

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
ANNUAL REPORT  
YEAR ENDED JUNE 30, 2007**

**CLARENDON COUNTY**  
**MANNING, SOUTH CAROLINA**  
**ANNUAL REPORT**  
**YEAR ENDED JUNE 30, 2007**

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December 5, 2007

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clarendon County, as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Clarendon County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Business Development Corporation of Clarendon County, a component unit of Clarendon County. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Clarendon County Business Development Corporation, is based on the report of another auditor.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clarendon County as of June 30, 2007, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2007, on our consideration of Clarendon County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clarendon County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Clarendon County. The combining and individual nonmajor fund financial statements, schedules, and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

*McShryer & Co. LLP*

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2007**

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, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, and in the financial statements and notes to the financial statements.

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

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

**Financial Highlights:**

- Clarendon County's assets exceeded its liabilities at June 30, 2007 by \$22,284,068 (net assets). Of this amount, \$4,385,113 (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets increased \$2,989,623 over the previous year with said increase resulting from governmental activities.
- At June 30, 2007, the County's governmental fund balance sheet reported a combined ending fund balance of \$8,035,339, an increase of \$1,712,339 over the previous fiscal year. Of this amount, \$3,950,116 remains in the various funds of the County as unreserved.
- The General Fund reported a fund balance of \$4,945,306 an increase from last fiscal year of \$445,704. This ending balance equates to 25% of General Fund expenditures for the year.
- Total bonded debt decreased \$260,000 in fiscal year 2007.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
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**Overview of the Financial Statements**

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

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

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

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

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

The government-wide financial statements can be found on pages 11 and 12 of this report.

**Fund financial statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Clarendon County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

Clarendon County maintains 15 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund which is considered to be a major fund. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

The basic fiduciary fund financial statement can be found on page 17 of this report.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 through 42 of this report.



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**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 44 through 64 of this report.

**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Clarendon County, assets exceeded liabilities by \$22,284,068 at the close of the most recent fiscal year. The County's increase in net assets for this fiscal year amounts to \$2,989,623.

The largest portion of the County's net assets (63%) reflects its investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Clarendon County's Net Assets**

	<b>Governmental Activities (Dollars in Thousands)</b>	
	<b><u>2007</u></b>	<b><u>2006</u></b>
Current and other assets	\$ 10,120	\$ 7,598
Capital assets	17,555	16,414
Other noncurrent assets	<u>160</u>	<u>185</u>
Total assets	<u>27,835</u>	<u>24,197</u>
Long-term liabilities outstanding	3,681	3,770
Other liabilities	<u>1,870</u>	<u>1,133</u>
Total liabilities	<u>5,551</u>	<u>4,903</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	14,042	12,743
Restricted	3,857	2,548
Unrestricted	<u>4,385</u>	<u>4,003</u>
Total net assets	<u>\$ 22,284</u>	<u>\$ 19,294</u>

**CLARENDON COUNTY  
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An additional portion of the County's net assets (17%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$4,385,113) may be used to meet the government's ongoing obligations to citizens and creditors.

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

The changes in net assets displayed below shows the governmental activities during the fiscal year. The increase in net assets resulted primarily from greater grant activity within the County; as well as additional funds to administer roadway maintenance and improvements.

**Clarendon County's Changes in Net Assets**

	<b>Governmental Activities (Dollars in Thousands)</b>	
	<u><b>2007</b></u>	<u><b>2006</b></u>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 6,057	\$ 3,975
Grants and Contributions	3,796	846
General revenues:		
Ad valorem taxes	11,121	9,656
Other taxes	2,434	2,057
State shared	1,803	1,614
Interest	241	139
Other	<u>162</u>	<u>202</u>
Total revenues	25,614	18,489
Expenses:		
General government	4,711	4,920
Public safety	7,675	6,588
Physical environment	3,941	3,659
Transportation	183	170
Economic environment	3,059	602
Court related	1,243	1,170
Cultural and recreational	386	175
Agencies	1,201	1,001
Interest on long-term debt	<u>170</u>	<u>86</u>
Total expenses	22,569	18,471
Transfers	<u>(55)</u>	<u>281</u>
Increase in net assets	<u>2,990</u>	<u>299</u>
Beginning net assets	19,294	18,995
Ending net assets	<u>\$ 22,284</u>	<u>\$ 19,294</u>

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
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**Governmental Activities:** Revenues for the County's governmental activities were \$26 million for fiscal year 2007. Taxes constitute the largest source of County revenues, amounting to approximately \$13.5 million for the fiscal year 2007. Real property taxes (\$8.2 million) represent nearly 61% of total taxes and 32% of all revenue combined. Lastly, intergovernmental revenues were increased to \$8.4 million for the fiscal year end.

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

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

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

As of June 30, 2007, Clarendon County governmental funds reported combined fund balances of \$8,035,339, an increase of \$1,712,339 over the prior year balances. This increase occurred primarily through the County assuming administrative responsibilities for its South Carolina Department of Transportation C-Fund related projects. As of June 30, 2007, the C-Program Fund reported a fund balance of \$978,010. Also, increases were realized within the General Fund and other governmental funds (E-911, Fire Department and Victim's Advocate).

The General Fund is the chief operating fund of the County. At June 30, 2007, total fund balance in the General Fund was \$4,945,306, of which \$2,192,328 was unreserved. As a measure of the General Fund's liquidity, the total and unreserved fund balances compared to total fund expenditures shows percentages of 25% and 11%, respectively. The fund balance of the General Fund increased by 9.9%, or \$445,704 during the fiscal year.

**General Fund Budgetary Highlights**

Budget to actual statement is provided for the General Fund. A budget column for both the original budget adopted for fiscal year 2007 as well as the final budget is presented. Neither grant revenue nor expenditures are budgeted; however, sufficient grant match requirements were. In addition, the County did not budget either the pass-through revenue, or off setting expenditures, associated with its C-Fund program (as administered by the SC Department of Transportation). The variances reflected are primarily a result of these two activities.

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
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**Capital Asset and Debt Administration**

**Capital assets:** Clarendon County's investment in capital assets for its governmental type activities as of June 30, 2007 amounts to \$17.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, construction in progress, and as mentioned earlier, roads completed and put into use during fiscal year 2007. The total increase in Clarendon County's investment in capital assets for the fiscal year was 7.0%, which was within the governmental activities.

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

	<b>2007</b>	<b>2006</b>
Land	\$ 1,809	\$ 1,809
Infrastructure	2,560	2,085
Construction in progress	182	63
Buildings and Improvements	9,749	9,909
Machinery and Equipment	<u>3,255</u>	<u>2,547</u>
 Total	 <u>\$ 17,555</u>	 <u>\$ 16,413</u>

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

**Long-term debt:** At the end of the current fiscal year, Clarendon County had a total bonded debt outstanding of \$3.1 million, all of which is backed by the full faith and credit of the County.

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

	<b>2007</b>	<b>2006</b>
General Obligation Bonds	\$ 3,140	\$ 3,400
Capital lease	<u>373</u>	<u>136</u>
	<u>\$ 3,513</u>	<u>\$ 3,536</u>

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The County's total debt decreased \$27,749 as scheduled debt service requirements were partially offset by an increase in capital leases. During the fiscal year, the county entered into an additional lease. In addition, an increase in compensated absences was tempered with a reduction in landfill closure accruals. The County currently has ratings of Baa1 and BBB+ from Moody's Investors Service and Standard & Poor's Corporation, respectively, on general obligation bond issues. As of June 30, 2007, the County's general obligation debt and capital lease approximated one hundred eight dollars per capita.

Additional information on Clarendon County's long-term debt can be found in note 8 on pages 34 through 37 of this report.

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

- The unemployment rate for Clarendon County is currently 8.7%, which represents a slight reduction from a year ago. This compares to the state's average unemployment rate of 5.5% and the national average rate of 4.6%.
- Taxable property valuation increased \$1.1 million to \$79 million in 2007 as increases in real property (3.2%) were greater than reductions in vehicles and joint industrial park assessments.
- County-wide taxable sales increased 16.8%, from \$190 million in 2006 to \$222 million in 2007.

All of these factors were considered in preparing the County's budget for the 2008 fiscal year. Per the Fiscal Year 2008 Adopted Budget, disbursements are budgeted at \$16.8 million, an 8.4% increase from the fiscal year 2007 level for the General Fund. The County's commitment to programs such as public safety, health and welfare, community development, public works, and parks, recreation, and cultural activities remains strong. However, pressures on the County's budget due to growth in population and additional resources required to keep our communities safe will continue to be a challenge for the County in light of legislated constraints to revenue growth.

### **Requests for Information**

This financial report is designed to provide a general overview of Clarendon County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Lynden Anthony, County Controller, Post Office Box 486, Manning, South Carolina 29102. Complete financial statements for each individual component unit may be obtained at each respective administrative office.

**CLARENDON COUNTY, SOUTH CAROLINA**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2007**

	<u>Primary Government</u>	<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Harvin Clarendon County Library</u>	<u>C.C. Business Development Corp.</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents - Note 3	\$ 6,953,452	\$ 128,245	\$ 249,645
Receivables:			
Delinquent taxes	976,198	-	-
Other	172,395	-	-
Due from county	-	-	900
Due from fiduciary funds	300,642	-	-
Due from other governments	1,693,835	-	-
Inventories	10,486	-	-
Notes receivable - Note 5	12,805	-	61,017
Total current assets	<u>10,119,813</u>	<u>128,245</u>	<u>311,562</u>
Restricted cash:			
Restricted cash	-	42,103	-
Total restricted cash	<u>-</u>	<u>42,103</u>	<u>-</u>
Non-current assets:			
Notes receivable - Note 5	159,883	-	-
Capital Assets-net - Note 6	17,555,245	526,759	3,096,877
Capital Lease receivable (net of current portion) - Note 5	-	-	965,494
Total non-current assets	<u>17,715,128</u>	<u>526,759</u>	<u>4,062,371</u>
Total assets	<u>27,834,941</u>	<u>697,107</u>	<u>4,373,933</u>
<b>LIABILITIES</b>			
Current liabilities (payable from current assets):			
Accounts payable	640,318	-	71,376
Due to other governments	168,134	-	-
Deferred revenue	612,905	-	-
Taxes to be distributed	11,248	-	-
Note Payable	-	-	136,068
Other liabilities	52,430	5,321	-
Accrued compensated absences - Note 8	39,685	1,891	-
Closures and maintenance costs payable - Note 8	12,975	-	-
Capital lease - Note 8	56,933	-	-
Bond payable - Note 8	275,000	-	-
Total current liabilities	<u>1,869,628</u>	<u>7,212</u>	<u>207,444</u>
Non-current liabilities:			
Accrued compensated absences - Note 8	208,347	11,326	-
Closures and maintenance costs payable - Note 8	291,938	-	-
Note Payable	-	-	2,274,938
Capital lease - Note 8	315,960	-	-
Bond payable - Note 8	2,865,000	-	-
Total long-term liabilities	<u>3,681,245</u>	<u>11,326</u>	<u>2,274,938</u>
Total liabilities	<u>5,550,873</u>	<u>18,538</u>	<u>2,482,382</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	14,042,352	526,759	685,871
Restricted for:			
Capital projects	1,752,514	-	280,000
Debt services	354,235	-	-
Other	978,010	-	-
Local option sales tax reserve	771,844	-	-
Unrestricted	4,385,113	151,810	925,680
Total net assets	<u>\$ 22,284,068</u>	<u>\$ 678,569</u>	<u>\$ 1,891,551</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, 2007**

