<u>\$ -</u>	<u>\$ 630,332</u>
Liabilities				
Due to Treasurer	\$ 26,421	\$ 938	\$ -	\$ 27,359
Due to trust fund holders	384,487	204,178	-	588,665
Due to Treasurer - cash overage/(shortage)	15,832	-	1,524	14,308
Total Liabilities	<u>\$ 426,740</u>	<u>\$ 205,116</u>	<u>\$ 1,524</u>	<u>\$ 630,332</u>
Tax Collector				
Assets				
Cash	\$ 624,593	\$ 1,785,743	\$ 1,511,918	\$ 898,418
Total Assets	<u>\$ 624,593</u>	<u>\$ 1,785,743</u>	<u>\$ 1,511,918</u>	<u>\$ 898,418</u>
Liabilities				
Due to Treasurer	\$ 628	\$ -	\$ 628	\$ -
Due to trust fund holders	623,965	1,778,643	1,504,190	898,418
Total Liabilities	<u>\$ 624,593</u>	<u>\$ 1,778,643</u>	<u>\$ 1,504,818</u>	<u>\$ 898,418</u>
Total All Agency Funds				
Assets				
Cash and Investments	\$ 3,518,447	\$ 10,302,420	\$ 10,135,757	\$ 3,685,110
Delinquent taxes receivable	1,822,352	156,211	27,465	1,951,098
Due from credit card	400	3,140	400	3,140
Due from General Fund	267,325	14,689,920	14,956,473	772
Due from other magistrates	60	32	60	32
Total Assets	<u>\$ 5,608,584</u>	<u>\$ 25,151,723</u>	<u>\$ 25,120,155</u>	<u>\$ 5,640,152</u>
Liabilities				
Due to Treasurer	\$ 89,113	\$ 71,298	\$ 57,767	\$ 102,644
Due to Treasurer - cash overage/(shortage)	17,583	-	3,869	13,714
Due to trust fund holders	5,501,828	53,358,983	53,337,049	5,523,762
Due to other magistrates	60	-	28	32
Total Liabilities	<u>\$ 5,608,584</u>	<u>\$ 53,430,281</u>	<u>\$ 53,398,713</u>	<u>\$ 5,640,152</u>

CLARENDON COUNTY
SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES
SPECIAL REVENUE FUND - VICTIMS RIGHTS FUND
JUNE 30, 2014

	Clerk of Court	Magistrates	Total
Court Fines			
Court fines collected	\$ 18,327	\$ 334,584	\$ 352,911
Court fines retained by County	<u>10,193</u>	<u>319,859</u>	<u>330,052</u>
Court fines remitted to State Treasurer	<u>\$ 8,134</u>	<u>\$ 14,725</u>	<u>\$ 22,859</u>
Court Assessments			
Court assessments collected	\$ 14,930	\$ 293,205	\$ 308,135
Court assessments retained by County	<u>5,012</u>	<u>30,973</u>	<u>35,985</u>
Court assessments remitted to State Treasurer	<u>\$ 9,918</u>	<u>\$ 262,232</u>	<u>\$ 272,150</u>
Court Surcharges			
Court surcharges collected	\$ 22,389	\$ 181,423	\$ 203,812
Court surcharges retained by County	<u>11,577</u>	<u>12,541</u>	<u>24,118</u>
Court assessments remitted to State Treasurer	<u>\$ 10,812</u>	<u>\$ 168,882</u>	<u>\$ 179,694</u>
Victims Services			
Court assessments allocated to Victim Services	\$ 5,012	\$ 30,973	\$ 35,985
Court surcharges allocated to Victim Services	<u>11,577</u>	<u>12,541</u>	<u>24,118</u>
Funds allocated to Victim Services	<u>\$ 16,589</u>	<u>\$ 43,514</u>	60,103
Victim Services expenditures			<u>(84,477)</u>
			<u>\$ (24,374)</u>
Beginning balance - July 1, 2013		\$ -	
Excess of expenditures over revenue for current year		(24,374)	
Mutual Aid Agreement(s) - Municipalities		24,374	
Interest Income		<u>-</u>	
Ending Balance - June 30, 2014		<u>\$ -</u>	

