

AUDITED FINANCIAL STATEMENTS

CLARENDON COUNTY

MANNING, SOUTH CAROLINA

JUNE 30, 2009

AUDITED FINANCIAL STATEMENTS

CLARENDON COUNTY

MANNING, SOUTH CAROLINA

JUNE 30, 2009

	Page
Independent Auditor's Report	1 – 2
Management's Discussion and Analysis	3 – 10
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet – Governmental Funds	13
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	16
Statement of Net Assets – Proprietary Fund	17
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Fund	18
Statement of Cash Flows – Proprietary Fund	19
Statement of Fiduciary Net Assets – Agency Funds	20
Required Supplemental Information	
Schedule of Funding Progress for the Retiree Health Plan	21
Notes to Financial Statements – Table of Contents	22
Notes to the Financial Statements	23 – 53

AUDITED FINANCIAL STATEMENTS

CLARENDON COUNTY

MANNING, SOUTH CAROLINA

JUNE 30, 2009

	Page
Combining and Individual Fund Statements and Schedules:	54
Nonmajor Governmental Funds	55
Combining Balance Sheet – Nonmajor Governmental Funds	56 – 57
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	58 – 59
Budgetary Comparison Schedules	
Schedule of Revenues – Budget and Actual – General Fund	60 – 61
Schedule of Expenditures – Budget and Actual – General Fund	62 – 66
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – Fire Department (Special Revenue Fund) – Budgetary Basis	67
Fiduciary Fund	68
Combining Schedule of Fiduciary Net Assets – All Agency Funds	69 – 70
Combining Schedule of Changes in Assets and Liabilities – All Agency Funds	71 – 74
STATISTICAL SECTION	
Schedule of Fines, Assessments and Surcharges Special Revenue Fund – Victims Rights Fund	75
Computation of Legal Debt Margin	76
COMPLIANCE SECTION	
Federal Grants:	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	77 – 78
Schedule of Findings and Responses	79

McGregor & COMPANY^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS | SINCE 1930

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS • SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

C.C. McGregor, CPA 1906-1968	PARTNERS			ASSOCIATES	
	W.C. Stevenson, CPA	D.L. Richardson, CPA	D.K. Strickland, CPA	V.K. Laroche, CPA	S. Wo, CPA
	B.T. Kight, CPA	E.C. Inabinet, CPA	J.P. McGuire, CPA	G.N. Mundy, CPA	G.A. Farmer, CPA
	G.D. Skipper, CPA	S.S. Luoma, CPA	L.H. Kelly, CPA	M.L. Layman, CPA	C.D. Hinchee, CPA
	L.R. Leaphart, Jr, CPA	T.M. McCall, CPA		P.A. Betette, Jr, CPA	J.R. Matthews, II, CPA
	M.J. Binnicker, CPA	H.D. Brown, Jr, CPA			
	W.W. Francis, CPA	L.B. Salley, CPA			

January 7, 2010

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activity, 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, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Clarendon County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Business Development Corporation of Clarendon County, a component unit of Clarendon County. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Clarendon County Business Development Corporation, is based on the report of another auditor.

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

The Harvin Clarendon County Library is required to implement GASB 45 for the year ended June 30, 2009 because it is a component unit of Clarendon County and the County implemented GASB 45 for the year ended June 30, 2009. Accounting principles generally accepted in the United States of America require its implementation in the year ended June 30, 2009, however the Library did not implement GASB 45 for the year ended June 30, 2009. The amount by which this departure would affect assets, net assets, and expenses of the governmental activities of the Library is not reasonably determinable.

ORANGEBURG
1190 Boulevard Street
Orangeburg, SC 29115
(803) 536-1015
fax (803) 536-1020

BARNWELL
(803) 259-1163
fax (803) 259-5469

COLUMBIA
(803) 787-0003
fax (803) 787-2299

www.mcgregorcpa.com

INDEPENDENT AUDITOR'S REPORT
(continued)

In our opinion, except for the effects of the Library not implementing GASB 45 as described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clarendon County as of June 30, 2009, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2010, on our consideration of Clarendon County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and the schedule of funding progress for the retiree health plan on pages 3 through 10 and page 21, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clarendon County's basic financial statements. The combining and individual fund schedules and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund schedules, and the statistical section 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.

McIsugor & Co. LLP

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2009**

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, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, and in the financial statements and notes to the financial statements.

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

Financial Highlights:

- Clarendon County's assets exceeded its liabilities at June 30, 2009 by \$25,904,721 (net assets). Of this amount, \$4,930,067 (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets increased \$802,539 over the previous year with said increase resulting from governmental activities.
- At June 30, 2009, the County's governmental fund balance sheet reported a combined ending fund balance of \$10,642,881, an increase of \$1,110,296 over the previous fiscal year. Of this amount, \$5,353,974 remains in the various funds of the County as unreserved.
- The General Fund reported a fund balance of \$3,581,632, an increase from last fiscal year of \$198,326. This ending balance equates to 21% of General Fund expenditures for the year.
- Total bonded debt increased \$1,225,000 in fiscal year 2009. The main component of this increase was a \$1,515,000 Bond Anticipation Note issued to finance improvements to the Weldon Auditorium.

Overview of the Financial Statements

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

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2009**

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

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

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

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

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

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

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

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2009**

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

Clarendon County maintains 16 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund which is considered to be a major fund. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

Proprietary funds: Clarendon County utilizes a proprietary fund associated with its Water and Sewer related activities. These statements are found on pages 17-19.

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

The basic fiduciary fund financial statement can be found on page 20 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 through 53 of this report.

Other information: In addition to the basic financial statements and accompanying notes, the combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 55 through 74 of this report.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2009**

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 \$25,904,721 at the close of the most recent fiscal year. The County's increase in net assets for this fiscal year amounts to \$802,539.

The largest portion of the County's net assets (66%) reflects its investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Current and other assets	\$ 12,026	\$ 12,339	\$ 147	\$ -	\$ 12,173	\$ 12,339
Capital assets	19,935	18,272	879	-	20,814	18,272
Other noncurrent assets	<u>352</u>	<u>147</u>	<u>-</u>	<u>-</u>	<u>352</u>	<u>147</u>
Total assets	<u>32,313</u>	<u>30,758</u>	<u>1,026</u>	<u>-</u>	<u>33,339</u>	<u>30,758</u>
Long-term liabilities outstanding	2,619	3,249	3	-	2,622	3,249
Other liabilities	<u>3,698</u>	<u>2,407</u>	<u>1,114</u>	<u>-</u>	<u>4,812</u>	<u>2,407</u>
Total liabilities	<u>6,317</u>	<u>5,656</u>	<u>1,117</u>	<u>-</u>	<u>7,434</u>	<u>5,656</u>
Net Assets						
Invested in capital assets, net of related debt	17,201	15,296	-	-	17,201	15,296
Restricted	3,774	4,338	-	-	3,774	4,338
Unrestricted	<u>5,021</u>	<u>5,468</u>	<u>(91)</u>	<u>-</u>	<u>4,930</u>	<u>5,468</u>
Total net assets	<u>\$ 25,996</u>	<u>\$ 25,102</u>	<u>\$ (91)</u>	<u>\$ -</u>	<u>\$ 25,905</u>	<u>\$ 25,102</u>

An additional portion of the County's net assets (15%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$4,930,067) may be used to meet the government's ongoing obligations to citizens and creditors.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2009**

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 within its governmental activities. However, the business-type activity (water and sewer system acquired in December, 2008) operated at a deficit in the first seven months after acquisition.