Functions/Programs Primary Government:	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Operating		Primary Governmental Activities	Component Units	
		Charges for Services	Grants and Contributions		Harvin Clarendon County Library	C.C. Business Development Corp.
		Capital Grants and Contributions	Total			
Governmental activities:						
Public safety	\$ 7,674,618	\$ 372,542	\$ 503,257	\$ (6,663,507)		
General government	4,711,404	233,328	245,230	(4,232,846)		
Physical environment	3,940,770	3,341,071	72,579	(509,790)		
Economic environment	3,058,839	160,514	-	(388,728)		
Court related	1,243,487	1,607,399	-	363,912		
Agencies	1,200,836	273,108	-	(694,366)		
Culture/Recreation	386,008	44,756	2,717	(309,871)		
Transportation	182,896	24,250	48,688	(109,958)		
Interest	170,493	-	-	(170,493)		
Total governmental activities	<u>22,569,351</u>	<u>6,056,968</u>	<u>1,131,780</u>	<u>(12,715,647)</u>		
<b>Component Units:</b>						
Harvin Clarendon County Library	\$ 519,263	\$ 15,257	\$ 4,203	\$ (310,828)	\$	(135,300)
C.C. Business Development Corp.	355,092	219,792	-	-	-	(135,300)
Total Component Units	<u>\$ 874,355</u>	<u>\$ 235,049</u>	<u>\$ 4,203</u>	<u>(310,828)</u>	<u>\$</u>	<u>(135,300)</u>
<b>General Revenues:</b>						
Taxes:						
Property taxes, levied for general purposes				10,671,381	388,363	241,845
Property taxes, levied for debt services				449,400	-	-
Sales and use taxes				2,433,698	-	-
Franchise fees				34,407	-	-
State shared revenues				1,802,509	-	-
Interest earnings				241,488	-	109,852
Gain on sale of fixed assets				3,000	-	-
Miscellaneous				124,779	-	-
Total general revenues				<u>15,760,662</u>	<u>388,363</u>	<u>351,697</u>
Transfers				(55,392)		
Total general revenues, transfers and special item				<u>15,705,270</u>	<u>388,363</u>	<u>351,697</u>
Change in net assets				2,989,623	77,535	216,397
Net assets - beginning, as restated - Note 13				19,294,445	601,034	1,675,154
Net assets - ending				<u>\$ 22,284,068</u>	<u>\$ 678,569</u>	<u>\$ 1,891,551</u>

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

**CLARENDON COUNTY, SOUTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2007**

	GENERAL	C-PROGRAM	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,956,522	\$ 1,090,985	\$ 1,905,945	\$ 6,953,452
Accounts receivable				
Property taxes	750,269	-	225,929	976,198
Other	172,395	-	-	172,395
Due from other funds	1,177	-	56,894	58,071
Due from fiduciary funds	300,642	-	-	300,642
Due from other governments	1,693,835	-	-	1,693,835
Supplies inventory	10,486	-	-	10,486
Notes receivable	-	-	172,688	172,688
Total assets	<u>\$ 6,885,326</u>	<u>\$ 1,090,985</u>	<u>\$ 2,361,456</u>	<u>\$ 10,337,767</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 456,829	\$ 112,975	\$ 70,514	\$ 640,318
Accrued payroll and withholdings	1,725	-	-	1,725
Due to other funds	56,894	-	1,177	58,071
Due to other governments	168,134	-	-	168,134
Deferred revenue	1,194,485	-	177,742	1,372,227
Advance mobile home revenue	11,248	-	-	11,248
Other liabilities	50,705	-	-	50,705
Total liabilities	<u>1,940,020</u>	<u>112,975</u>	<u>249,433</u>	<u>2,302,428</u>
Fund balances:				
Reserved for:				
Debt service	-	-	354,235	354,235
Capital projects	1,752,514	-	-	1,752,514
Other purposes	1,000,464	978,010	-	1,978,474
Unreserved, reported in:				
General fund	2,192,328	-	-	2,192,328
Special revenue funds	-	-	1,757,788	1,757,788
Total fund balances	<u>4,945,306</u>	<u>978,010</u>	<u>2,112,023</u>	<u>8,035,339</u>
Total Liabilities and Fund balances	<u>\$ 6,885,326</u>	<u>\$ 1,090,985</u>	<u>\$ 2,361,456</u>	

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

Capital assets used in governmental activities are not financial resources, therefore, are not reported in funds	17,555,245
Long-term liabilities, including bonds payable (\$3,140,000), capital lease (\$372,893), accrued compensated absences (\$248,032) and closure and maintenances costs payable (\$304,913) are not reported in funds.	(4,065,838)
Delinquent taxes receivable are not financial resources in the current period and, therefore, are reported as deferred revenue in the funds.	<u>759,322</u>
	<u>\$ 22,284,068</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, 2007**

	GENERAL	C-PROGRAM	OTHER GOVERNMENTAL FUNDS	TOTAL
<b>REVENUES</b>				
Taxes	\$ 10,962,956	\$ -	\$ 2,452,182	\$ 13,415,138
Licenses and permits	223,214	-	-	223,214
Intergovernmental	6,298,030	1,171,880	917,400	8,387,310
Charges for services	1,322,898	-	291,506	1,614,404
Fines and forfeitures	1,072,288	-	67,621	1,139,909
Special assessments	-	-	123,108	123,108
Interest	162,650	12,163	66,675	241,488
Miscellaneous	236,490	-	-	236,490
Total revenues	<u>20,278,526</u>	<u>1,184,043</u>	<u>3,918,492</u>	<u>25,381,061</u>
<b>EXPENDITURES</b>				
Current:				
General government	6,652,959	-	571,227	7,224,186
Public safety	5,782,889	-	2,001,378	7,784,267
Physical environment	4,185,837	206,033	-	4,391,870
Transportation	182,103	-	-	182,103
Economic environment	580,526	-	-	580,526
Agencies	558,609	-	641,911	1,200,520
Culture/Recreation	345,520	-	46,090	391,610
Court Related	1,244,987	-	-	1,244,987
Debt service:				
Principal	-	-	445,768	445,768
Interest and fiscal charges	-	-	170,493	170,493
Total expenditures	<u>19,533,430</u>	<u>206,033</u>	<u>3,876,867</u>	<u>23,616,330</u>
Excess of revenues over (under expenditures)	745,096	978,010	41,625	1,764,731
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Assets	3,000	-	-	3,000
Transfers	(302,392)	-	247,000	(55,392)
Net other financing sources (uses)	<u>(299,392)</u>	<u>-</u>	<u>247,000</u>	<u>(52,392)</u>
Net changes in fund balances	445,704	978,010	288,625	1,712,339
Fund balances at beginning of year, as restated - Note 13	<u>4,499,602</u>	<u>-</u>	<u>1,823,398</u>	<u>6,323,000</u>
Fund balances at end of year	<u>\$ 4,945,306</u>	<u>\$ 978,010</u>	<u>\$ 2,112,023</u>	<u>\$ 8,035,339</u>

**CLARENDON COUNTY, SOUTH CAROLINA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
JUNE 30, 2007**

Net Changes in fund balances - total governmental funds		\$ 1,712,339
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	2,255,120	
Contributed capital (deeded infrastructure)	121,092	
Less current year depreciation	<u>(1,235,889)</u>	1,140,323
Lease proceeds provide current financial resources to governmental funds, but incurring debt increases long-term liabilities in the statement of net assets:		
Capital lease proceeds		(422,908)
Repayment of bond principal and capital lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Bond principal payment	260,000	
Capital lease payment	<u>185,769</u>	445,769
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	(3,799)	
Change in closure and maintenance costs payable	<u>8,687</u>	4,888
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>109,212</u>
Change in net assets of governmental activities.		<u><u>\$ 2,989,623</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, 2007**

	<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>		
<b>REVENUES</b>				
Taxes	\$ 10,766,245	\$ 10,766,245	\$ 10,962,956	\$ 196,711
Licenses and permits	174,500	174,500	223,214	48,714
Intergovernmental	1,982,555	1,982,555	6,298,030	4,315,475
Charges for services	1,207,000	1,207,000	1,322,898	115,898
Fines and forfeitures	670,000	670,000	1,072,288	402,288
Interest	35,000	35,000	162,650	127,650
Miscellaneous	219,000	219,000	236,490	17,490
Total revenues	<u>15,054,300</u>	<u>15,054,300</u>	<u>20,278,526</u>	<u>5,224,226</u>
<b>EXPENDITURES</b>				
Current:				
General government	4,401,373	3,957,135	6,756,112	(2,798,977)
Public safety	5,367,123	5,623,242	5,745,377	(122,135)
Physical environment	2,622,878	2,646,006	4,190,572	(1,544,566)
Transportation	231,465	234,261	195,778	38,483
Economic environment	678,108	588,167	580,526	7,641
Culture/Recreation	341,092	354,801	345,520	9,281
Court related	1,248,146	1,286,573	1,245,908	40,665
Agencies	569,115	569,115	558,609	10,506
Total expenditures	<u>15,459,300</u>	<u>15,259,300</u>	<u>19,618,402</u>	<u>(4,359,102)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of assets	235,000	235,000	3,000	(232,000)
Transfers In/(Out)	(30,000)	(230,000)	(302,392)	(72,392)
Net other financing sources (uses)	<u>205,000</u>	<u>5,000</u>	<u>(299,392)</u>	<u>(304,392)</u>
Net change in fund balances	(200,000)	(200,000)	360,732	560,732
Fund balances at beginning of year as restated - Note 13	<u>4,355,955</u>	<u>4,355,955</u>	<u>4,355,955</u>	<u>-</u>
Fund balances at end of year	<u>\$ 4,155,955</u>	<u>\$ 4,155,955</u>	<u>\$ 4,716,687</u>	<u>\$ 560,732</u>

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

**CLARENDON COUNTY, SOUTH CAROLINA  
STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUNDS  
JUNE 30, 2007**

**ASSETS**

Cash	\$ 3,906,256
Delinquent taxes receivable	879,316
Accounts receivable	6,419
Due from other magistrates and Treasurer	631
Due from trust fund holders	3,168
Total Assets	<u>4,795,790</u>

**LIABILITIES**

Due to trust fund holders	3,769,354
Due to other funds	300,642
Due to Treasurer (overages)	11,012
Deferred revenue	714,232
Total Liabilities	<u>4,795,240</u>

**NET ASSETS**

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

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

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**JUNE 30, 2007**

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

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

Clarendon County, South Carolina (the "County") is a political subdivision of the State. Incorporated in 1855, the County encompasses 599 square miles of land with an estimated population of 32,500. The County is governed by the County Council and five elected constitutional officers (Clerk of Court, Auditor, Sheriff, Treasurer, and Probate Judge) in accordance with state statutes and regulations.

The financial statements of the County has been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which along with subsequent GASB pronouncements (Statements of Interpretations), constitutes GAAP for governmental units.

**A. Reporting Entity**

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

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

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

**A. Reporting Entity**

responsible for collection of property taxes, intergovernmental and other revenues for the other political subdivisions, and the balance and the results of the fiduciary responsibility have been included as agency and trust funds in the combining financial statements.

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

**Discretely Presented Component Units:**

**Harvin Clarendon County Library**

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

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

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

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

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

**1. Government-wide Financial Statements**

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

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

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

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

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



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

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

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

**2. Fund Financial Statements**

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

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

**Governmental Funds**

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

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

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

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

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

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

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

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

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

**Proprietary Funds**

There is no proprietary fund at June 30, 2007.

**C. Basis of Presentation**

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

**1. Governmental Major Funds:**

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

**C-Program Fund** – In 2007, the County began self administering its C-Fund program. This fund accounts for fuel taxes collected and disbursed to the County by the South Carolina Department of Transportation for the construction and repair of public roads.