**CLARENDON COUNTY, SOUTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2014**

Real and Other Personal Property Assessed Value	\$	75,470,130
Vehicles Assessed Value		11,276,590
Public Utilities and Railroads		7,524,320
Fee-in-Lieu-of Taxes		4,128,846
Other Business Personal Property		1,749,481
Manufacturer's Assessed Value		1,119,070
Merchants Inventory Value		<u>688,290</u>
 Total Taxable Assessed Value		 <u>101,956,727</u>
 Debt Limit - Eight Percent (8%) of Total Taxable Assessed Value		 8,156,538
 Amount of Debt Applicable to Debt Limit:		 <u>5,683,875</u>
 LEGAL DEBT MARGIN	 \$	 <u><u>2,472,663</u></u>

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clarendon County, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Clarendon County's basic financial statements and have issued our report thereon dated January 12, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Clarendon County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Clarendon County's internal control. Accordingly, we do not express an opinion on the effectiveness of Clarendon County's internal control.

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McInerney & Co. LLP

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

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

Report on Compliance for Each Major Federal Program

We have audited Clarendon County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Clarendon County's major federal programs for the year ended June 30, 2014. Clarendon County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major Federal Program

In our opinion, Clarendon County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

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

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

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

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

McIneger & Co. LLP

Orangeburg, South Carolina
January 12, 2015

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2014**

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	1G12025	16.738	185,649	168,483 ✓
Criminal Domestic Violence Investigator	1G13003	16.738	52,617	39,736
Ballistic Vests 2013	N/A	16.803	7,620	3,343
FEDERAL AVIATION ADMINISTRATION				
Airport Improvement Program	3-45-0038-008-2012	20.106	529,560	371,133 ✓
US DEPARTMENT OF HOMELAND SECURITY				
Through SC Emergency Management Division:				
Severe Winter Ice Storm	FEMA-4166-DR-SC	97.036	604,654	604,654
LEMPG 2012 - Supplemental	12EMPG02	97.042	11,000	11,000
Local Emergency Mgmt. Planning 2013	13EMPG01	97.042	55,918	55,918
Local SAFER Assistance	EMW-2011-FF-00690	97.083	165,312	45,747
Local SAFER Assistance	EMW-2012-FF-00457	97.083	478,000	21,914
U. S. DEPARTMENT OF AGRICULTURE				
Communities Facilities Grants:				
Clarendon County Fire Department	N/A	10.766	40,399	2,903
Rural Utilities Service Grants:				
Clarendon County Rural Water	SC-91-04	10.760	1,951,000	191,951
Rural Housing Service Direct Loan:				
Clarendon County SCBA Acquisition	N/A	10.766	720,000	720,000 ✓
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Through Department of Social Services:				
Office of Child Support Enforcement:				
Filing Fees	G-04SC404	93.563		20,250
Federal Financial Assistance	G-04SC404	93.563		29,076
Clerk of Court Incentive (IV-D)	G-04SC404	93.563		23,802
Family Court	G-04SC404	93.563		121,797
Sheriff's Department	G-04SC404	93.563		10,457
TOTAL FEDERAL ASSISTANCE				<u>\$ 2,442,164</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTE TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE A- BASIS OF PRESENTATION

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

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the financial statements of Clarendon County.
2. No significant deficiencies or material weakness were disclosed during the audit of the financial statements and is reported in the *Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Clarendon County, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major federal awards programs for Clarendon County were disclosed during the audit and are reported in the *Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for Clarendon County expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The programs tested as major programs included:

- FEMA Grant	CFDA# 97.036
- Rural Housing Service (RHS) Loan	CFDA# 10.766
- Airport Improvement Grant	CFDA# 20.106
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
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014**

2013-1 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: No finding in 2013-14.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
STATISTICAL SECTION**

The information in this section is not covered by the Independent Auditor's Report, but is presented as supplemental data for the benefit of the readers of the annual financial report. The objective of the statistical section information is to provide financial statement users with additional detailed information as a context for understanding what the information in the basic financial statements, notes to the basic financial statements, required supplementary information and other supplementary data says about the County's overall financial health.