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

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

	Governmental Activities		Business-type Activities		Total	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues						
Program Revenues:						
Charges from Services	\$ 4,027	\$ 4,531	\$ 147	\$ -	\$ 4,174	\$ 4,531
Grants and Contributions	1,758	2,557	-	-	1,758	2,557
General revenues:						
Ad valorem taxes	12,927	12,089	-	-	12,927	12,089
Other taxes	2,750	2,735	-	-	2,750	2,735
State shared	2,122	1,963	-	-	2,122	1,963
Interest	58	198	-	-	58	198
Other	<u>385</u>	<u>1,049</u>	<u>-</u>	<u>-</u>	<u>385</u>	<u>1,049</u>
Total revenues	24,027	25,122	147	-	24,174	25,122
Expenses:						
Program Activities:						
Government Activities:						
General government	6,113	7,094	-	-	6,113	7,094
Public safety	8,915	8,260	-	-	8,915	8,260
Physical environment	4,046	4,121	-	-	4,046	4,121
Transportation	193	204	-	-	193	204
Economic environment	942	967	-	-	942	967
Court related	1,610	1,502	-	-	1,610	1,502
Cultural and recreational	477	451	-	-	477	451
Agencies	707	677	-	-	707	677
Interest on long-term debt	130	164	-	-	130	164
Business-type Activities:						
Water and sewer fund	<u>-</u>	<u>-</u>	<u>238</u>	<u>-</u>	<u>238</u>	<u>-</u>
Total expenses	23,133	23,440	238	-	23,371	23,440
Increase in net assets	<u>894</u>	<u>1,682</u>	<u>(91)</u>	<u>-</u>	<u>803</u>	<u>1,682</u>
Beginning net assets	<u>25,102</u>	<u>23,420</u>	<u>-</u>	<u>-</u>	<u>25,102</u>	<u>23,420</u>
Ending net assets	<u>\$ 25,996</u>	<u>\$ 25,102</u>	<u>\$ (91)</u>	<u>\$ -</u>	<u>\$ 25,905</u>	<u>\$ 25,102</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2009**

Primary Governmental Activities: Revenues for the County's governmental activities were \$24 million for fiscal year 2009 and \$147 thousand for its Business-type activity. Taxes constitute the largest source of County revenues, amounting to approximately \$15.7 million for the fiscal year 2009. Real property taxes (\$9.8 million) represent 62% of total taxes and 41% of all revenue combined. Lastly, intergovernmental revenues reduced to \$2.1 million for the fiscal year end.

Financial Analysis of Clarendon County's Funds

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

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

As of June 30, 2009, Clarendon County governmental funds reported combined fund balances of \$10,642,881 an increase of \$1,110,296 over the prior year balances. The main component of this increase was a \$1,515,000 Bond Anticipation Note issued to finance improvements to the Weldon Auditorium.

The General Fund is the chief operating fund of the County. At June 30, 2009, total fund balance in the General Fund was \$3,581,632, of which \$2,409,828 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 21% and 14%, respectively. The fund balance of the General Fund increased by 5.9%, or \$198,326 during the fiscal year as operational savings were realized and excess assets sold.

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 2009 as well as the final budget is presented. Neither grant revenue nor expenditures are budgeted; however, sufficient grant match requirements were. The variances reflected are primarily a result of related grant activities.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2009**

Capital Asset and Debt Administration

Capital assets: Clarendon County's investment in capital assets for its governmental type activities as of June 30, 2009 amounts to \$19,934,585 (net of accumulated depreciation) and \$879,413 within its business-type activity. This investment in capital assets includes land, buildings and improvements, machinery and equipment and construction in progress. Clarendon County's investment in capital assets for the fiscal year was up 21.3%, through the acquisition of a water and sewer system, acceptances of roads to public ownership and improvements to facilities.

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

	Government Activities		Business-type Activities		Total	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land	\$ 1,660	\$ 1,649	\$ 60	\$ -	\$ 1,720	\$ 1,649
Infrastructure	4,056	2,375	-	-	4,056	2,375
Construction in progress	1,125	1,153	-	-	1,125	1,153
Buildings and improvements	9,781	8,800	2	-	9,783	8,800
Water distribution system	-	-	644	-	644	-
Machinery and equipment	3,313	3,184	173	-	3,486	3,184
Total	<u>\$ 19,935</u>	<u>\$ 17,161</u>	<u>\$ 879</u>	<u>\$ -</u>	<u>\$ 20,814</u>	<u>\$ 17,161</u>

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

Long-term debt: At the end of the current fiscal year, Clarendon County had a total bonded debt outstanding of \$4.1 million, all of which is backed by the full faith and credit of the County.

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

	2009	2008
General Obligation Bonds	\$ 4,090	\$ 2,865
Capital lease	<u>98</u>	<u>111</u>
	<u>\$ 4,188</u>	<u>\$ 2,976</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2009**

The County's total debt increased \$1,212,000 primarily as a result of the issuance of a \$1,515,000 Bond Anticipation Note. The County currently has ratings of "Baa1" and "A" from Moody's Investors Service and Standard & Poor's Corporation, respectively, on general obligation bond issues. As of June 30, 2009, the County's general obligation debt and capital lease approximated one hundred twenty nine dollars per capita.

Additional information on Clarendon County's long-term debt can be found in note 8 on pages 40 through 43 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Clarendon County is currently 16.5%, which represents an increase from a year ago. This compares to the state's average unemployment rate of 12.1% and the national average rate of 9.5%.
- Taxable property valuation increased \$10 million to \$90 million in 2009 primarily as a result of the reassessment of real property that was affected during the year.
- County-wide taxable sales decreased 1.7%, from \$229 million in 2008 to \$225 million in 2009.

All of these factors were considered in preparing the County's budget for the 2010 fiscal year. Per the Fiscal Year 2010 Adopted Budget, disbursements are budgeted at \$17.1 million, a 2.3% decrease from the fiscal year 2009 level for the General Fund. The County's commitment to programs such as public safety, health and welfare, community development, public works, and parks, recreation, and cultural activities remains strong. However, pressures on the County's budget due to growth in population and additional resources required to keep our communities safe will continue to be a challenge for the County in light of legislated constraints to revenue growth.

Requests for Information

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

CLARENDON COUNTY, SOUTH CAROLINA
STATEMENTS OF NET ASSETS
JUNE 30, 2009

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Harvin Clarendon County Library	C.C. Business Development Corp.
ASSETS					
Current assets:					
Cash and cash equivalents - Note 3	\$ 8,016,773	\$ 116,981	\$ 8,133,754	\$ 93,695	\$ 398,795
Receivables:					
Delinquent taxes	1,289,785	-	1,289,785	-	-
Other	233,348	29,540	262,888	274	21,279
Due from county	-	-	-	-	-
Due from fiduciary funds	157,282	-	157,282	-	-
Due from other governments	2,235,975	-	2,235,975	-	-
Inventories	29,234	-	29,234	-	-
Notes receivable - Note 5	63,849	-	63,849	-	-
Total current assets	<u>12,026,246</u>	<u>146,521</u>	<u>12,172,767</u>	<u>93,969</u>	<u>420,074</u>
Non-current assets:					
Notes receivable - Note 5	352,222	-	352,222	-	-
Capital Assets-net - Note 6	19,934,585	879,413	20,813,998	-	3,580,320
Capital Lease receivable (net of current portion) - Note 5	-	-	-	-	622,089
Total non-current assets	<u>20,286,807</u>	<u>879,413</u>	<u>21,166,220</u>	<u>-</u>	<u>4,202,409</u>
Total assets	<u>32,313,053</u>	<u>1,025,934</u>	<u>33,338,987</u>	<u>93,969</u>	<u>4,622,483</u>
LIABILITIES					
Current liabilities (payable from current assets):					
Accounts payable	639,433	17,791	657,224	5,307	-
Due to other governments	106,494	-	106,494	-	-
Internal balances	(1,095,861)	1,095,861	-	-	-
Due to fiduciary funds - Note 7	232,537	-	232,537	-	-
Deferred revenue	719,841	-	719,841	-	-
Taxes to be distributed	10,114	-	10,114	-	-
Note Payable	-	-	-	-	77,188
Other liabilities	122,919	-	122,919	-	-
Accrued compensated absences - Note 8	27,303	-	27,303	-	-
Closures and maintenance costs payable - Note 8	17,450	-	17,450	-	-
Capital lease - Note 8	13,962	-	13,962	-	-
Bond payable - Note 8	1,825,000	-	1,825,000	-	-
Total current liabilities	<u>2,619,192</u>	<u>1,113,652</u>	<u>3,732,844</u>	<u>5,307</u>	<u>77,188</u>
Non-current liabilities:					
Accrued compensated absences - Note 8	282,959	-	282,959	-	-
Closures and maintenance costs payable - Note 8	357,725	-	357,725	-	-
Note Payable	-	-	-	-	1,803,280
OPEB payable	709,116	2,955	712,071	-	-
Capital lease - Note 8	83,667	-	83,667	-	-
Bond payable - Note 8	2,265,000	-	2,265,000	-	-
Total long-term liabilities	<u>3,698,467</u>	<u>2,955</u>	<u>3,701,422</u>	<u>-</u>	<u>1,803,280</u>
Total liabilities	<u>6,317,659</u>	<u>1,116,607</u>	<u>7,434,266</u>	<u>5,307</u>	<u>1,880,468</u>
NET ASSETS					
Invested in capital assets, net of related debt	17,200,956	-	17,200,956	-	-
Restricted for:					
Capital projects	1,842,164	-	1,842,164	-	-
Debt services	408,936	-	408,936	-	-
Other	412,003	-	412,003	-	280,000
Local option sales tax reserve	1,110,595	-	1,110,595	-	-
Unrestricted	5,020,740	(90,673)	4,930,067	88,662	2,462,015
Total net assets	<u>\$ 25,995,394</u>	<u>\$ (90,673)</u>	<u>\$ 25,904,721</u>	<u>\$ 88,662</u>	<u>\$ 2,742,015</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, 2009**