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

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

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

**Other Governmental Funds**

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

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

**2. Other Fund Types:**

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

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

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

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

**1. Cash and Cash Equivalents**

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

**2. Receivables and Payables**

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

**3. Inventory**

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

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

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

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

**4. Capital Assets**

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

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

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

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

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

**5. Deferred Revenues**

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

**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.

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

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

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

**7. Landfill Closure Costs**

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

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

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

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

**9. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition construction or improvements of those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the county or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide statement of net assets reports \$3,856,603 of restricted net assets, of which \$1,749,854 is restricted by enabling legislation.

**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.

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

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

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

**Budgetary Basis Of Accounting**

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual presents a comparison of the County's legally adopted budget with actual data on the budgetary basis of accounting. Budgetary accounting principles, however, differ from generally accepted accounting principles (GAAP). These different accounting principles result in the following differences in the excess (deficiency) of revenues and other financing sources (uses) over expenditures at June 30, 2007:

Excess (deficiency) of revenues and other financing sources (uses) over expenditures - budgetary basis	\$ 360,732
Timing differences:	
Net change in encumbrances	<u>84,972</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - GAAP basis	<u>\$ 445,704</u>

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

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

**Budgetary Basis Of Accounting (continued)**

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

Actual expenditures exceeded those budgeted as a result of unbudgeted utilization of South Carolina Department of Transportation C-fund(s) and because grant expenditures are not budgeted (as are grant revenues not budgeted). Both the revenue and expenditures associated with these funds are equal and do not impact the County's financial position.

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

**Primary Government**

At June 30, 2007, the carrying amount of the County's deposits and investments was \$10,859,108 and the bank balances were \$12,324,255. To reconcile this information to the financial statements, we include the following:

Cash and investments	\$ 10,859,108
Cash on hand	<u>600</u>
	<u>10,859,708</u>
 Fiduciary funds	 <u>(3,906,256)</u>
	 <u>\$ 6,953,452</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 2007, none of the County's bank balance of \$10,996,047 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.

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

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

The County has investment in the State Treasurer's Investment Pool.

	<b>Maturities</b>	<b>Fair Value</b>
State investment pool	18 months to 2 years	<u>\$ 1,328,208</u>

**Discretely Presented Component Units**

**Harvin Clarendon County Library**

At year end, the carrying amount of the Library's deposits (checking accounts and savings accounts) was \$170,298, cash on hand was \$50 and the bank balance was \$203,506. Of the bank balance, \$202,932 was covered by the Federal Depository Insurance Corporation (FDIC) insurance, and \$574 was uninsured and uncollateralized.

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

At year end, the carrying amount of the BDC's deposits (checking accounts) was \$249,645 and the bank balance was also \$249,645. Of the bank balance, all funds were covered by federal depository insurance.

**NOTE 4 - PROPERTY TAXES**

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

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.



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

**NOTE 4 - PROPERTY TAXES (continued)**

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

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

The following note is due to the Industrial Park Fund (Special Revenue Fund) at June 30, 2007:

Note receivable from a local industry dated April 9, 2003. Loan amount for \$200,000. Interest rate at 1% per annum for the first three years. 4% for years four through seven and 6% for years eight through fifteen. Credit will be given at the rate of \$2,500 per new permanent employee added after March 11, 2003 up to a maximum of \$125,000.	\$ 172,688
Current portion	<u>(12,805)</u>
Long-term portion	<u>\$ 159,883</u>

**Discretely Presented Component Units**

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

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

**Meritor Heavy Vehicle Systems, LLC**

The BDC leases a building to Meritor Heavy Vehicle systems, LLC for \$16,567.50 per month. Meritor also makes an annual payment in December to reimburse the BDC for the property taxes on the property. These payments are used by the BDC to pay the note payable on the property and the property taxes. This lease is classified as an operating lease.

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

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

**LBT Stainless, Inc.**

The BDC leases a building to LBT Stainless, Inc. for \$6,042 per month plus \$2,700 per month for property taxes. These payments are used by the BDC to pay the note payable on the property and the property taxes. At the end of the lease the building reverts to LBT Stainless, Inc. This lease is classified as a capital lease. The future minimum lease payments are as follows:

June 30, 2008	\$ 72,504
June 30, 2009	72,504
June 30, 2010	72,504
June 30, 2011	72,504
June 30, 2012	72,504
Thereafter	<u>18,126</u>
 Total minimum lease payments	 380,646
 Less amount representing interest	 <u>(33,292)</u>
 Present value of minimum lease payment	 <u>\$ 347,354</u>

**Freeman Millwork Company, Inc.**

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

June 30, 2008	\$ 70,058
June 30, 2009	70,058
June 30, 2010	70,058
June 30, 2011	70,058
June 30, 2012	70,058
Thereafter	<u>921,335</u>
 Total minimum lease payments	 1,271,625
 Less amount representing interest	 <u>(592,468)</u>
 Present value of minimum lease payment	 <u>\$ 679,157</u>

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

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2007 was as follows:

	Beginning Balance	Adjust- ments	Additions	Retire- ments	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 1,809,421	\$ -	\$ -	\$ -	\$ 1,809,421
Construction in Progress	63,295	-	118,890	-	182,185
Total capital assets not being depreciated	<u>1,872,716</u>	-	118,890	-	<u>1,991,606</u>
Capital assets being depreciated:					
Buildings and improvements	12,683,319	-	92,619	-	12,775,938
Infrastructure	2,437,842	15,867	648,395	-	3,102,104
Equipment	7,710,704	-	1,516,307	126,027	9,100,984
Total capital assets being depreciated	<u>22,831,865</u>	<u>15,867</u>	<u>2,257,321</u>	<u>126,027</u>	<u>24,979,026</u>
Less accumulated depreciation for:					
Buildings and improvements	2,773,920	-	253,559	-	3,027,479
Infrastructure	353,149	14,280	174,414	-	541,843
Equipment	5,164,176	-	807,916	126,027	5,846,065
Total accumulated depreciation	<u>8,291,245</u>	<u>14,280</u>	<u>1,235,889</u>	<u>126,027</u>	<u>9,415,387</u>
Total capital assets being depreciated	<u>14,540,620</u>	<u>1,587</u>	<u>1,021,432</u>	<u>-</u>	<u>15,563,639</u>
Governmental activities capital assets, net	<u>\$ 16,413,336</u>	<u>\$ 1,587</u>	<u>\$ 1,140,322</u>	<u>\$ -</u>	<u>\$ 17,555,245</u>

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

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

The adjustments above reflect the addition of infrastructure (primarily roads) as required under GASB Statement 34 not identified in the previous fiscal year and added as capital assets to the County's schedule of capital assets.

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

Governmental activities:	
Public Safety	\$ 716,445
General Government	405,477
Physical Environment	95,651
Cultural/Recreation	12,760
Economic Environment	4,420
Court Related	1,136
Transportation	<u>-</u>
Total depreciation expense-governmental activities	<u>\$ 1,235,889</u>

**NOTE 7 - INTERFUND BALANCES**

Interfund receivables and payables represent fund transfers of a nonmandatory nature, without interest and with no specific time for repayment. Individual fund interfund receivable and payable balances at June 30, 2007, were as follows:

	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
General Fund	\$ 1,177	\$ 56,894
Special Revenue Funds:		
Special purpose districts	53,342	-
E-911 Fund	3,208	
Law Enforcement	-	1,177
Debt Service Funds:		
General Obligations	<u>344</u>	<u>-</u>
General Fund	<u>58,071</u>	<u>58,071</u>
General Fund	300,642	-
Fiduciary Fund types:		
Magistrates:		
General and Civil	-	164,687
Clerk of Court	<u>-</u>	<u>135,955</u>
	<u>300,642</u>	<u>300,642</u>
	<u>\$ 358,713</u>	<u>\$ 358,713</u>

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

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

Individual fund transfers at June 30, 2007, were as follows:

	<b>Transfer In</b>	<b>Transfer Out</b>
General Fund	\$ -	\$ 303,392
Special Revenue		
Industrial Park	247,000	-
Fiduciary Funds		
Delinquent Tax	<u>55,392</u>	<u>-</u>
	<u>\$ 303,392</u>	<u>\$ 303,392</u>

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

**NOTE 8 - LONG-TERM DEBT**

**A. Primary Government**

**Governmental Activities**

**General Obligation Bond**

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

\$ 3,140,000

Total Bonds Payable

\$ 3,140,000

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

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

Annual Debt Service Payments – Governmental Activities

The annual debt service payments for bonds outstanding at June 30, 2007, are as follows:

General Obligation Bonds

June 30,	Principal	Interest
2008	\$ 275,000	\$ 141,988
2009	290,000	124,938
2010	310,000	111,888
2011	325,000	97,938
2012	345,000	83,313
2013-2016	<u>1,595,000</u>	<u>174,462</u>
	<u>\$ 3,140,000</u>	<u>\$ 734,527</u>

**B. Capital Leases**

\$149,650 – Lease/purchase agreement to finance the purchase of one motor grader. Due in annual payments of \$18,120, including interest, due on October 20 of each year.

First payment due October 20, 2005 and ending payment due October 20, 2010.

The motorgrader's gross cost is \$149,650 and the accumulated depreciation is \$9,977.

\$ 123,642

\$422,908 – Lease/purchase agreement to finance the purchase of one Plant 911 VESTA Pallace phone system. Initial payment of \$179,892 followed by annual payments of \$59,139, including interest, due on April 1 of each year. First payment due April 1, 2007 and ending payment due April 1, 2012.

249,251

Total Capital Leases Payable

\$ 372,893

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

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

Future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 2007:

<b>Year Ending June 30,</b>	
2008	\$ 77,259
2009	77,259
2010	77,259
2011	144,139
2012	<u>59,140</u>
Total Minimum Lease Payment	435,056
Less Amount Representing Interest	<u>62,163</u>
Present Value of Net Minimum Lease Payment	<u>\$ 372,893</u>

**C. Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2007 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds payable:					
General Obligation Bonds					
– 2001 Series	<u>\$ 3,400,000</u>	<u>\$ -</u>	<u>\$ (260,000)</u>	<u>\$ 3,140,000</u>	<u>\$ 275,000</u>
Total bond payable	<u>3,400,000</u>	<u>-</u>	<u>(260,000)</u>	<u>3,140,000</u>	<u>275,000</u>
Other liabilities:					
Compensated absences	244,233	3,799	-	248,032	39,685
Closure and maintenance costs payable	313,600	-	(8,687)	304,913	12,975
Capital leases	<u>135,754</u>	<u>422,908</u>	<u>(185,769)</u>	<u>372,893</u>	<u>56,933</u>
Total other liabilities	<u>693,587</u>	<u>426,707</u>	<u>(194,456)</u>	<u>925,838</u>	<u>109,593</u>
<b>Governmental activities long-term liabilities</b>	<u><b>\$ 4,093,587</b></u>	<u><b>\$ 426,707</b></u>	<u><b>\$ (454,456)</b></u>	<u><b>\$ 4,065,838</b></u>	<u><b>\$ 384,593</b></u>

**Discretely Presented Component Units**

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

Note payable to bank, with monthly payments of \$6,750.33 including interest at 9%, final payment due September 1, 2012. Collateralized by real property leased by LBT Stainless, Inc.