Five Year Summary of the General Fund

The following is a summary of the General Fund revenues and expenditures for the fiscal year ended June 30, 2010 through 2014 (audited) and the budget for fiscal year 2015.

(000's omitted)	2010	2011	2012	2013	2014	2015 Budget
REVENUES						
Taxes	\$ 13,512	\$ 13,763	\$ 13,473	\$ 13,817	\$ 14,499	\$ 14,831
Licenses and permits	125	97	88	96	105	107
Intergovernmental	2,936	2,081	1,973	2,373	3,559	1,674
Charges for service	1,159	1,175	1,210	1,161	1,138	1,143
Fine and forfeitures	776	575	544	449	448	457
Investment income	5	18	5	2	2	2
Miscellaneous	291	701	687	458	490	532
Total revenue	<u>18,804</u>	<u>18,410</u>	<u>17,980</u>	<u>18,356</u>	<u>20,241</u>	<u>18,746</u>
EXPENDITURES						
General government	5,230	4,969	4,910	5,097	6,291	4,876
Public safety	6,301	6,489	6,707	6,794	6,891	7,096
Physical environment	2,893	3,098	2,947	3,082	3,271	3,189
Transportation	194	207	189	219	199	212
Economic environment	602	726	714	726	632	655
Agencies	526	1,103	1,006	1,023	906	899
Culture and recreation	367	433	453	488	503	490
Court related	1,372	1,407	1,389	1,516	1,529	1,581
Total expenditures	<u>17,485</u>	<u>18,432</u>	<u>18,315</u>	<u>18,945</u>	<u>20,222</u>	<u>18,998</u>
Excess of revenues over/(under) expenditures	1,319	(22)	(335)	(589)	19	(252)
OTHER SOURCES (USES)						
Sale of assets	27	8	101	192	2	100
Transfers	19	(884)	(264)	(18)	8	(48)
Net other financing sources	<u>46</u>	<u>(876)</u>	<u>(163)</u>	<u>174</u>	<u>10</u>	<u>52</u>
Net change in fund balance	<u>1,365</u>	<u>(898)</u>	<u>(498)</u>	<u>(415)</u>	<u>29</u>	<u>(200)</u>
Equity transfer	-	(1,748)	-	-	-	-
Fund balance at beginning of year	<u>5,116</u>	<u>6,481</u>	<u>3,835</u>	<u>3,337</u>	<u>2,922</u>	<u>2,951</u>
Fund balance at end of year	<u>\$ 6,481</u>	<u>\$ 3,835</u>	<u>\$ 3,337</u>	<u>\$ 2,922</u>	<u>\$ 2,951</u>	<u>\$ 2,751</u>
Ending fund balance as % of total expenditures	37.1%	20.8%	18.2%	15.4%	14.6%	14.5%

Assessed Values of the County

The assessed value of all taxable property in the County for the last ten (10) years for which data is available is set forth below:

(000's omitted)

<u>Tax Year</u>	<u>Real Property</u>	<u>Personal</u>	<u>SCTC</u>	<u>Manufacturing</u>	<u>Vehicles</u>	<u>Fee-in-Lieu Taxes</u>	<u>Total Taxable Property*</u>
2003	\$ 49,354	\$ 1,198	\$ 6,840	\$ 1,602	\$ 12,209	\$ 1,518	\$ 72,721
2004	50,252	1,216	7,269	2,130	12,856	1,549	75,272
2005	51,720	1,279	8,005	1,823	11,824	1,599	76,250
2006	53,271	1,414	8,073	1,827	11,166	1,488	77,239
2007	56,282	1,575	7,953	1,492	11,284	1,362	79,948
2008	65,487	1,623	8,298	1,416	10,228	987	88,039
2009	69,143	1,635	9,004	1,530	9,485	578	91,375
2010	69,747	1,308	9,197	1,812	8,047	768	90,879
2011	73,678	1,399	9,249	870	9,557	458	95,211
2012	73,084	1,312	9,395	1,132	10,260	3,866	99,049
2013	74,211	1,259	9,274	1,540	10,310	4,129	100,723

Source: Clarendon County Auditor

* The assessed value of Merchant's Inventory (\$688,290) is not included in this table

Note that the assessed values are established by the County Assessor and the South Carolina Department of Revenue at various rates between 4 and 10.5 percent of the estimated market value.