Functions/Programs Primary Government:	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Harvin Clarendon	C.C. Business
					Governmental Activities	Business-Type Activities	County Library	Development Corp.
Governmental activities:								
Public safety	\$ 8,915,653	\$ 379,443	\$ 42,805	\$ 555	\$ (8,492,850)	-	\$ (8,492,850)	-
General government	6,112,745	126,927	-	-	(5,985,818)	-	(5,985,818)	-
Physical environment	4,046,335	2,146,085	56,789	49,811	(1,793,650)	-	(1,793,650)	-
Economic environment	941,932	53,658	55,132	413,485	(419,657)	-	(419,657)	-
Court related	1,609,873	998,868	-	-	(611,005)	-	(611,005)	-
Agencies	707,283	247,783	15,135	-	(444,365)	-	(444,365)	-
Culture/Recreation	476,668	46,828	-	1,124,042	694,202	-	694,202	-
Transportation	193,472	27,819	-	-	(165,653)	-	(165,653)	-
Interest	130,316	-	-	-	(130,316)	-	(130,316)	-
Total governmental activities	23,134,277	4,027,411	169,861	1,587,893	(17,349,112)	-	(17,349,112)	-
Business-Type Activities:								
Water & Sewer Fund	238,228	147,507	-	-	(90,721)	(90,721)	(90,721)	-
Total business-type activities	238,228	147,507	-	-	(90,721)	(90,721)	(90,721)	-
Total Primary Government:	23,372,505	4,174,918	169,861	1,587,893	(17,349,112)	(90,721)	(17,439,833)	-
Component Units:								
Harvin Clarendon County Library	\$ 488,687	\$ 18,030	\$ 61,386	\$ -	-	-	(409,271)	\$ -
C.C. Business Development Corp.	240,838	220,841	-	-	-	-	(409,271)	(19,997)
Total Component Units	\$ 729,525	\$ 238,871	\$ 61,386	\$ -	-	-	(409,271)	(19,997)
General Revenues:								
Taxes:								
Property taxes, levied for general purposes					12,486,400		415,080	-
Property taxes, levied for debt services					440,913		-	-
Sales and use taxes					2,750,144		-	-
Franchise fees					40,333		-	-
State shared revenues					2,122,101		-	-
Interest earnings					57,984	48	-	-
Gain on sale of fixed assets					73,275		-	53,556
Miscellaneous					271,174		-	-
Total general revenues					18,242,324	48	1,700	-
Change in net assets					893,212	(90,673)	416,780	53,556
Net assets - beginning, as restated - Note 13					25,102,182	-	7,509	33,559
Net assets - ending					\$ 25,995,394	\$ (90,673)	\$ 88,662	\$ 2,742,015

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

**CLARENDON COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009**

	GENERAL	CAPITAL PROJECTS	INDUSTRIAL PARKS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	\$ 2,325,367	\$ 2,432,953	\$ 1,329,057	\$ 1,929,396	\$ 8,016,773
Accounts receivable					
Property taxes	1,005,872	-	-	283,913	1,289,785
Other	119,657	-	-	113,691	233,348
Due from other funds	125,549	3,444	-	291,489	420,482
Due from fiduciary funds	157,282	-	-	-	157,282
Due from business enterprise	195,862	899,999	-	-	1,095,861
Due from other governments	2,235,975	-	-	-	2,235,975
Supplies inventory	29,234	-	-	-	29,234
Notes receivable	-	-	416,071	-	416,071
Total assets	<u>\$ 6,194,798</u>	<u>\$ 3,336,396</u>	<u>\$ 1,745,128</u>	<u>\$ 2,618,489</u>	<u>\$ 13,894,811</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 568,356	\$ 40,232	\$ -	\$ 30,845	\$ 639,433
Accrued payroll and withholdings	106,466	-	-	-	106,466
Due to other funds	294,933	-	125,315	234	420,482
Due to fiduciary funds	232,537	-	-	-	232,537
Due to other governments	106,494	-	-	-	106,494
Deferred revenue	1,277,813	-	225,000	217,138	1,719,951
Advance mobile home revenue	10,114	-	-	-	10,114
Other liabilities	16,453	-	-	-	16,453
Total liabilities	<u>2,613,166</u>	<u>40,232</u>	<u>350,315</u>	<u>248,217</u>	<u>3,251,930</u>
Fund balances:					
Reserved for:					
Debt service	-	-	-	408,936	408,936
Capital projects	-	3,296,164	-	-	3,296,164
Other purposes	1,171,804	-	-	412,003	1,583,807
Unreserved, reported in:					
General fund	2,409,828	-	-	-	2,409,828
Special revenue funds	-	-	1,394,813	1,549,333	2,944,146
Total fund balances	<u>3,581,632</u>	<u>3,296,164</u>	<u>1,394,813</u>	<u>2,370,272</u>	<u>10,642,881</u>
Total Liabilities and Fund balances	<u>\$ 6,194,798</u>	<u>\$ 3,336,396</u>	<u>\$ 1,745,128</u>	<u>\$ 2,618,489</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					19,934,585
Long-term liabilities, including bonds payable (\$4,090,000), capital lease (\$97,629), accrued compensated absences (\$310,262) and closure and maintenances costs payable (\$375,175) are not reported in funds.					(4,873,066)
Other Post Employment Benefits (OPEB) liability represents the future unfunded costs associated with current benefits design					(709,116)
Delinquent taxes receivable are not financial resources in the current period and, therefore, are reported as deferred revenue in the funds.					1,000,110
					<u>\$ 25,995,394</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, 2009**

	GENERAL	CAPITAL PROJECTS	INDUSTRIAL PARKS	OTHER GOVERNMENTAL FUNDS	TOTAL
REVENUES					
Taxes	\$ 12,325,030	\$ -	\$ -	\$ 3,159,033	\$ 15,484,063
Licenses and permits	114,140	-	-	-	114,140
Intergovernmental	2,472,734	1,146,943	260,178	1,479,866	5,359,721
Charges for services	1,218,887	-	-	277,037	1,495,924
Fines and forfeitures	736,813	-	-	114,335	851,148
Special assessments	-	-	-	97,783	97,783
Interest	14,087	10,126	15,418	18,353	57,984
Miscellaneous	384,410	-	-	-	384,410
Total revenues	<u>17,266,101</u>	<u>1,157,069</u>	<u>275,596</u>	<u>5,146,407</u>	<u>23,845,173</u>
EXPENDITURES					
Current:					
General government	4,985,251	55,000	-	604,700	5,644,951
Public safety	6,205,494	-	-	2,504,844	8,710,338
Physical environment	2,801,180	-	-	1,819,158	4,620,338
Transportation	195,660	124,250	-	-	319,910
Economic environment	606,285	35,270	253,571	-	895,126
Agencies	619,589	-	-	88,243	707,832
Culture/Recreation	355,208	1,061,433	-	47,879	1,464,520
Court Related	1,372,383	-	-	154,123	1,526,506
Debt service:					
Principal	-	-	-	303,315	303,315
Interest and fiscal charges	-	-	-	130,316	130,316
Total expenditures	<u>17,141,050</u>	<u>1,275,953</u>	<u>253,571</u>	<u>5,652,578</u>	<u>24,323,152</u>
Excess of revenues over (under) expenditures	125,051	(118,884)	22,025	(506,171)	(477,979)
OTHER FINANCING SOURCES (USES)					
Sale of assets	73,275	-	-	-	73,275
Bond proceeds	-	1,515,000	-	-	1,515,000
Net other financing sources (uses)	<u>73,275</u>	<u>1,515,000</u>	<u>-</u>	<u>-</u>	<u>1,588,275</u>
Net changes in fund balances	198,326	1,396,116	22,025	(506,171)	1,110,296
Fund balances at beginning of year, as restated - Note 13	<u>3,383,306</u>	<u>1,900,048</u>	<u>1,372,788</u>	<u>2,876,443</u>	<u>9,532,585</u>
Fund balances at end of year	<u>\$ 3,581,632</u>	<u>\$ 3,296,164</u>	<u>\$ 1,394,813</u>	<u>\$ 2,370,272</u>	<u>\$ 10,642,881</u>