\$ 340,975

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

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

Note payable to bank, with monthly payments of \$15,740.15 including interest at 8.5%, final payment due April 10, 2019. Collateralized by real property leased by Meritor Heavy Vehicle Systems, LLC 1,393,402

Note payable to bank, with monthly payments of \$4,210.87 including interest at 8%, final payment due January 1, 2025. Collateralized by real property leased by Freeman Millwork Co., Inc. 482,089

Note payable to Santee Lynch Regional Council of Governments, with monthly payments of \$1,627.30 including interest at 7.5%, final payment due January 3, 2015. Collateralized by real property leased by Freeman Millwork Co., Inc. 194,540

Subtotal of notes payable 2,411,006

Less current portion (136,068)

Notes payable – noncurrent portion \$ 2,274,938

The maturities of long-term debt is as follows:

June 30, 2008	\$ 136,068
June 30, 2009	148,214
June 30, 2010	161,447
June 30, 2011	175,863
June 30, 2012	171,412
Thereafter	<u>1,618,002</u>
	<u>\$ 2,411,006</u>

**NOTE 9 - OPERATING LEASES**

The County entered into an operating lease for the new Judicial building. The 30-year lease term began October 1, 2004 and ends September 30, 2034. There is a renewal option for an additional ten years with a thirty-day notice. The rental amount is \$7,000 per month for a term of fifteen years. The remaining rental amount is \$3,000 plus the percentage of increase or decrease in the Consumer Price Index of all urban consumers for the next fifteen years. The lease does contain cancellation provisions and is subject to annual appropriations. The lease expense for 2006-07 is \$84,000.



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

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

The future minimum rental payments are as follows:

2008	\$ 84,000
2009	84,000
2010	84,000
2011	84,000
2012	84,000
2013 – 2017	420,000
2018 - 2022	288,000
2023 - 2027	180,000
2028 - 2032	180,000
2033 - 2035	<u>81,000</u>
	<u>\$ 1,569,000</u>

The County entered into an operating lease for a new Caterpillar scraper for the Landfill. The 5-year lease term began June 1, 2005 and ends May 31, 2010. The rental amount is \$3,543.70 per month. The lease does contain cancellation provisions and is subject to annual appropriations. The lease expense for 2006-07 is \$42,524.

The future minimum rental payments are as follows:

2008	\$ 42,524
2009	42,524
2010	<u>38,981</u>
	<u>\$ 124,029</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.

**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 and 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, 2007. 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**

**Primary Government**

Substantially all employees of the County are covered by a retirement plan through the South Carolina Retirement System (SCRS) and the Police Officers' Retirement System (PORS) cost sharing multiple-employer defined benefit public employee retirement plans administered by the Retirement Division of the State Budget and Control Board. Generally all County employees are required to participate in and contribute to the SCRS as a condition of employment unless exempted by law.

Both plans provide annuity benefits as well as disability and group-life insurance benefits to eligible employees, retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits and survivor benefits.

Plan benefits are established under Title 9 of the SC Code of Laws. A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System and Police Officers' Retirement System is issued and publicly available by writing the South Carolina Retirement System, P. O. 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. Employees are required to contribute 6.5% of all earnings and the Sheriff and deputies contribute 6.5% under SC Police Officers' Retirement.

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

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

The County's covered payroll for the SCRS for the fiscal year was \$4,499,380. Effective July 1, 2006, employees were required to contribute 6.5% of all compensation. Under Title 9 of the South Carolina Code of Laws, the County's liability under the plan is limited to the amount of contributions (stated as a percentage of covered payroll) established by the State Budget and Control Board. The employer contribution rate is 8.2%.

**Primary Government**

The County's covered payroll for the PORS for the fiscal year was \$2,050,782. Effective July 1, 1994, employees were required to contribute 6.5% of all compensation. Under Title 9 of the code, the County's liability under the plan is limited to the amount of contributions established by the State Budget and Control Board. The employer contribution rate is 10.7%. All employers contribute at the actuarially required contribution rates

The County's contributions to SCRS and PORS for the last three fiscal years were as follows:

	<b>SCRS</b>	<b>PORS</b>
2007	\$368,949	\$219,434
2006	326,567	188,058
2005	272,531	161,539

These contributions equaled the County's required contributions.

**Discretely Presented Component Units**

**Clarendon County Library**

The Library's total payroll and covered payroll for the fiscal year was \$214,091. Effective July 1, 2006, employees were required to contribute 6.5% of all compensation. Under Title 9 of the South Carolina Code of Laws, the Library's liability under the Plan is limited to the amount of contributions (stated as a percentage of covered payroll) established by the State Budget and Control Board. The employer contribution rate is 8.2%. The contribution requirements for the year ended June 30, 2007 were \$13,856 by the employer and \$17,234 by the employees. Also, the Library paid employer group-life contributions of \$321 in the current fiscal year.

**Primary Government**

The County provides certain health care, dental and life insurance benefits to active and retired County employees. All permanent full-time employees of the County are eligible to receive these benefits. The cost of providing these insurance benefits applicable to County retirees (38 individuals) for the year ended June 30, 2007 was \$222,490 provided on a pay-as-you-go-basis. Any retiree who

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

**NOTE 12 - POST RETIREMENT AND OTHER EMPLOYEE BENEFITS**

wishes to insure dependents is required to pay for these costs personally; however, the dependent would become a participant in the group plan for insurance coverage purposes.

**Discretely Presented Component Units**

The Component Units of the County did not provide post retirement or other employee benefits to retired employees for the year ended June 30, 2007.

**NOTE 13 - FUND EQUITY**

The fund balance as of June 30, 2006 was restated as follows:

**Primary Government**

**General Fund**

	<b>Fund Balance</b>		
	<b>Net Assets</b>	<b>GAAP Basis</b>	<b>Budgetary Basis</b>
Fund Balance, as previously reported, June 30, 2006	\$ 19,271,982	\$ 4,478,725	\$ 4,335,078
Report adjustment for Infrastructure	1,587		
Adjustment to Magistrate's Fees and Fines	<u>20,876</u>	<u>20,877</u>	<u>20,877</u>
Fund balance, as restated, June 30, 2006	<u>\$ 19,294,445</u>	<u>\$ 4,499,602</u>	<u>\$ 4,355,955</u>

**NOTE 14 - RISK MANAGEMENT**

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

- 1) Claims of covered public employees for health and dental insurance benefits (Office of Insurance Services) and

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

**NOTE 14 - RISK MANAGEMENT** (continued)

- 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, 2007, 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, 2007, and that the amount of the premium is reasonably estimable, have not been satisfied.

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

**NOTE 15 - CONTINGENCIES AND COMMITMENTS**

**Grants**

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

**Construction Commitment**

A contract was executed on May 2, 2007 in the amount of \$456,543 for the construction of Weldon Complex Phase I of the DSN Workforce training center. As of June 30, 2007, \$118,890 had been paid leaving an outstanding commitment of \$337,663.

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

**NOTE 14 - SUBSEQUENT EVENTS**

On November 28, 2007, a building at the industrial park was sold for \$875,000. This building was owned by the County, but the land was owned by the Business Development Corporation. The proceeds from this sale will go into the Industrial Park Fund to be used for other industrial development.

Also on November 30, 2007, land was sold by the Business Development Corporation for \$125,000. On November 30, 2007 the Business Development Corporation sold the building that is being financed by a capital lease to LBT Stainless, Inc. The building was sold for \$332,095 which is the present value of minimum lease payments at that time.

**COMBINING AND INDIVIDUAL FUND STATEMENTS  
AND SCHEDULES**

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Bureau of Tourism Accommodations	To account for the County's portion of accommodations taxes.
Housing Revitalization and Winter Hill Revitalizaion	To account for grant revenue restricted in use.
Industrial Park	To account for grant and other funds to be used for construction and marketing expenditures related to the Industrial Park.
Drug Enforcement and Other Sheriff's Funds	To account for restricted revenues received by the Sheriff.
Special Purpose Districts	To account for ad valorem taxes collected to be used for various County purposes.
E-911	To account for fees collected by telephone companies to be used to provide emergency assistance through the nationwide 911 system.
Recreation Programs	To account for registration fees used for various recreation programs.
Fire Department	To account for ad valorem taxes and other revenues to be used for the operations of the Fire Department.
Victims Advocate	To account for state assessments and surcharges on fines to be used for victim services.
Circuit Drug Court	To account for restricted revenue for operation of drug court

### DEBT SERVICE FUNDS

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



CLARENDON COUNTY, SOUTH CAROLINA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2007

	Special Revenue					
	Bureau of Tourism Accommo- dation Fund	Housing Revitalization Fund	Industrial Park Fund	Drug Enforcement and Other Sheriff's Fund	Special Purpose Districts	E-911 Recreation Program
<b>ASSETS</b>						
Cash and cash equivalents	\$ 37,696	\$ -	\$ 328,279	\$ 70,337	\$ -	\$ 576,732
Due from other funds	-	-	-	-	53,342	3,208
Delinquent taxes receivable	-	-	-	-	50,130	-
Notes receivable	-	-	172,688	-	-	-
Total Assets	<u>\$ 37,696</u>	<u>\$ -</u>	<u>\$ 500,967</u>	<u>\$ 70,337</u>	<u>\$ 103,472</u>	<u>\$ 579,940</u>
<b>LIABILITIES AND FUND EQUITY</b>						
Liabilities:						
Accounts payable	\$ 3,691	\$ -	\$ 23,691	\$ -	\$ -	\$ 868
Deferred revenue	-	-	-	-	39,612	-
Due to other funds	-	-	-	1,177	-	-
Total Liabilities	<u>3,691</u>	<u>-</u>	<u>23,691</u>	<u>1,177</u>	<u>39,612</u>	<u>868</u>
Fund Equity:						
Fund balances:						
Unreserved	34,005	-	477,276	69,160	63,860	579,940
Reserved for debt service	-	-	-	-	-	-
Total Fund Equity	<u>34,005</u>	<u>-</u>	<u>477,276</u>	<u>69,160</u>	<u>63,860</u>	<u>579,940</u>
Total Liabilities and Fund Equity	<u>\$ 37,696</u>	<u>\$ -</u>	<u>\$ 500,967</u>	<u>\$ 70,337</u>	<u>\$ 103,472</u>	<u>\$ 579,940</u>

CLARENDON COUNTY, SOUTH CAROLINA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2007

	Special Revenue							Debt Service		Total Nonmajor Governmental Funds
	Winter Hill Emergency Housing	Fire Department	Victims Advocate Fund	Third Circuit Drug Court	1980 Fire Protection	General Obligation Bond				
<b>ASSETS</b>										
Cash and cash equivalents	\$ -	\$ 524,558	\$ 3,472	\$ 14,468	\$ 78,190	\$ 266,289		\$ 1,905,945		
Due from other funds	-	-	-	-	-	344		56,894		
Delinquent taxes receivable	-	115,737	-	-	7,774	52,288		225,929		
Notes receivable	-	-	-	-	-	-		172,688		
Total Assets	\$ -	\$ 640,295	\$ 3,472	\$ 14,468	\$ 85,964	\$ 318,921		\$ 2,361,456		
<b>LIABILITIES AND FUND EQUITY</b>										
Liabilities:										
Accounts payable	\$ -	\$ 39,723	\$ 417	\$ 2,124	\$ -	\$ -		\$ 70,514		
Deferred revenue	-	87,480	-	-	7,721	42,929		177,742		
Due to other funds	-	-	-	-	-	-		1,177		
Total Liabilities	\$ -	\$ 127,203	\$ 417	\$ 2,124	\$ 7,721	\$ 42,929		\$ 249,433		
Fund Equity:										
Fund balances:										
Unreserved	-	513,092	3,055	12,344	-	-		1,757,788		
Reserved for debt service	-	-	-	-	78,243	275,992		354,235		
Total Fund Equity	\$ -	\$ 513,092	\$ 3,055	\$ 12,344	\$ 78,243	\$ 275,992		\$ 2,112,023		
Total Liabilities and Fund Equity	\$ -	\$ 640,295	\$ 3,472	\$ 14,468	\$ 85,964	\$ 318,921		\$ 2,361,456		