Largest Taxpayers

The ten (10) largest taxpayers in the County, the assessed value of the taxable property of each, and the total amount of County taxes paid for the fiscal year 2014 (tax year 2013) and the prior year are reflected below:

(000's omitted)

<u>Taxpayer</u>	<u>Fiscal Year 2014 (Tax Year 2013)</u>			<u>Fiscal Year 2013 (Tax Year 2012)</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank *</u>	<u>Percentage of Total Taxable Assessed Value</u>
Georgia Pacific Clarendon LP	\$ 3,407	1	3.38%	\$ 3,408	1	3.44%
Santee Electric Co-op, Inc.	2,305	2	2.29%	2,364	2	2.39%
Duke Energy Progress, Inc.	1,619	3	1.61%	1,621	3	1.64%
Black River Electric Co-op	771	4	0.77%	784	4	0.79%
CSX Transportation, Inc.	719	5	0.71%	704	6	0.71%
Wal-Mart Real Estate	548	6	0.54%	548	5	0.55%
FTC Communications	586	7	0.58%	445	8	0.45%
Central Electric Power Co-op, Inc.	468	8	0.46%	491	7	0.50%
ACM Investment Co., LLC	317	9	0.31%			
Farmers Telephone Co-op	288	10	0.29%	324	9	0.33%
Federal Mogul Corp	-		-	319	10	0.32%
Totals	\$ 11,028		10.94%	\$ 11,008		11.12%

Source: Clarendon County Treasurer

*Ranking based on total taxes paid and not taxable assessed value

Tax Collection Record

The following table shows all of the County's property taxes levied for governmental services as of June 30 of the year following the year in which the levy was made, and the amount of delinquent taxes collected for the fiscal years shown. Delinquent taxes include taxes levied in prior years but collected in the year shown.

(000's omitted)

Fiscal Year Ended <u>June 30th</u>	Budgeted Tax <u>Collections</u>	Budgeted Delinquent Tax <u>Collections</u>	Budgeted Total <u>Collections</u>	Current Tax <u>Collections</u>	Delinquent Tax <u>Collections</u>	Total Tax <u>Collections</u>
2009	\$ 11,221	\$ 980	\$ 12,201	\$ 10,899	\$ 1,671	\$ 12,570
2010	12,162	1,055	13,217	12,356	1,521	13,877
2011	12,929	1,330	14,259	12,086	1,717	13,803
2012	12,735	1,399	14,134	11,761	1,743	13,504
2013	13,049	1,540	14,589	12,494	1,601	14,095
2014	13,238	1,300	14,538	13,209	1,667	14,876

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA**

OTHER MATTERS

JUNE 30, 2014

McGregor & COMPANY^{LLP}

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January 12, 2015

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, 2014, we considered the County's internal control to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal control and increasing operating efficiency. The following summarizes our comments and suggestions regarding those matters. We previously reported on the County's internal control in our report dated January 12, 2015. This letter does not affect our report dated January 12, 2015, on the financial statements of Clarendon County.

PROCUREMENT

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

- A drug dog was purchased for \$11,000 with Sheriff Drug Funds. This dog was not purchased in accordance with the procurement policy. No bids were obtained by the procurement department. From our review of the "Guide of Equitable Sharing of State and Local Law Enforcement Agencies" (the "Guide"), we noted that an internal control procedure is required when purchases are made from the federal drug funds. The procedure included in the Guide is for approval of expenditures be obtained from the governing body of the County, which should indicate that the purchase should go through the County procurement process. State law requires that state procurement is followed for disbursements of state drug funds.

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

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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 \$1,970. 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 \$1,773 of expenses as approved under the grant.

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

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

McGregor & Co. LLP