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

CLARENDON COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2009

Net Changes in fund balances - total governmental funds		\$ 1,110,296
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.		
Expenditures for capital assets	3,187,762	
Recognize disposal of assets (net)	(9,415)	
Less current year depreciation	<u>(1,513,363)</u>	1,664,984
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	290,000	
Capital lease payment	<u>13,315</u>	303,315
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.		
Proceeds from bonds	(1,515,000)	
Change in compensated absences	(43,884)	
Change in OPEB liability	(709,116)	
Change in closure and maintenance costs payable	<u>(26,424)</u>	(2,294,424)
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>109,041</u>
Change in net assets of governmental activities.		<u><u>\$ 893,212</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, 2009

	<u>Budgeted Amounts</u>		Actual Budget Basis (Note 2)	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 12,061,804	\$ 12,061,804	\$ 12,325,030	\$ 263,226
Licenses and permits	154,000	154,000	114,140	(39,860)
Intergovernmental	2,325,589	2,325,589	2,472,734	147,145
Charges for services	1,285,547	1,285,547	1,218,887	(66,660)
Fines and forfeitures	1,090,000	1,090,000	736,813	(353,187)
Interest	65,000	65,000	14,087	(50,913)
Miscellaneous	264,500	264,500	384,410	119,910
Total revenues	<u>17,246,440</u>	<u>17,246,440</u>	<u>17,266,101</u>	<u>19,661</u>
EXPENDITURES				
Current:				
General government	4,967,513	4,801,029	4,584,513	216,516
Public safety	6,169,374	6,243,678	6,203,702	39,976
Physical environment	2,963,912	2,980,801	2,801,212	179,589
Transportation	374,697	379,390	195,660	183,730
Economic environment	677,058	687,773	623,535	64,238
Culture/Recreation	355,317	362,387	355,208	7,179
Court related	1,332,927	1,385,740	1,372,345	13,395
Agencies	620,642	620,642	619,589	1,053
Total expenditures	<u>17,461,440</u>	<u>17,461,440</u>	<u>16,755,764</u>	<u>705,676</u>
OTHER FINANCING SOURCES (USES)				
Sale of assets	40,000	40,000	73,275	33,275
Net other financing sources (uses)	<u>40,000</u>	<u>40,000</u>	<u>73,275</u>	<u>33,275</u>
Net change in fund balances	(175,000)	(175,000)	583,612	758,612
Fund balances at beginning of year	<u>2,934,545</u>	<u>2,934,545</u>	<u>2,934,545</u>	<u>-</u>
Fund balances at end of year	<u>\$ 2,759,545</u>	<u>\$ 2,759,545</u>	<u>\$ 3,518,157</u>	<u>\$ 758,612</u>

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

**CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2009**

	WATER & SEWER FUND
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 116,981
Accounts receivable, net of allowance	<u>29,540</u>
Total current assets	<u>146,521</u>
Property, Plant and Equipment	
Net of accumulated depreciation - Note 6	<u>879,413</u>
TOTAL ASSETS	<u><u>\$ 1,025,934</u></u>
LIABILITIES AND FUND BALANCES	
Current Liabilities:	
Accounts payable	\$ 17,791
Due to other funds	<u>1,095,861</u>
Total Current Liabilities	<u>1,113,652</u>
Long-Term Liabilities:	
Net OPEB liability - Note 12	<u>2,955</u>
Total Long-Term Liabilities	<u>2,955</u>
Total Liabilities	<u>1,116,607</u>
Net Assets	
Unrestricted	<u>(90,673)</u>
Total Net Assets	<u>(90,673)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 1,025,934</u></u>

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

**CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2009**

	WATER & SEWER FUND
OPERATING REVENUES	
Water/sewer revenue	\$ 147,507
Total operating revenues	<u>147,507</u>
OPERATING EXPENSES	
Cost of sales & services	131,758
Personnel & benefits	15,562
Administration	70,322
Depreciation	20,586
Total operating expenses	<u>238,228</u>
OPERATING INCOME (LOSS)	<u>(90,721)</u>
NON-OPERATING REVENUE (EXPENSES)	
Investment income	48
Total non-operating revenue (expenses)	<u>48</u>
NET INCOME (LOSS)	(90,673)
Net Assets at beginning of year	<u>-</u>
NET ASSETS AT END OF YEAR	<u><u>\$ (90,673)</u></u>

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

CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2009

	WATER & SEWER FUND
Cash Flows From Operating Activities:	
Cash received from customers	\$ 117,967
Cash paid to suppliers for goods and services	(184,289)
Cash paid to employees for services	<u>(12,607)</u>
Net Cash Provided by (Used For) Operating Activities	<u>(78,929)</u>
Cash Flows From Capital and Related Financing Activities:	
Purchase of fixed assets	<u>(899,999)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(899,999)</u>
Cash Flows From Investing Activities:	
Interest Income	48
Amount due to Capital Projects fund	<u>1,095,861</u>
Net Provided by (Used For) Investing Activities	<u>1,095,909</u>
Net Increase (Decrease) in Cash and Cash Equivalents	116,981
Cash and Cash Equivalents at Beginning of Year	<u>-</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 116,981</u></u>
Reconciliation of Net Operating Income (Loss)	
Net Cash Provided by Operating Activities	
Operating income (loss)	<u>\$ (90,721)</u>
Adjustments to reconcile operating income by operating activities:	
Depreciation expense	20,586
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(29,540)
Increase (decrease) in accounts payable	17,791
Increase (decrease) in OPEB liability	<u>2,955</u>
Total Adjustments	<u>11,792</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (78,929)</u></u>

See Notes to the Basic Financial Statements.

**CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
JUNE 30, 2009**

ASSETS

Cash	\$ 2,558,241
Delinquent taxes receivable	1,054,512
Due from credit card	1,780
Due from other funds	232,536
Due from other magistrates	2,883
Due from trust fund holders	1,897
Total Assets	3,851,849

LIABILITIES

Due to trust fund holders	2,768,007
Due to other funds	157,282
Due to transfer - cash overage	25,343
Deferred revenue	877,740
Due to others	23,477
Total Liabilities	3,851,849

NET ASSETS

Total Net Assets	\$ -
------------------	------

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

CLARENDON COUNTY
MANNING, SOUTH CAROLINA
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2009

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

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

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Note	Page	Note	Page
1. Summary of Significant Accounting Policies	23 - 30	6. Capital Assets	36 - 39
Reporting Entity		7. Interfund Balances	39 - 40
Measurement Focus and Basis of Accounting		8. Long-term Debt	40 - 43
Basis of Presentation		Governmental Activities	
Assets, Liabilities, and Net Assets or Equity		General Obligation Bonds	
Cash and Cash Equivalents		Capital Leases	
Receivables and Payables		Changes in Long-term Liabilities	
Restricted Assets		9. Operating Lease	43 - 44
Inventory		10. Provision for Closure Costs	44 - 45
Capital Assets		11. Retirement Plans	45 - 47
Deferred Revenues		SC Retirement System	
Accrued Compensated Absences		12. Other Post-Retirement Benefits (OPEB) Plans	47 - 51
Landfill Closure Costs		13. Fund Equity	51
Nature and Purpose of Reservations and Designations of Fund Equity		14. Risk Management	51 - 52
Net Assets		15. Contingencies and Commitments	52 - 53
2. Stewardship, Compliance, and Accountability	31 - 32	Grants	
Budgets and Budgetary Accounting		Construction Commitments	
Budgetary Basis of Accounting		16. Subsequent Events	53
3. Cash and Cash Equivalents	32 - 33		
Primary Government			
Deposits			
4. Property Tax	33 - 34		
5. Note Receivable and Lease Agreements	34 - 35		

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity

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

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

Discretely Presented Component Units:

Harvin Clarendon County Library

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

Clarendon County Business Development Corporation (BDC)

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

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

B. Measurement Focus and Basis of Accounting

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

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

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting (continued)

1. Government-wide Financial Statements

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

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

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

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

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

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting (continued)

2. Fund Financial Statements

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

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

Governmental Funds

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

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

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

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 one proprietary fund representing the Water and Sewer fund used to account for the cost of providing water and sewer services to unincorporated areas of the County.