CLARENDON COUNTY, SOUTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007

	Special Revenue						
	Bureau of Tourism Accommo- dation Fund	Housing Revitalization Fund	Industrial Park Fund	Enforcement and Other Sheriff's Fund	Special Purpose Districts	E-911	Recreation Program
<b>REVENUES</b>							
Taxes					\$ 557,712	\$ -	\$ -
Intergovernmental	97,404	103,252	-	-	-	436,634	-
Charges for services	-	-	-	-	-	246,750	44,756
Fines and forfeitures	-	-	-	67,621	-	-	-
Special assessments	-	-	-	-	-	-	-
Interest	680	-	8,640	444	-	25,798	636
Total Revenues	98,084	103,252	8,640	68,065	557,712	709,182	45,392
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	571,227	-	-
Public safety	-	-	-	52,928	-	385,472	-
Recreation	-	-	-	-	-	-	46,090
Community Development	127,045	105,565	279,191	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	173,657	-
Interest and fees	-	-	-	-	-	6,235	-
Total Expenditures	127,045	105,565	279,191	52,928	571,227	565,364	46,090
Excess of revenues over (under) expenditures	(28,961)	(2,313)	(270,551)	15,137	(13,515)	143,818	(698)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in (out)	-	-	247,000	-	-	-	-
Total Other Financing Sources (Uses)	-	-	247,000	-	-	-	-
Net change in fund balances	(28,961)	(2,313)	(23,551)	15,137	(13,515)	143,818	(698)
Fund balances at beginning of year	62,966	2,313	500,827	54,023	77,375	436,122	5,754
Fund balances at end of year	34,005	-	477,276	69,160	63,860	579,940	5,056

CLARENDON COUNTY, SOUTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007

	Special Revenue					Debt Service			Total Nonmajor Governmental Funds
	Winter Hill Emergency Housing	Fire Department	Victims Advocate Fund	Third Circuit Drug Court	1980 Fire Protection	General Obligation Bond			
<b>REVENUES</b>									
Taxes	\$ -	\$ 1,440,880	\$ -	\$ -	\$ 8,726	\$ 444,864	\$ -	\$ 2,452,182	
Intergovernmental	130,110	-	-	150,000	-	-	-	917,400	
Charges for services	-	-	-	-	-	-	-	291,506	
Fines and forfeitures	-	-	-	-	-	-	-	67,621	
Special assessments	-	-	123,108	-	-	-	-	123,108	
Interest	-	22,069	16	2,775	4,234	1,383	-	66,675	
Total Revenues	130,110	1,462,949	123,124	152,775	12,960	446,247	-	3,918,492	
<b>EXPENDITURES</b>									
Current:									
General government	-	-	-	-	-	-	-	571,227	
Public safety	-	1,311,392	101,405	150,181	-	-	-	2,001,378	
Recreation	-	-	-	-	-	-	-	46,090	
Community Development	130,110	-	-	-	-	-	-	641,911	
Debt service:									
Principal	-	-	-	-	-	272,111	-	445,768	
Interest and fees	-	-	-	-	-	164,258	-	170,493	
Total Expenditures	130,110	1,311,392	101,405	150,181	-	436,369	-	3,876,867	
Excess of revenues over (under) expenditures	-	151,557	21,719	2,594	12,960	9,878	-	41,625	
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in (out)	-	8,492	-	-	(8,492)	-	-	247,000	
Total Other Financing Sources (Uses)	-	8,492	-	-	(8,492)	-	-	247,000	
Net change in fund balances	-	160,049	21,719	2,594	4,468	9,878	-	288,625	
Fund balances at beginning of year	-	353,043	(18,664)	9,750	73,775	266,114	-	1,823,398	
Fund balances at end of year	\$ -	\$ 513,092	\$ 3,055	\$ 12,344	\$ 78,243	\$ 275,992	\$ -	\$ 2,112,023	

**CLARENDON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>				
<b>REVENUES</b>						
<b>Taxes</b>						
Real estate taxes	\$ 6,584,250	\$ 6,606,750	\$ 6,174,331	\$ -	\$ 6,174,331	\$ (432,419)
Local option sales tax	1,900,000	1,900,000	2,216,428	-	2,216,428	316,428
Vehicle taxes	1,207,795	1,185,295	1,187,546	-	1,187,546	2,251
Delinquent taxes	770,000	770,000	969,423	-	969,423	199,423
Local accommodations	140,000	140,000	187,143	-	187,143	47,143
Payment in lieu of taxes	60,000	60,000	45,382	-	45,382	(14,618)
Treasurer's cost to cities	4,200	4,200	-	-	-	(4,200)
Payment in lieu - motor carrier	100,000	100,000	182,703	-	182,703	82,703
<b>Total taxes</b>	<b>10,766,245</b>	<b>10,766,245</b>	<b>10,962,956</b>	<b>-</b>	<b>10,962,956</b>	<b>196,711</b>
<b>Licenses and permits</b>						
Moving permits	4,500	4,500	4,225	-	4,225	(275)
Building permits	170,000	170,000	218,989	-	218,989	48,989
<b>Total licenses and permits</b>	<b>174,500</b>	<b>174,500</b>	<b>223,214</b>	<b>-</b>	<b>223,214</b>	<b>48,714</b>
<b>Charges for services</b>						
Assessors fees	10,000	10,000	9,589	-	9,589	(411)
Master in Equity fees	15,000	15,000	24,021	-	24,021	9,021
Probate fees	55,000	55,000	56,574	-	56,574	1,574
Planning and public service fees	12,000	12,000	12,501	-	12,501	501
RMC fees and charges	250,000	250,000	290,245	-	290,245	40,245
Landfill fees	155,000	155,000	205,229	-	205,229	50,229
County road user fee	650,000	650,000	681,841	-	681,841	31,841
Municipal inmate housing	60,000	60,000	42,898	-	42,898	(17,102)
<b>Total charges for services</b>	<b>1,207,000</b>	<b>1,207,000</b>	<b>1,322,898</b>	<b>-</b>	<b>1,322,898</b>	<b>115,898</b>
<b>Fines and forfeitures</b>						
Clerk of court fines and fees	135,000	135,000	135,390	-	135,390	390
Magistrate fines and fees	475,000	475,000	784,808	-	784,808	309,808
Magistrate assessment	55,000	55,000	146,640	-	146,640	91,640
Sheriff's fines and fees	5,000	5,000	5,450	-	5,450	450
	<b>670,000</b>	<b>670,000</b>	<b>1,072,288</b>	<b>-</b>	<b>1,072,288</b>	<b>402,288</b>
<b>Investment income</b>						
	<b>35,000</b>	<b>35,000</b>	<b>162,650</b>	<b>-</b>	<b>162,650</b>	<b>127,650</b>
<b>Miscellaneous</b>						
Hangar rent	23,000	23,000	24,250	-	24,250	1,250
Multi-County Industrial Park	65,000	65,000	50,609	-	50,609	(14,391)
Miscellaneous revenue	92,500	92,500	125,304	-	125,304	32,804
Franchise fees	35,000	35,000	34,407	-	34,407	(593)
Voter registration	2,500	2,500	1,320	-	1,320	(1,180)
House arrest system	1,000	1,000	600	-	600	(400)
	<b>219,000</b>	<b>219,000</b>	<b>236,490</b>	<b>-</b>	<b>236,490</b>	<b>17,490</b>

**CLARENDON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>				
<b>Intergovernmental</b>						
<b>State</b>						
Accommodations tax	35,000	35,000	30,127	-	30,127	(4,873)
Merchant's inventory tax	48,220	48,220	82,663	-	82,663	34,443
Solid waste tire fees	13,000	13,000	13,582	-	13,582	582
State aid and allocations	1,681,000	1,681,000	1,684,375	-	1,684,375	3,375
Voter registration	6,250	6,250	11,879	-	11,879	5,629
Clerk/Sheriff/Probate Judge supplements	7,335	7,335	4,725	-	4,725	(2,610)
Drug court funds	5,000	5,000	5,000	-	5,000	-
Vital records fees	12,500	12,500	11,353	-	11,353	(1,147)
C-Fund Program	-	-	1,268,539	-	1,268,539	1,268,539
PARD grant(s)	-	-	595	-	595	595
Airport improvement program	-	-	1,125	-	1,125	1,125
Waste tire grant	-	-	3,854	-	3,854	3,854
Used oil grant	-	-	13,476	-	13,476	13,476
Cardboard recycling grant	-	-	40,279	-	40,279	40,279
Cardboard collection grant	-	-	32,300	-	32,300	32,300
Weldon auditorium grant	-	-	275	-	275	275
Business devel. industry study	-	-	8,400	-	8,400	8,400
SC Parks & Tourism grant(s)	-	-	30,511	-	30,511	30,511
Emergency medical aid	-	-	16,180	-	16,180	16,180
Commerce rural infrastructure grant	-	-	2,500,000	-	2,500,000	2,500,000
<b>Federal:</b>						
Veterans affairs	5,000	5,000	6,194	-	6,194	1,194
Election commission	6,250	6,250	-	-	-	(6,250)
DSS - Clerk of Court	105,000	105,000	122,079	-	122,079	17,079
DSS - Revenue	45,000	45,000	42,642	-	42,642	(2,358)
DSS - Sheriff	13,000	13,000	9,223	-	9,223	(3,777)
Courthouse square phase two	-	-	18,568	-	18,568	18,568
DSN workforce training	-	-	105,569	-	105,569	105,569
Airport improvement program	-	-	20,250	-	20,250	20,250
Airport hanger Project	-	-	27,313	-	27,313	27,313
Homeland security grant - 2005	-	-	10,389	-	10,389	10,389
Secure Our Schools grant	-	-	17,106	-	17,106	17,106
School Resource Officer(s) grant	-	-	59,180	-	59,180	59,180
Paxville community development grant	-	-	1,198	-	1,198	1,198
Automated fingerprint identification grant	-	-	66,623	-	66,623	66,623
Dept of Justice terrorism prevention grant	-	-	5,925	-	5,925	5,925
Dept of Justice block grant 2005	-	-	1,182	-	1,182	1,182
EMA citizen corp. grant(s)	-	-	9,166	-	9,166	9,166
Emergency Management Performance	-	-	16,185	-	16,185	16,185
	<u>1,982,555</u>	<u>1,982,555</u>	<u>6,298,030</u>	<u>-</u>	<u>6,298,030</u>	<u>4,315,475</u>
<b>TOTAL REVENUES</b>	<b>\$ 15,054,300</b>	<b>\$ 15,054,300</b>	<b>\$ 20,278,526</b>	<b>\$ -</b>	<b>\$ 20,278,526</b>	<b>\$ 5,224,226</b>

**CLARENDON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>				
<b>General Government and Administration:</b>						
Administration:						
Salaries and related Operations	\$ 224,102	\$ 233,194	\$ 244,024	\$ -	\$ 244,024	\$ (10,830)
	23,500	23,500	20,512	-	20,512	2,988
	<u>247,602</u>	<u>256,694</u>	<u>264,536</u>	<u>-</u>	<u>264,536</u>	<u>(7,842)</u>
County Council:						
Salaries and related Operations	79,481	85,266	\$ 85,764	-	85,764	(498)
	13,175	13,175	5,959	-	5,959	7,216
	<u>92,656</u>	<u>98,441</u>	<u>91,723</u>	<u>-</u>	<u>91,723</u>	<u>6,718</u>
Assessor:						
Salaries and related Operations	398,435	407,765	\$ 407,632	-	407,632	133
	172,100	172,100	95,746	51,172	146,918	25,182
	<u>570,535</u>	<u>579,865</u>	<u>503,378</u>	<u>51,172</u>	<u>554,550</u>	<u>25,315</u>
Auditor:						
Salaries and related Operations	126,100	144,199	\$ 143,968	-	143,968	231
	17,990	19,990	20,144	31	20,175	(185)
	<u>144,090</u>	<u>164,189</u>	<u>164,112</u>	<u>31</u>	<u>164,143</u>	<u>46</u>
Treasurer:						
Salaries and related Operations	141,981	145,519	\$ 149,266	-	149,266	(3,747)
	17,940	19,715	20,927	(923)	20,004	(289)
	<u>159,921</u>	<u>165,234</u>	<u>170,193</u>	<u>(923)</u>	<u>169,270</u>	<u>(4,036)</u>
Finance:						
Salaries and related Operations	363,121	370,330	\$ 363,199	-	363,199	7,131
	39,900	35,787	27,132	(427)	26,705	9,082
	<u>403,021</u>	<u>406,117</u>	<u>390,331</u>	<u>(427)</u>	<u>389,904</u>	<u>16,213</u>
Human Resources:						
Salaries and related Operations	113,427	116,534	\$ 111,434	-	111,434	5,100
	11,364	13,477	13,002	-	13,002	475
	<u>124,791</u>	<u>130,011</u>	<u>124,436</u>	<u>-</u>	<u>124,436</u>	<u>5,575</u>
Tax Collector:						
Salaries and related Operations	90,536	92,859	\$ 93,554	-	93,554	(695)
	21,232	21,232	19,360	344	19,704	1,528
	<u>111,768</u>	<u>114,091</u>	<u>112,914</u>	<u>344</u>	<u>113,258</u>	<u>833</u>
Voter Registration:						
Salaries and related Operations	69,366	73,580	\$ 72,198	-	72,198	1,382
	12,867	12,867	9,605	-	9,605	3,262
	<u>82,233</u>	<u>86,447</u>	<u>81,803</u>	<u>-</u>	<u>81,803</u>	<u>4,644</u>
Information Technology:						
Operations	135,500	133,725	117,107	-	117,107	16,618
	<u>135,500</u>	<u>133,725</u>	<u>117,107</u>	<u>-</u>	<u>117,107</u>	<u>16,618</u>
Veterans Affairs:						
Salaries and related Operations	46,826	47,952	\$ 47,572	-	47,572	380
	2,200	2,200	6,403	-	6,403	(4,203)
	<u>49,026</u>	<u>50,152</u>	<u>53,975</u>	<u>-</u>	<u>53,975</u>	<u>(3,823)</u>

**CLARENDON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>				
<b>Nondepartmental Expenditures:</b>						
Special Projects	300,000	200,000	71,124	13,650	84,774	115,226
Rent - Judicial Annex	90,000	90,000	101,796	-	101,796	(11,796)
Workmen's compensation	320,000	320,000	289,598	-	289,598	30,402
Audit fee	30,000	30,000	26,893	-	26,893	3,107
Unemployment	10,000	10,000	2,723	-	2,723	7,277
Electricity	229,500	229,500	245,981	-	245,981	(16,481)
Printing and postage	120,000	120,000	144,396	-	144,396	(24,396)
Christmas bonus	31,000	31,000	32,395	-	32,395	(1,395)
Property and liability insurance	220,000	220,000	214,036	-	214,036	5,964
Drug screening	3,100	3,100	3,102	-	3,102	(2)
Water	15,000	15,000	17,836	-	17,836	(2,836)
Retirees' insurance	219,500	219,500	222,490	-	222,490	(2,990)
Telephone	147,375	147,375	135,742	-	135,742	11,633
Personnel	487,335	79,274	-	-	-	79,274
Holiday compensation	40,500	40,500	42,765	-	42,765	(2,265)
Retirement expense	1,700	1,700	2,060	-	2,060	(360)
FICA expense	5,470	5,470	6,294	-	6,294	(824)
Police retirement	2,000	2,000	1,888	-	1,888	112
Towing fees	250	250	-	-	-	250
Bank fees and charges	7,500	7,500	15,198	-	15,198	(7,698)
	<u>2,280,230</u>	<u>1,772,169</u>	<u>1,576,317</u>	<u>13,650</u>	<u>1,589,967</u>	<u>182,202</u>
<b>Grant Expense:</b>						
Santee Cooper airport improvement	-	-	22,500	-	22,500	(22,500)
Paxville CDC community block grant	-	-	448	750	1,198	(1,198)
Emergency management plan(s)	-	-	2,355	-	2,355	(2,355)
Palmetto pride	-	-	1,734	-	1,734	(1,734)
EMS Grant in aid	-	-	14,495	1,685	16,180	(16,180)
Waste oil grant	-	-	13,646	-	13,646	(13,646)
Waste tire grant	-	-	3,854	-	3,854	(3,854)
Cardboard - 2007	-	-	9,263	31,016	40,279	(40,279)
Cardboard collection grant	-	-	-	32,300	32,300	(32,300)
DSN workforce grant	-	-	120,508	25,055	145,563	(145,563)
Weldon auditorium	-	-	275	-	275	(275)
SC Parks and Recreation	-	-	739	-	739	(739)
SC Parks and Tourism grant(s)	-	-	38,257	-	38,257	(38,257)
Depart. of Comm. rural infrastructure	-	-	2,500,750	-	2,500,750	(2,500,750)
Secure our schools - USDOJ	-	-	17,105	-	17,105	(17,105)
Automated fingerprint identification	-	-	88,831	-	88,831	(88,831)
Courthouse phase two	-	-	15,389	-	15,389	(15,389)
Justice Assistance 2005	-	-	1,182	-	1,182	(1,182)
DOJ terrorism prevention grant	-	-	5,925	-	5,925	(5,925)
Homeland Security 2005	-	-	10,383	-	10,383	(10,383)
Citizen Corps - SCEMD	-	-	7,745	-	7,745	(7,745)
Airport Hanger Project	-	-	28,750	-	28,750	(28,750)
Cert Devel Sites	-	-	80,000	(51,500)	28,500	(28,500)
Target Industry Study	-	-	18,000	-	18,000	(18,000)
	<u>-</u>	<u>-</u>	<u>3,002,134</u>	<u>39,306</u>	<u>3,041,440</u>	<u>(3,041,440)</u>
<b>Total General Government and Administration</b>	<u>4,401,373</u>	<u>3,957,135</u>	<u>6,652,959</u>	<u>103,153</u>	<u>6,756,112</u>	<u>(2,798,977)</u>



CLARENDON COUNTY, SOUTH CAROLINA  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
<b>Court Related:</b>						
Clerk of Court:						
Salaries and related	96,097	98,587	100,318	-	100,318	(1,731)
Operations	79,750	79,750	62,385	-	62,385	17,365
	<u>175,847</u>	<u>178,337</u>	<u>162,703</u>	<u>-</u>	<u>162,703</u>	<u>15,634</u>
Magistrates:						
Salaries and related	345,153	370,059	363,119	-	363,119	6,940
Operations	22,450	22,450	21,889	-	21,889	561
	<u>367,603</u>	<u>392,509</u>	<u>385,008</u>	<u>-</u>	<u>385,008</u>	<u>7,501</u>
Probate Judge:						
Salaries and related	101,160	103,871	103,188	-	103,188	683
Operations	10,350	10,350	7,872	1,348	9,220	1,130
	<u>111,510</u>	<u>114,221</u>	<u>111,060</u>	<u>1,348</u>	<u>112,408</u>	<u>1,813</u>
Family Court:						
Salaries and related	103,411	106,136	105,583	-	105,583	553
Operations	9,000	9,000	3,175	-	3,175	5,825
	<u>112,411</u>	<u>115,136</u>	<u>108,758</u>	<u>-</u>	<u>108,758</u>	<u>6,378</u>
RMC:						
Salaries and related	85,841	89,484	89,445	-	89,445	39
Operations	75,500	75,500	71,628	(427)	71,201	4,299
	<u>161,341</u>	<u>164,984</u>	<u>161,073</u>	<u>(427)</u>	<u>160,646</u>	<u>4,338</u>
Master in Equity:						
Salaries and related	27,824	28,414	28,110	-	28,110	304
Operations	3,550	3,550	2,880	-	2,880	670
	<u>31,374</u>	<u>31,964</u>	<u>30,990</u>	<u>-</u>	<u>30,990</u>	<u>974</u>
DSS Funds - Clerk of Court:						
Salaries and related	73,247	74,609	75,505	-	75,505	(896)
Operations	11,000	11,000	6,077	-	6,077	4,923
	<u>84,247</u>	<u>85,609</u>	<u>81,582</u>	<u>-</u>	<u>81,582</u>	<u>4,027</u>
Solicitor:						
Allowance	143,813	143,813	143,813	-	143,813	-
Public Defender:						
Allowance	60,000	60,000	60,000	-	60,000	-
	<u>203,813</u>	<u>203,813</u>	<u>203,813</u>	<u>-</u>	<u>203,813</u>	<u>-</u>
Total Court Related	<u>1,248,146</u>	<u>1,286,573</u>	<u>1,244,987</u>	<u>921</u>	<u>1,245,908</u>	<u>40,665</u>
<b>Public Safety:</b>						
Sheriff:						
Salaries and related	1,513,372	1,673,382	1,722,637	-	1,722,637	(49,255)
Operations	505,400	546,892	661,364	1,171	662,535	(115,643)
	<u>2,018,772</u>	<u>2,220,274</u>	<u>2,384,001</u>	<u>1,171</u>	<u>2,385,172</u>	<u>(164,898)</u>
Emergency Preparedness:						
Salaries and related	90,584	94,163	93,025	-	93,025	1,138
Operations	17,067	17,067	16,833	1,229	18,062	(995)
	<u>107,651</u>	<u>111,230</u>	<u>109,858</u>	<u>1,229</u>	<u>111,087</u>	<u>143</u>
Correctional Center:						
Salaries and related	1,248,416	1,289,010	1,213,703	-	1,213,703	75,307
Operations	467,725	467,725	512,365	36,638	549,003	(81,278)
	<u>1,716,141</u>	<u>1,756,735</u>	<u>1,726,068</u>	<u>36,638</u>	<u>1,762,706</u>	<u>(5,971)</u>

CLARENDON COUNTY, SOUTH CAROLINA  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Coroner:						
Salaries and related	37,005	38,116	38,115	-	38,115	1
Operations	68,900	68,900	56,773	-	56,773	12,127
	105,905	107,016	94,888	-	94,888	12,128
Communications:						
Salaries and related	457,232	466,565	456,261	-	456,261	10,304
Operations	34,800	34,800	85,191	(76,550)	8,641	26,159
	492,032	501,365	541,452	(76,550)	464,902	36,463
EMS:						
Contract	788,904	788,904	788,904	-	788,904	-
Animal Control:						
Expenses	137,718	137,718	137,718	-	137,718	-
Total Public Safety	5,367,123	5,623,242	5,782,889	(37,512)	5,745,377	(122,135)
<b>Physical Environment:</b>						
Facilities Management:						
Salaries and related	207,885	213,592	209,807	-	209,807	3,785
Operations	191,565	191,565	156,130	274	156,404	35,161
	399,450	405,157	365,937	274	366,211	38,946
Landfill:						
Salaries and related	148,078	151,490	154,067	-	154,067	(2,577)
Operations	1,292,750	1,292,750	1,565,274	-	1,565,274	(272,524)
	1,440,828	1,444,240	1,719,341	-	1,719,341	(275,101)
County Engineer:						
Salaries and related	76,170	78,173	77,834	-	77,834	339
Operations	3,200	3,200	1,300	-	1,300	1,900
	79,370	81,373	79,134	-	79,134	2,239
Public Works:						
Salaries and related	503,230	520,636	520,344	-	520,344	292
Operations	200,000	194,600	232,542	4,461	237,003	(42,403)
	703,230	715,236	752,886	4,461	757,347	(42,111)
C funds expenditures:	-	-	1,268,539	-	1,268,539	(1,268,539)
Total Physical Environment	2,622,878	2,646,006	4,185,837	4,735	4,190,572	(1,544,566)
<b>Economic Environment:</b>						
Planning and Public Service Commission:						
Salaries and related	246,185	253,179	254,021	-	254,021	(842)
Operations	54,000	54,000	41,153	-	41,153	12,847
	300,185	307,179	295,174	-	295,174	12,005
Development Board:						
Salaries and related	118,533	121,598	120,869	-	120,869	729
Operations	259,390	159,390	164,483	-	164,483	(5,093)
	377,923	280,988	285,352	-	285,352	(4,364)
Total Economic Environment	678,108	588,167	580,526	-	580,526	7,641