C. Basis of Presentation

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

1. Governmental Major Funds:

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

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

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Governmental Major Funds: (continued)

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

Other Governmental Funds

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

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

2. Other Fund Types:

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

3. Non-current Governmental Assets/Liabilities:

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

D. Assets, Liabilities, and Net Assets or Equity

1. Cash and Cash Equivalents

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

2. Receivables and Payables

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

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, and Net Assets or Equity (continued)

3. Inventory

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

4. Capital Assets

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

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

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

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

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

5. Deferred Revenues

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

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

6. Accrued Compensated Absences

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

7. Landfill Closure Costs

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

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

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 \$3,773,698 of restricted net assets, of which \$1,522,598 is restricted by enabling legislation. Restricted resources are used first to fund appropriations.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

Budgetary Basis Of Accounting

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual presents a comparison of the County's legally adopted budget with actual data on the budgetary basis of accounting. Budgetary accounting principles, however, differ from generally accepted accounting principles (GAAP). These different accounting principles result in the following differences in the excess (deficiency) of revenues and other financing sources (uses) over expenditures at June 30, 2009:

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

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

Budgetary Basis Of Accounting (continued)

Excess (deficiency) of revenues and other financing sources (uses) over expenditures - budgetary basis	\$ 583,612
--	------------

Timing differences: Net change in encumbrances	<u>(385,286)</u>
---	------------------

Excess (deficiency) of revenues and other financing sources (uses) over expenditures - GAAP basis	<u>\$ 198,326</u>
---	-------------------

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

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

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Primary Government

At June 30, 2009, the carrying amount of the County's deposits and investments was \$10,691,995 and the bank balances were \$10,447,619. To reconcile this information to the financial statements, we include the following:

Cash and investments	\$ 10,691,395
Cash on hand	<u>600</u>
	<u>10,691,995</u>
Proprietary fund	(116,981)
Fiduciary funds	<u>(2,558,241)</u>
Governmental funds	<u>\$ 8,016,773</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of June 2009, none of the County's bank balance of \$10,447,619 was exposed to custodial credit risk.

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

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

	Maturities	Fair Value
State investment pool	18 months to 2 years	<u>\$ 981,531</u>

Discretely Presented Component Units

Harvin Clarendon County Library

As of June 30, 2009, the bank balance of the Library's deposits totaled \$121,584. Of the bank balance, \$121,584, was covered by the Federal Depository Insurance Corporation (FDIC) insurance.

Clarendon County Business Development Corporation (BDC)

Of the bank balances, all funds were covered by federal depository insurance.

NOTE 4 - PROPERTY TAXES

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

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 4 - PROPERTY TAXES (continued)

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

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

NOTE 5 - NOTE RECEIVABLE AND LEASE AGREEMENTS

The following notes are due to the Industrial Park Fund (Special Revenue Fund) at June 30, 2009:

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.	\$ 146,566
--	------------

Current portion	<u>(13,849)</u>
-----------------	-----------------

Long-term portion	<u>\$ 132,717</u>
-------------------	-------------------

Note receivable from a nearby County of the State dated June 24, 2008. Loan amount for \$319,505. Interest rate at 0% per annum payable in six yearly installments of \$50,000 starting August 1, 2008 a final payment of \$19,505 due August 1, 2014.	\$ 269,505
--	------------

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 5 - NOTE RECEIVABLE AND LEASE AGREEMENTS (continued)

Current portion	<u>(50,000)</u>
Long-term portion	<u>\$ 219,505</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.

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 Company, Inc. This lease is classified as a capital lease. The future minimum lease payments are as follows:

June 30, 2010	\$ 70,058
June 30, 2011	70,058
June 30, 2012	70,058
June 30, 2013	70,058
June 30, 2014	70,058
Thereafter	<u>781,169</u>
 Total minimum lease payments	 1,131,459
 Less amount representing interest	 <u>(509,370)</u>
 Present value of minimum lease payment	 <u>\$ 622,089</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 was as follows:

	Beginning Balance	Adjust- ments	Additions	Retirements	Ending Balance
Governmental Activities Capital assets not being depreciated:					
Land	\$ 1,649,421	\$ -	\$ 10,738	\$ -	\$ 1,660,159
Construction in Progress	1,153,223	-	1,061,433	1,089,928	1,124,728
Total capital assets not being depreciated	<u>2,802,644</u>	-	<u>1,072,171</u>	<u>1,089,928</u>	<u>2,784,887</u>
Capital assets being depreciated:					
Buildings and improvements	11,983,801	-	1,249,447	-	13,233,248
Infrastructure	3,102,104	1,109,059	813,065	-	5,024,228
Equipment	9,436,869	-	1,143,007	1,516,335	9,063,541
Total capital assets being depreciated	<u>24,522,774</u>	<u>1,109,059</u>	<u>3,205,519</u>	<u>1,516,335</u>	<u>27,321,017</u>
Less accumulated depreciation for:					
Buildings and improvements	3,183,802	-	268,740	-	3,452,542
Infrastructure	727,591	-	240,430	-	968,021
Equipment	6,253,483	-	1,004,193	1,506,920	5,750,756
Total accumulated depreciation	<u>10,164,876</u>	-	<u>1,513,363</u>	<u>1,506,920</u>	<u>10,171,319</u>
Total capital assets being depreciated	<u>14,357,898</u>	<u>1,109,059</u>	<u>1,692,156</u>	<u>9,415</u>	<u>17,149,698</u>
Governmental activities capital assets, net	<u>\$ 17,160,542</u>	<u>\$ 1,109,059</u>	<u>\$ 2,764,327</u>	<u>\$ 1,099,343</u>	<u>\$ 19,934,585</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 6 - CAPITAL ASSETS (continued)

	Beginning Balance	Adjust- ments	Additions	Retire- ments	Ending Balance
Business-Type Activities					
Capital Assets not being depreciated:					
Land	\$ -	\$ -	\$ 60,380	\$ -	\$ 60,380
Total capital assets not being depreciated:	-	-	<u>60,380</u>	-	<u>60,380</u>
Capital Assets being depreciated:					
Buildings	-	-	1,978	-	1,978
Water System	-	-	658,570	-	658,570
Machinery and equipment	-	-	<u>179,071</u>	-	<u>179,071</u>
Total capital assets being depreciated:	-	-	<u>839,619</u>	-	<u>839,619</u>
Less accumulated depreciation for:					
Buildings	-	-	115	-	115
Water System	-	-	14,444	-	14,444
Machinery and equipment	-	-	<u>6,027</u>	-	<u>6,027</u>
Total accumulated depreciation:	-	-	<u>20,586</u>	-	<u>20,586</u>
Total capital assets being depreciated:	-	-	<u>819,033</u>	-	<u>819,033</u>
Business-Type Activities					
Capital Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 879,413</u>	<u>\$ -</u>	<u>\$ 879,413</u>

The adjustments above reflect the addition of infrastructure (primarily roads) as required under GASB Statement 34 as transferred 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	\$ 913,374
General Government	404,385
Physical Environment	138,960
Cultural/Recreation	32,646
Economic Environment	<u>23,998</u>
Total depreciation expense-governmental activities	<u>\$1,513,363</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 6 - CAPITAL ASSETS (continued)

Harvin Clarendon County Library

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

	Balance July 1, 2008	Additions	Disposals	Balance June 30 2009
Capital assets, not being depreciated:				
Land	\$ 24,000	\$ -	\$ -	\$ 24,000
Capital assets being depreciated:				
Building	396,173	-	-	396,173
Equipment	402,759	5,366	-	408,125
Books	<u>631,431</u>	<u>-</u>	<u>11,126</u>	<u>620,305</u>
Total Capital Assets being depreciated	<u>1,430,363</u>	<u>5,366</u>	<u>11,126</u>	<u>1,424,603</u>
Less accumulated depreciation for:				
Building	(233,172)	(10,125)	-	(243,297)
Equipment	(209,088)	(34,959)	-	(244,047)
Books	<u>(549,823)</u>	<u>(37,184)</u>	<u>11,126</u>	<u>(575,881)</u>
Total accumulated depreciation	<u>(992,083)</u>	<u>(82,268)</u>	<u>11,126</u>	<u>(1,063,225)</u>
Total Capital Assets, being depreciated, net	<u>438,280</u>	<u>(76,902)</u>	<u>-</u>	<u>361,378</u>
Total Capital Assets, net	<u>\$ 462,280</u>	<u>\$ (76,902)</u>	<u>\$ -</u>	<u>\$ 385,378</u>

Depreciation expense for the year ended June 30, 2009 was \$82,268.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 6 - CAPITAL ASSETS (continued)

Clarendon County Business Development Corporation (BDC)

The following is a summary of capital assets at June 30, 2009:

Land	\$ 1,724,420
Building	<u>2,239,643</u>
	3,964,063
Less accumulated depreciation	<u>(383,743)</u>
Net Fixed Assets	<u>\$ 3,580,320</u>

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

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

Depreciation expense for the year ended June 30, 2009 was \$70,982.

NOTE 7 - INTERFUND BALANCES

Individual fund interfund receivable and payable balances at June 30, 2009, were as follows:

	Interfund Receivables	Interfund Payables
Governmental Funds		
General Fund	\$ 125,549	\$ 294,933
Capital Projects Fund	3,444	-
Industrial Parks Fund	-	125,315
Special Revenue Funds:		
Special purpose districts	97,800	-
E-911 Fund	184,255	-
Law Enforcement	-	234
Debt Service Funds:		
Fire Department	293	-
General Obligations	<u>9,141</u>	<u>-</u>
Governmental Funds	<u>420,482</u>	<u>420,482</u>
Enterprise Fund	-	1,095,861
General Fund	195,862	-
Capital Projects Fund	<u>899,999</u>	<u>-</u>
Enterprise Fund	<u>1,095,861</u>	<u>1,095,861</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 7 - INTERFUND BALANCES (continued)

	Interfund Receivables	Interfund Payables
Fiduciary Funds		
General Fund	157,282	232,537
Fiduciary Fund types:		
Town of Turbeville	195	-
Town of Manning	17,702	-
Town of Summerton	2,106	-
Tax Collector	4,189	-
Magistrates:		
General and Civil	-	125,882
Clerk of Court	-	31,400
School Debt Service	13,933	-
School Operating	194,412	-
Fiduciary Funds	<u>389,819</u>	<u>389,819</u>
	<u>\$ 1,906,162</u>	<u>\$ 1,906,162</u>

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

NOTE 8 - LONG-TERM DEBT

A. Primary Government

Governmental Activities

General Obligation Bond

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

\$ 2,575,000

\$1,515,000 Bond Anticipation Note (BAN), Series 2009 issued June 5, 2009 to finance improvements to the Weldon Auditorium. BAN matures June 4, 2010, it is anticipated that a revenue bond utilizing pledged revenue from county's hospitality tax fees will be issued at maturity. Interest accrues at 2.521%.

1,515,000

Total Bonds Payable

\$ 4,090,000

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 8 - LONG-TERM DEBT (continued)

A. Primary Government (continued)

Annual Debt Service Payments – Governmental Activities

The annual debt service payments for bonds outstanding at June 30, 2009, are as follows:

General Obligation Bonds

June 30,	Principal	Interest
2010	\$ 1,825,000	\$ 150,081
2011	325,000	97,938
2012	345,000	83,313
2013	365,000	67,788
2014	385,000	52,275
2015-2016	<u>845,000</u>	<u>54,400</u>
	<u>\$ 4,090,000</u>	<u>\$ 505,795</u>

Capital Leases

\$149,650 – Lease/purchase agreement to finance the purchase of one motor grader. Due in annual payments of \$18,120, including interest, due on October 20 of each year. First payment due October 20, 2005 and ending payment due October 20, 2010. The motor grader's gross cost is \$149,650 and the accumulated depreciation is \$54,872.

\$ 97,629

Future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 2009:

Year Ending	
June 30,	
2010	\$ 18,120
2011	<u>85,000</u>
Total Minimum Lease Payment	103,120
Less Amount Representing Interest	<u>5,491</u>
Present Value of Net Minimum Lease Payment	<u>\$ 97,629</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 8 - LONG-TERM DEBT (continued)

A. Primary Government (continued)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2009 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
General Obligation Bonds					
– 2001 Series	\$ 2,865,000	\$ -	\$ (290,000)	\$ 2,575,000	\$ 310,000
– 2009 Series BAN	<u>-</u>	<u>1,515,000</u>	<u>-</u>	<u>1,515,000</u>	<u>1,515,000</u>
Total bond payable	<u>2,865,000</u>	<u>1,515,000</u>	<u>(290,000)</u>	<u>4,090,000</u>	<u>1,825,000</u>
Other liabilities:					
Compensated absences	266,378	43,884	-	310,262	27,303
Closure and maintenance cost payable	348,751	26,424	-	375,175	17,450
Capital leases	<u>110,944</u>	<u>-</u>	<u>(13,315)</u>	<u>97,629</u>	<u>13,962</u>
Total other liabilities	<u>726,073</u>	<u>70,308</u>	<u>(13,315)</u>	<u>783,066</u>	<u>58,715</u>
Governmental activities long-term liabilities	<u>\$ 3,591,073</u>	<u>\$ 1,585,308</u>	<u>\$ (303,315)</u>	<u>\$ 4,873,066</u>	<u>\$ 1,883,715</u>

B. Discretely Presented Component Units

Clarendon County Business Development Corporation (BDC)

Note payable to bank, with monthly payments of \$15,740.15 including interest at 8.5%, final payment due April 10, 2019. Collateralized by real property leased by Meritor Heavy Vehicle Systems, LLC. \$ 1,250,317

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 Company, Inc. 458,517

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 Company, Inc. 171,634

Subtotal of notes payable 1,880,468

Less current portion (77,188)

Notes payable – noncurrent portion \$ 1,803,280

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 8 - LONG-TERM DEBT (continued)

B. Discretely Presented Component Units (continued)

The maturities of long-term debt is as follows:

June 30, 2010	\$ 77,188
June 30, 2011	80,303
June 30, 2012	83,549
June 30, 2013	86,931
June 30, 2014	87,070
Thereafter	<u>1,465,427</u>
	<u>\$ 1,880,468</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 2008-09 is \$84,000.

The future minimum rental payments are as follows:

2010	\$ 84,000
2011	84,000
2012	84,000
2013	84,000
2014	84,000
2015 – 2019	420,000
2020 - 2024	192,000
2025 - 2029	180,000
2030 - 2034	180,000
2035	<u>9,000</u>
	<u>\$ 1,401,000</u>

The County entered into an operating lease for a new Caterpillar scraper for the Landfill. The 5-year lease term began June 1, 2005 and ends May 1, 2010. The rental amount is \$3,543.70 per month. The lease does contain cancellation provisions and is subject to annual appropriations. The lease expense for 2008-09 is \$42,524.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 9 - OPERATING LEASES (continued)

The future minimum rental payments are as follows:

2010	<u>\$ 38,981</u>
------	------------------

The County entered an operating lease as of November 1, 2007 with Waste Management of South Carolina to lease the Transfer Station built by the County and located at the Landfill. The lease expires October 31, 2012 and has an annual rent of \$60,000. The cost of the building was \$753,270 with accumulated depreciation of \$171,055.