**CLARENDON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>				
<b>Transportation:</b>						
<b>Fleet Maintenance:</b>						
Salaries and related	156,905	159,701	151,777	-	151,777	7,924
Operations	11,150	11,150	9,007	-	9,007	2,143
	<u>168,055</u>	<u>170,851</u>	<u>160,784</u>	<u>-</u>	<u>160,784</u>	<u>10,067</u>
<b>Airport Commission:</b>						
Operations	63,410	63,410	21,319	13,675	34,994	28,416
	<u>63,410</u>	<u>63,410</u>	<u>21,319</u>	<u>13,675</u>	<u>34,994</u>	<u>28,416</u>
<b>Total Transportation</b>	<u>231,465</u>	<u>234,261</u>	<u>182,103</u>	<u>13,675</u>	<u>195,778</u>	<u>38,483</u>
<b>Recreation and Culture:</b>						
<b>Recreation:</b>						
Salaries and related	195,413	200,111	200,809	-	200,809	(698)
Operations	99,605	99,605	92,490	-	92,490	7,115
	<u>295,018</u>	<u>299,716</u>	<u>293,299</u>	<u>-</u>	<u>293,299</u>	<u>6,417</u>
<b>County Archives:</b>						
Salaries and related	41,179	50,190	48,189	-	48,189	2,001
Operations	4,895	4,895	4,032	-	4,032	863
	<u>46,074</u>	<u>55,085</u>	<u>52,221</u>	<u>-</u>	<u>52,221</u>	<u>2,864</u>
<b>Total Recreation and Culture</b>	<u>341,092</u>	<u>354,801</u>	<u>345,520</u>	<u>-</u>	<u>345,520</u>	<u>9,281</u>
<b>Miscellaneous:</b>						
<b>Agencies:</b>						
Santee-Lynches	22,782	22,782	22,782	-	22,782	-
Voter Registration Board	6,250	6,250	5,939	-	5,939	311
Department of Social Services	500	500	500	-	500	-
Clarendon Soil and Water Conservation	30,000	30,000	30,000	-	30,000	-
Election Commission	6,250	6,250	6,247	-	6,247	3
Election Commission - Supplies	3,000	3,000	6,280	-	6,280	(3,280)
Clemson Extension	48,900	48,900	30,644	-	30,644	18,256
SC Association of Counties	8,672	8,672	8,672	-	8,672	-
Circuit judge allowance	15,650	15,650	20,191	-	20,191	(4,541)
Delegation allowance	14,000	14,000	14,000	-	14,000	-
Behavioral Services	15,380	15,380	15,380	-	15,380	-
Disabilities and Special Needs Board	5,000	5,000	5,000	-	5,000	-
DHEC	12,000	12,000	12,000	-	12,000	-
Santee Wateree RTA	2,450	2,450	2,450	-	2,450	-
National Guard	1,900	1,900	1,900	-	1,900	-
Indigent care	59,845	59,845	59,845	-	59,845	-
Council on Aging	5,000	5,000	5,000	-	5,000	-
County Board of Education	2,734	2,734	2,977	-	2,977	(243)
Wateree Community Action	1,960	1,960	1,960	-	1,960	-
USC Sumter - Mid Carolina	4,750	4,750	4,750	-	4,750	-
American Red Cross	5,000	5,000	5,000	-	5,000	-
Central Carolina Technical College	297,092	297,092	297,092	-	297,092	-
<b>Total Miscellaneous</b>	<u>569,115</u>	<u>569,115</u>	<u>558,609</u>	<u>-</u>	<u>558,609</u>	<u>10,506</u>
<b>Total Expenditures</b>	<u>\$ 15,459,300</u>	<u>\$ 15,259,300</u>	<u>\$ 19,533,430</u>	<u>\$ 84,972</u>	<u>\$ 19,618,402</u>	<u>\$ (4,359,102)</u>
<b>Other Financing Sources (Uses)</b>						
Sale of Assets	\$ 235,000	\$ 235,000	\$ 3,000	\$ -	\$ 3,000	\$ (232,000)
Transfers In (Out)	(30,000)	(230,000)	(302,392)	-	(302,392)	(72,392)
	<u>\$ 205,000</u>	<u>\$ 5,000</u>	<u>\$ (299,392)</u>	<u>\$ -</u>	<u>\$ (299,392)</u>	<u>\$ (304,392)</u>

**CLARENDON COUNTY, SOUTH CAROLINA**  
**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FIRE DEPARTMENT - SPECIAL REVENUE FUND**  
**BUDGETARY BASIS**  
**JUNE 30, 2007**

	<b>Final Budget</b>	<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	\$ 1,363,451	\$ 1,440,880	\$ 77,429
Interest	-	22,069	22,069
Total revenues	<u>1,363,451</u>	<u>1,462,949</u>	<u>99,498</u>
<b>EXPENDITURES</b>			
Public Safety	<u>1,363,451</u>	<u>1,311,392</u>	<u>52,059</u>
Total expenditures	<u>1,363,451</u>	<u>1,311,392</u>	<u>52,059</u>
Excess (deficiency) of revenues over (under) expenditures	-	151,557	151,557
Other Financing Sources (Uses) Transfers In (Out)	<u>-</u>	<u>8,492</u>	<u>8,492</u>
Net Change in Fund Balance	-	160,049	160,049
Fund balances at beginning of year	<u>353,043</u>	<u>353,043</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 353,043</u></u>	<u><u>\$ 513,092</u></u>	<u><u>\$ 160,049</u></u>

## FIDUCIARY FUND

### AGENCY FUNDS

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

**CLARENDON COUNTY, SOUTH CAROLINA  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
ALL AGENCY FUNDS  
JUNE 30, 2007**

	School Districts Debt Service	School Districts Operations	Probate Judge	Master-In Equity
<b>ASSETS</b>				
Cash	\$ 2,376,190	\$ -	\$ 420	\$ 9,310
Delinquent taxes receivable	127,522	751,794	-	-
Due from Treasurer	-	-	-	-
Accounts receivable	-	-	-	-
Due from other magistrates	-	-	-	-
Due from trust fund holders	-	-	-	-
Total assets	<u>2,503,712</u>	<u>751,794</u>	<u>420</u>	<u>9,310</u>
<b>LIABILITIES</b>				
Due to trust fund holders	2,392,903	148,371	420	9,310
Due to Treasurer	-	-	-	-
Due to Treasurer - cash coverage	-	-	-	-
Deferred revenue	110,809	603,423	-	-
Due to other magistrates	-	-	-	-
Total liabilities	<u>2,503,712</u>	<u>751,794</u>	<u>420</u>	<u>9,310</u>
<b>NET ASSETS</b>				
Total net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CLARENDON COUNTY, SOUTH CAROLINA**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**ALL AGENCY FUNDS**  
**JUNE 30, 2007**

	Magistrates		Clerk of Court	Tax Collector	Total
	General Account	Civil Account			
Cash	\$ 214,263	\$ 7,892	\$ 469	\$ 898,752	\$ 3,906,256
Delinquent taxes receivable	-	-	-	-	879,316
Due from Treasurer - Cash coverage	-	-	81	-	81
Accounts receivable	-	-	-	-	6,419
Due from other magistrates	550	-	-	6,419	550
Due from trust fund holders	-	-	-	-	3,168
Total assets	214,813	7,892	550	901,920	4,795,790

**LIABILITIES**

Due to trust fund holders	53,140	-	-	759,831	3,769,354
Due to Treasurer	156,795	7,892	-	135,955	300,642
Due to Treasurer - cash coverage	4,878	-	-	6,134	11,012
Deferred revenue	-	-	-	-	714,232
Due to other magistrates	-	-	550	-	550
Total liabilities	214,813	7,892	550	901,920	4,795,790

**NET ASSETS**

Total net assets	\$ -	\$ -	\$ -	\$ -	\$ -
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**CLARENDON COUNTY, SOUTH CAROLINA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**JUNE 30, 2007**

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
<b>Municipalities</b>				
<b>Assets</b>				
Due from General Fund	\$ -	\$ 892,059	\$ 892,059	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 892,059</u>	<u>\$ 892,059</u>	<u>\$ -</u>
<b>Liabilities</b>				
Due to Towns	\$ -	\$ 892,059	\$ 892,059	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 892,059</u>	<u>\$ 892,059</u>	<u>\$ -</u>
<b>School Districts Debt Service</b>				
<b>Assets</b>				
Cash and investments	\$ 2,285,776	\$ 90,414	\$ -	\$ 2,376,190
Delinquent taxes receivable	144,802	-	17,280	127,522
Total Assets	<u>\$ 2,430,578</u>	<u>\$ 90,414</u>	<u>\$ 17,280</u>	<u>\$ 2,503,712</u>
<b>Liabilities</b>				
Deferred revenue	\$ 122,283	\$ -	\$ 11,474	\$ 110,809
Due to trust fund holders	2,308,295	84,608	-	2,392,903
Total Liabilities	<u>\$ 2,430,578</u>	<u>\$ 84,608</u>	<u>\$ 11,474</u>	<u>\$ 2,503,712</u>
<b>School District Operations</b>				
<b>Assets</b>				
Delinquent taxes receivable	\$ 671,495	\$ 80,299	\$ -	\$ 751,794
Total Assets	<u>\$ 671,495</u>	<u>\$ 80,299</u>	<u>\$ -</u>	<u>\$ 751,794</u>
<b>Liabilities</b>				
Deferred revenue	\$ 527,766	\$ 75,657	\$ -	\$ 603,423
Due to trust fund holders	143,729	4,642	-	148,371
Total Liabilities	<u>\$ 671,495</u>	<u>\$ 80,299</u>	<u>\$ -</u>	<u>\$ 751,794</u>



**CLARENDON COUNTY, SOUTH CAROLINA  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
JUNE 30, 2007**

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
<b>Probate Judge:</b>				
<b>Assets</b>				
Cash	\$ 480	\$ 62,859	\$ 62,919	\$ 420
Due from trust fund holders	20	-	20	-
Total Assets	<u>\$ 500</u>	<u>\$ 62,859</u>	<u>\$ 62,939</u>	<u>\$ 420</u>
<b>Liabilities</b>				
Due to trust fund holders	\$ 500	\$ -	\$ 80	\$ 420
Total Liabilities	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 80</u>	<u>\$ 420</u>
<b>Master In Equity</b>				
<b>Assets</b>				
Cash	\$ 8,690	\$ 423,661	\$ 423,041	\$ 9,310
Total Assets	<u>\$ 8,690</u>	<u>\$ 423,661</u>	<u>\$ 423,041</u>	<u>\$ 9,310</u>
<b>Liabilities</b>				
Due to trust fund holders	\$ 8,690	\$ 620	\$ -	\$ 9,310
Total Liabilities	<u>\$ 8,690</u>	<u>\$ 620</u>	<u>\$ -</u>	<u>\$ 9,310</u>
<b>Magistrate: General account</b>				
<b>Assets</b>				
Cash	\$ 228,588	\$ 2,074,965	\$ 2,089,290	\$ 214,263
Due from other magistrates	650	-	100	550
Total Assets	<u>\$ 229,238</u>	<u>\$ 2,074,965</u>	<u>\$ 2,089,390</u>	<u>\$ 214,813</u>
<b>Liabilities</b>				
Due to Treasurer	\$ 146,160	\$ 156,795	\$ 146,160	\$ 156,795
Due to trust fund holders	81,727	53,140	81,727	53,140
Due to other magistrates	-	-	-	-
Due to Treasurer - cash overage/(shortage)	1,351	4,878	1,351	4,878
Total Liabilities	<u>\$ 229,238</u>	<u>\$ 214,813</u>	<u>\$ 229,238</u>	<u>\$ 214,813</u>

**CLARENDON COUNTY, SOUTH CAROLINA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**JUNE 30, 2007**

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
<b>Magistrate: Civil Account</b>				
<b>Assets</b>				
Cash	\$ 7,425	\$ 84,220	\$ 83,753	\$ 7,892
Total Assets	<u>\$ 7,425</u>	<u>\$ 84,220</u>	<u>\$ 83,753</u>	<u>\$ 7,892</u>
<b>Liabilities</b>				
Due to Treasurer	\$ 7,425	\$ 467	\$ -	\$ 7,892
Total Liabilities	<u>\$ 7,425</u>	<u>\$ 467</u>	<u>\$ -</u>	<u>\$ 7,892</u>
<b>Magistrate: Part-time</b>				
<b>Assets</b>				
Cash	\$ 956	\$ 131,747	\$ 132,234	\$ 469
Due from Treasurer - cash over/(short)	-	81	-	81
Total Assets	<u>\$ 956</u>	<u>\$ 131,828</u>	<u>\$ 132,234</u>	<u>\$ 550</u>
<b>Liabilities</b>				
Due to other magistrates	\$ 650	\$ -	\$ 100	\$ 550
Due to Town magistrates	232	-	232	-
Due to Treasurer - cash overage/(shortage)	74	-	74	-
Total Liabilities	<u>\$ 956</u>	<u>\$ -</u>	<u>\$ 406</u>	<u>\$ 550</u>
<b>Clerk of Court</b>				
<b>Assets</b>				
Cash	\$ 742,597	\$ 929,093	\$ 772,938	\$ 898,752
Due from trust fund holders	1,593	1,575	-	3,168
Total Assets	<u>\$ 744,190</u>	<u>\$ 930,668</u>	<u>\$ 772,938</u>	<u>\$ 901,920</u>
<b>Liabilities</b>				
Due to Treasurer	\$ 93,724	\$ 42,231	\$ -	\$ 135,955
Due to trust fund holders	633,106	126,725	-	759,831
Due to Treasurer - cash overage/(shortage)	17,360	-	11,226	6,134
Total Liabilities	<u>\$ 744,190</u>	<u>\$ 168,956</u>	<u>\$ 11,226</u>	<u>\$ 901,920</u>

**CLARENDON COUNTY, SOUTH CAROLINA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**JUNE 30, 2007**

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
<b>Tax Collector</b>				
<b>Assets</b>				
Cash	\$ 414,158	\$ -	\$ 15,198	\$ 398,960
Due from General Fund	1	-	1	-
Accounts receivable	6,419	-	-	6,419
Total Assets	<u>\$ 420,578</u>	<u>\$ -</u>	<u>\$ 15,199</u>	<u>\$ 405,379</u>
<b>Liabilities</b>				
Due to General Fund	\$ -	\$ -	\$ -	\$ -
Due to trust fund holders	420,578	-	15,199	405,379
Total Liabilities	<u>\$ 420,578</u>	<u>\$ -</u>	<u>\$ 15,199</u>	<u>\$ 405,379</u>
<b>Total All Agency Funds</b>				
<b>Assets</b>				
Cash and Investments	\$ 3,688,670	\$ 3,796,959	\$ 3,579,373	\$ 3,906,256
Delinquent taxes receivable	816,297	80,299	17,280	879,316
Due from Treasurer	-	81	-	81
Due from General Fund	1	892,059	892,060	-
Accounts receivable	6,419	-	-	6,419
Due from other magistrates	650	-	100	550
Due from trust fund holders	1,613	1,575	20	3,168
Total Assets	<u>\$ 4,513,650</u>	<u>\$ 4,770,973</u>	<u>\$ 4,488,833</u>	<u>\$ 4,795,790</u>
<b>Liabilities</b>				
Due to Treasurer	\$ 247,309	\$ 199,493	\$ 146,160	\$ 300,642
Due to Treasurer - cash overage/(shortage)	18,785	4,878	12,651	11,012
Due to trust fund holders	3,596,625	269,735	97,006	3,769,354
Deferred revenue	650,049	75,657	11,474	714,232
Due to Towns	-	892,059	892,059	-
Due to Town Magistrate	232	-	232	-
Due to other magistrates	650	-	100	550
Total Liabilities	<u>\$ 4,513,650</u>	<u>\$ 1,441,822</u>	<u>\$ 1,159,682</u>	<u>\$ 4,795,790</u>

**CLARENDON COUNTY**  
**STATEMENT OF FINES, ASSESSMENTS, AND SURCHARGES**  
**SPECIAL REVENUE FUND - VICTIMS RIGHTS FUND**  
**JUNE 30, 2007**

	Clerk of Court	Magistrates	Total
<b>Court Fines</b>			
Court fines collected	\$ 8,652	\$ 930,958	\$ 939,610
Court fines retained by County	<u>4,848</u>	<u>930,958</u>	<u>935,806</u>
Court fines remitted to State Treasurer	<u>\$ 3,804</u>	<u>\$ -</u>	<u>\$ 3,804</u>
<b>Court Assessments</b>			
Court assessments collected	\$ 9,629	\$ 1,175,690	\$ 1,185,319
Court assessments retained by County	<u>2,830</u>	<u>90,166</u>	<u>92,996</u>
Court assessments remitted to State Treasurer	<u>\$ 6,799</u>	<u>\$ 1,085,524</u>	<u>\$ 1,092,323</u>
<b>Court Surcharges</b>			
Court surcharges collected	<u>\$ 9,446</u>	<u>\$ 20,666</u>	<u>\$ 30,112</u>
Court surcharges retained by County	<u>\$ 9,446</u>	<u>\$ 20,666</u>	<u>\$ 30,112</u>
<b>Victims Services</b>			
Court assessments allocated to Victim Services	\$ 2,830	\$ 90,166	\$ 92,996
Court surcharges allocated to Victim Services	<u>9,446</u>	<u>20,666</u>	<u>30,112</u>
Funds allocated to Victim Services	<u>\$ 12,276</u>	<u>\$ 110,832</u>	123,108
Victim Services expenditures			<u>(101,405)</u>
			<u>\$ 21,703</u>
Beginning balance - July 1, 2006		\$ (18,664)	
Excess of expenditures over revenue for current year		<u>21,703</u>	
Interest Income		<u>16</u>	
Ending Balance - June 30, 2007		<u>\$ 3,055</u>	

**CLARENDON COUNTY, SOUTH CAROLINA  
COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30, 2007**

Real and Other Personal Property Assessed Value	\$ 64,980,015
Vehicles Assessed Value	11,363,205
Manufacturer's Assessed Value	1,617,380
Merchants Inventory Value	688,290
Motor Carrier Assessed Value	<u>677,007</u>
Total Taxable Assessed Value	<u>79,325,897</u>
Debt Limit - Eight Percent (8%) of Total Taxable Assessed Value	6,346,072
Amount of Debt Applicable to Debt Limit:	<u>3,140,000</u>
<b>LEGAL DEBT MARGIN</b>	<u><u>\$ 3,206,072</u></u>

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December 5, 2007

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

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

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clarendon County, as of and for the year ended June 30, 2007, which collectively comprise Clarendon County's basic financial statements and have issued our report thereon dated December 5, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Clarendon County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Clarendon County's financial statements that is more than inconsequential will not be prevented or detected by Clarendon County's internal control.

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

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

(continued)

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

**Compliance and Other Matters**

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

We noted certain matters that we reported to management of Clarendon County in a separate letter dated December 5, 2007.

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

*McNeeger & Co. LLP*

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

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December 5, 2007

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

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

### Compliance

We have audited the compliance of Clarendon County, South Carolina with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. Clarendon County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Clarendon County's management. Our responsibility is to express an opinion on Clarendon County's compliance based on our audit.

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

In our opinion, Clarendon County, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

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

**Internal Control Over Compliance**

The management of Clarendon County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Clarendon County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Clarendon County's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

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

*McShegan & Co. LLP*

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2007**

Grantor	Grantor Number	Federal CFDA Number	Award Amount	Total Awards Expended
<b>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>				
Community Development Block Grant:				
Housing Revitalization	4-NR-04-005	14.228	\$ 408,247	\$ 103,252
Winter Hill Emergency Housing	4-NR-05-013	14.228	156,300	\$ 130,110
DSN Workforce Training	4-WT-04-002	14.228	500,000	105,569
Paxville CDC Training Center	4-CC-06-002	14.228	500,000	1,197
<b>U. S. DEPARTMENT OF JUSTICE:</b>				
Through SC Department of Public Safety:				
COPS in School	2004-SHWX-0115	16.710	183,820	59,180
Secure Our Schools	2005CKWX0621	16.710	111,000	17,105
Justice Assistance 2005	2005-DJ-BX-1283	16.738	18,803	1,182
Automated Fingerprint Identification	1G06021	16.738	70,373	66,623
<b>FEDERAL AVIATION ADMINISTRATION</b>				
Airport Hanger Project	3-45-0038-005-2007	20.106	526,451	27,313
Airport Improvement Program	3-45-0038-004	20.106	794,482	20,250
<b>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Office of Child Support Enforcement Family Court Administration (Title IV-D):				
Federal Financial Assistance	G-04SC4004	93.563	42,642	42,642
Sheriff Department	G-04SC4004	93.563	9,223	9,223
Family Court	G-04SC4004	93.563	33,656	33,656
Clerk of Court Incentive (Title IV-D)	G-04SC4004	93.563	88,423	88,423
Family Court filing fees	G-04SC4004	93.563	30,547	30,547
<b>U. S. DEPARTMENT OF VETERANS AFFAIRS:</b>				
Veterans Affairs	N/A	64.115	N/A	6,194
<b>U. S. DEPARTMENT OF TRANSPORTATION</b>				
Through SC Department of Transportation:				
Courthouse Sq. Beautification Phase II	14422RUL4115	20.106	114,021	18,569
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>				
Through SC Emergency Management Division:				
Local Emergency Mgmt Planning 2006	6EMPG01	97.042	24,109	11,983
Local Emergency Mgmt Planning 2007	7EMPG01	97.042	37,507	4,202
Citizens CORPS 2004	4CC01	97.004	21,754	7,749
Citizens CORPS 2006	6CCP01	97.067	7,434	1,706
<b>U. S. DEPARTMENT OF HOMELAND SECURITY:</b>				
Through SC Law Enforcement Department:				
Homeland Security 2005	5SHSP14	97.067	107,755	10,383
Law Enforcement Terrorism Prevention	5LETP14	97.067	32,206	5,925
<b>TOTAL FEDERAL ASSISTANCE</b>			<u>\$ 802,983</u>	

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2007**

**NOTE A - BASIS OF PRESENTATION**

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

**CLARENDON COUNTY  
MANNING, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2007**

**A. Summary of Audit Results**

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Clarendon County.
2. No control deficiencies were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. No reportable conditions were disclosed during the audit of the major federal programs.
5. The auditor's report on compliance for the major federal award programs for Clarendon County expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.
7. The programs tested as major programs included:

Housing Revitalization	14.228
Winter Hill Emergency Housing	14.228
DSN Workforce Training	14.228
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Clarendon County was determined to be a low-risk auditee.

**B. Findings – Financial statement Audit**

There were no findings for Clarendon County, South Carolina

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

There were no findings for Clarendon County, South Carolina