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

June 30, 2010	\$ 60,000
June 30, 2011	60,000
June 30, 2012	60,000
June 30, 2013	<u>20,000</u>
	<u>\$ 200,000</u>

NOTE 10 - PROVISION FOR CLOSURE COSTS

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

The nature and source of landfill closure and postclosure care requirements are monitored by both federal and State of South Carolina environmental protection agencies. Levels of ground water pollutants are set by State agencies and the monitoring of these amounts have been reported to County officials to be in conformity with guidelines.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 10 - PROVISION FOR CLOSURE COSTS (continued)

The County annually obtains updated and revised estimates of total future closure and post-closure costs from its consulting engineers. The provision for closure costs reported in the financial statements as operating expense represents the portion of these estimated future outlays which are allocable to the current year based on the amount of capacity used. The estimated total current cost of the landfill closure and post-closure care is based on the amount that would be paid if all equipment, facilities and services required to close, monitor and maintain the landfill were acquired as of June 30, 2009. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Clarendon County has not accumulated or segregated funds to meet this reserve.

NOTE 11 - RETIREMENT PLANS

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

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

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

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

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 11 - RETIREMENT PLANS (continued)

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

Required employee contributions to the Plans for fiscal year 2008-2009 are as follows:

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

Required employer contributions for fiscal year 2008-2009 are as follows:

SCRS	
Class I	4.25% of earnable compensation
Class II	9.24% of earnable compensation
Group Life Insurance	.015% of earnable compensation
State ORP	4.06% of earnable compensation
PORS	
Class I	7.80% of earnable compensation
Class II	10.65% of earnable compensation
Group Life Insurance	0.20% of earnable compensation
Accidental Death Program	0.20% of earnable compensation

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

	2007		2008		2009	
	SCRS	PORS	SCRS	PORS	SCRS	PORS
Employee contributions	\$ 283,167	\$ 133,301	\$ 249,779	\$ 204,746	\$ 264,911	\$ 213,510
Employer contributions	\$ 368,949	\$ 219,434	\$ 364,632	\$ 337,373	\$ 388,570	\$ 362,968

The County's 2008 – 2009 contributions represented less than one percent of total contributions required of all participating entities. Also, employer group-life contributions of \$19,346 were paid by the County in the current fiscal year. All employers contribute at the actuarially required contribution rates.

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

NOTE 11 - RETIREMENT PLANS (continued)

Discretely Presented Component Units

Clarendon County Library

	2007 SCRS	2008 SCRS	2009 SCRS
Employee contributions	\$ 13,856	\$ 14,909	\$ 14,846
Employer contributions	\$ 17,234	\$ 20,781	\$ 21,105

The Library's 2008 – 2009 contributions represented less than one percent of total contributions required of all participating entities. Also, employer group-life contributions of \$344 were paid by the Library in the current fiscal year. All employers contribute at the actuarially required contribution rates.

NOTE 12 - OTHER POST-RETIREMENT BENEFITS (OPEB) PLANS

Background

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

Plan Description

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

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

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

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

NOTE 12 - OTHER POST-RETIREMENT BENEFITS (OPEB) PLANS (continued)

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

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

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

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

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

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

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

- a) If the retiree's earned service credit in a state retirement system is five or more years, but fewer than fifteen years with a state-covered entity, then the retiree shall pay the full premium for the Plan. (There will be no employer contribution for individuals in this category, and they will be obligated to pay the entire premium.)

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

NOTE 12 - OTHER POST-RETIREMENT BENEFITS (OPEB) PLANS (continued)

- b) If the retiree's earned service credit in a state retirement system in fifteen or more years, but fewer than twenty-five years with a state-covered entity, then the retiree is eligible for fifty percent trust fund paid premiums and the retiree shall pay the remainder of the premiums cost. (Individuals in this category will receive an employer contribution equal to half of the "regular" State contribution, and will be obligated to pay the difference of the total premium and partial State contribution.)
- c) If the retiree's earned service credit in a state retirement system is twenty-five or more years with a state-covered entity, then the retiree is eligible for trust fund paid premiums, and the retiree is responsible for the entire employee premium. The County pays 100 percent of the employer's share of the premium. (Individuals in this category will receive the full State contribution, as is the case at present for employer-funded retirees, and under current policy, will generally pay the same premium as do active employees.)

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

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

The County's annual OPEB cost and the net OPEB obligation based on a 4.5% discount rate, including an inflation component of 3%, and amortizing the initial unfunded actuarial liability over 30 years based on a level percent of payroll method for 2008 is as follows:

Annual required contribution	\$ 928,459
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>928,459</u>
Estimated contributions made	<u>(216,388)</u>
Increase (decrease) in net OPEB obligation	712,071
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	<u>\$ 712,071</u>

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

NOTE 12 - OTHER POST-RETIREMENT BENEFITS (OPEB) PLANS (continued)

Actuarial Methods and Assumptions

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

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

Trend Information:

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2009 were as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	\$ 712,071	0%	\$ 712,071

Funded Status and Funding Progress:

As of July 1, 2009, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$9,405,998, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$9,405,998. For the fiscal year ended June 30, 2008, the covered payroll (annual payroll of active employees covered by the plan) was \$6,918,209, and the ratio of the UAAL to the covered payroll was 135.96%.

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

NOTE 12 - OTHER POST-RETIREMENT BENEFITS (OPEB) PLANS (continued)

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

NOTE 13 - FUND EQUITY

The fund balance as of June 30, 2008 was restated as follows:

Primary Government

	Net Assets	Fund Balance GAAP Basis
Fund Balance, as previously reported, June 30, 2008	\$ 23,990,856	\$ 3,381,039
General Fund		
Report adjustment for Infrastructure	1,109,059	-
Recognize encumbrance order cancelled	<u>2,267</u>	<u>2,267</u>
Fund balance, as restated, June 30, 2008	<u>\$ 25,102,182</u>	<u>\$ 3,383,306</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:

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 14 - RISK MANAGEMENT (continued)

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

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

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

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

The County has not reported a supplemental premium assessment expenditure, and the related liability at June 30, 2009, 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, 2009, 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.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 15 - CONTINGENCIES AND COMMITMENTS (continued)

Construction Commitments:

As of June 30, 2009, the County had incurred \$37,469 in costs on an uncompleted construction project, the Weldon Auditorium. Additional costs to complete the renovations and improvements for the contract signed at June 30, 2009 is expected to be approximately \$1,047,031. The Project is being funded by a revenue bond, secured by the first \$225,000 generated each year by the 1% Local Hospitality Tax.

NOTE 16 - SUBSEQUENT EVENTS

In July, 2009, the County received a Letter of Conditions from the US Department of Agriculture for a \$4,530,000 expansion project of its water system. Said project will be primarily financed through a \$1,951,000 RDA grant and an RDA loan of \$2,533,000, at 3.5% amortized over 40 years.

**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.
Hospitality Tax	To account for the County's collection of hospitality taxes.
C-Program	To account for fuel taxes collected for the construction and repair of public roads.
Drug Enforcement and Other Sheriff's Funds	To account for restricted revenues received by the Sheriff.
Special Purpose Districts	To account for ad valorem taxes collected to be used for various County purposes.
E-911	To account for fees collected by telephone companies to be used to provide emergency assistance through the nationwide 911 system.
Recreation Programs	To account for registration fees used for various recreation programs.
Fire Department	To account for ad valorem taxes and other revenues to be used for the operations of the Fire Department.
Victims Advocate	To account for state assessments and surcharges on fines to be used for victim services.
Third Circuit Drug Court	To account for restricted revenue for operation of drug court

DEBT SERVICE FUNDS

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

	Special Revenue						
	Bureau of Tourism Accommodation Fund	Hospitality Tax Fund	C-Program Fund	Drug Enforcement and Other Sheriff's Fund	Special Purpose Districts	E-911	Recreation Program
ASSETS							
Cash and cash equivalents	\$ 35,054	\$ 469,011	\$ 319,788	\$ 97,203	\$ -	\$ 311,600	\$ 11,724
Accounts receivable	-	21,476	92,215	-	-	-	-
Due from other funds	-	-	-	-	97,800	184,255	-
Delinquent taxes receivable	-	-	-	-	66,961	-	-
Total Assets	<u>\$ 35,054</u>	<u>\$ 490,487</u>	<u>\$ 412,003</u>	<u>\$ 97,203</u>	<u>\$ 164,761</u>	<u>\$ 495,855</u>	<u>\$ 11,724</u>
LIABILITIES AND FUND EQUITY							
Liabilities:							
Accounts payable	\$ 5,988	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,261
Deferred revenue	-	-	-	-	52,633	-	-
Due to other funds	-	-	-	234	-	-	-
Total Liabilities	<u>5,988</u>	<u>-</u>	<u>-</u>	<u>234</u>	<u>52,633</u>	<u>-</u>	<u>1,261</u>
Fund Equity:							
Fund balances:							
Unreserved	29,066	490,487	-	96,969	112,128	495,855	10,463
Reserved for other purposes	-	-	412,003	-	-	-	-
Reserved for debt service	-	-	-	-	-	-	-
Total Fund Equity	<u>29,066</u>	<u>490,487</u>	<u>412,003</u>	<u>96,969</u>	<u>112,128</u>	<u>495,855</u>	<u>10,463</u>
Total Liabilities and Fund Equity	<u>\$ 35,054</u>	<u>\$ 490,487</u>	<u>\$ 412,003</u>	<u>\$ 97,203</u>	<u>\$ 164,761</u>	<u>\$ 495,855</u>	<u>\$ 11,724</u>

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	Special Revenue				Debt Service			Total Nonmajor Governmental Funds
	Fire Department	Victims Advocate Fund	Third Circuit Drug Court	2009 Fire Protection	General Obligation Bond			
ASSETS								
Cash and cash equivalents	\$ 280,010	\$ 12,586	\$ 3,582	\$ 97,162	\$ 291,676		\$ 1,929,396	
Accounts receivable	-	-	-	-	-		\$ 113,691	
Due from other funds	-	-	-	293	9,141		291,489	
Delinquent taxes receivable	164,391	-	-	7,639	44,922		283,913	
Total Assets	\$ 444,401	\$ 12,586	\$ 3,582	\$ 105,094	\$ 345,739		\$ 2,618,489	
LIABILITIES AND FUND EQUITY								
Liabilities:								
Accounts payable	\$ 22,587	\$ 202	\$ 807	\$ -	\$ -		\$ 30,845	
Deferred revenue	122,608	-	-	7,269	34,628		217,138	
Due to other funds	-	-	-	-	-		234	
Total Liabilities	145,195	202	807	7,269	34,628		248,217	
Fund Equity:								
Fund balances:								
Unreserved	299,206	12,384	2,775	-	-		1,549,333	
Reserved for other purposes	-	-	-	-	-		412,003	
Reserved for debt service	-	-	-	97,825	311,111		408,936	
Total Fund Equity	299,206	12,384	2,775	97,825	311,111		2,370,272	
Total Liabilities and Fund Equity	\$ 444,401	\$ 12,586	\$ 3,582	\$ 105,094	\$ 345,739		\$ 2,618,489	

CLARENDON COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	Special Revenue						
	Bureau of Tourism Accommodation Fund	Hospitality Tax Fund	C-Program Fund	Drug Enforcement and Other Sheriffs Fund	Special Purpose Districts	E-911	Recreation Program
REVENUES							
Taxes	-	\$ 255,239	-	-	\$ 644,505	-	-
Intergovernmental	88,690	-	1,241,176	-	-	-	-
Charges for services	-	-	-	-	-	230,209	46,828
Fines and forfeitures	-	-	-	114,335	-	-	-
Special assessments	-	-	-	-	-	-	-
Interest	82	1,702	5,674	374	-	5,492	76
Total Revenues	<u>88,772</u>	<u>256,941</u>	<u>1,246,850</u>	<u>114,709</u>	<u>644,505</u>	<u>235,701</u>	<u>46,904</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	604,700	-	-
Public safety	-	-	-	99,954	-	147,001	-
Physical environment	-	-	1,819,158	-	-	-	-
Recreation	-	-	-	-	-	-	47,879
Community development	88,243	-	-	-	-	-	-
Court related	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-
Interest and fees	-	-	-	-	-	-	-
Total Expenditures	<u>88,243</u>	<u>-</u>	<u>1,819,158</u>	<u>99,954</u>	<u>604,700</u>	<u>147,001</u>	<u>47,879</u>
Excess of revenues over (under) expenditures	529	256,941	(572,308)	14,755	39,805	88,700	(975)
Fund balances at beginning of year	28,537	233,546	984,311	82,214	72,323	407,155	11,438
Fund balances at end of year	<u>\$ 29,066</u>	<u>\$ 490,487</u>	<u>\$ 412,003</u>	<u>\$ 96,969</u>	<u>\$ 112,128</u>	<u>\$ 495,855</u>	<u>\$ 10,463</u>

CLARENDON COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	Special Revenue				Debt Service		Total Nonmajor Governmental Funds
	Fire Department	Victims Advocate Fund	Third Circuit Drug Court	2009 Fire Protection	General Obligation Bond		
REVENUES							
Taxes	\$ 1,807,681	\$ -	\$ -	\$ 14,628	\$ 436,980	\$ -	\$ 3,159,033
Intergovernmental	-	-	150,000	-	-	-	1,479,866
Charges for services	-	-	-	-	-	-	277,037
Fines and forfeitures	-	-	-	-	-	-	114,335
Special assessments	-	97,783	-	-	-	-	97,783
Interest	2,746	74	247	1,022	864	-	18,353
Total Revenues	<u>1,810,427</u>	<u>97,857</u>	<u>150,247</u>	<u>15,650</u>	<u>437,844</u>		<u>5,146,407</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	604,700
Public safety	2,155,641	102,248	-	-	-	-	2,504,844
Physical environment	-	-	-	-	-	-	1,819,158
Recreation	-	-	-	-	-	-	47,879
Community development	-	-	-	-	-	-	88,243
Court related	-	-	154,123	-	-	-	154,123
Debt service:							
Principal	-	-	-	-	303,315	-	303,315
Interest and fees	-	-	-	-	130,316	-	130,316
Total Expenditures	<u>2,155,641</u>	<u>102,248</u>	<u>154,123</u>	<u>-</u>	<u>433,631</u>		<u>5,652,578</u>
Excess of revenues over (under) expenditures	<u>(345,214)</u>	<u>(4,391)</u>	<u>(3,876)</u>	<u>15,650</u>	<u>4,213</u>		<u>(506,171)</u>
Fund balances at beginning of year	<u>644,420</u>	<u>16,775</u>	<u>6,651</u>	<u>82,175</u>	<u>306,898</u>		<u>2,876,443</u>
Fund balances at end of year	<u>\$ 299,206</u>	<u>\$ 12,384</u>	<u>\$ 2,775</u>	<u>\$ 97,825</u>	<u>\$ 311,111</u>		<u>\$ 2,370,272</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
REVENUES						
Taxes						
Real estate taxes	\$ 7,141,500	\$ 7,141,500	\$ 7,032,908	\$ -	\$ 7,032,908	\$ (108,592)
Local option sales tax	2,200,000	2,200,000	2,245,817	-	2,245,817	45,817
Vehicle taxes	1,331,200	1,331,200	1,237,672	-	1,237,672	(93,528)
Delinquent taxes	980,000	980,000	1,396,423	-	1,396,423	416,423
Local accommodations	174,904	174,904	160,398	-	160,398	(14,506)
Payment in lieu of taxes	50,000	50,000	77,829	-	77,829	27,829
Treasurer's cost to cities	4,200	4,200	4,337	-	4,337	137
Payment in lieu - motor carrier	180,000	180,000	169,646	-	169,646	(10,354)
Total taxes	<u>12,061,804</u>	<u>12,061,804</u>	<u>12,325,030</u>	<u>-</u>	<u>12,325,030</u>	<u>263,226</u>
Licenses and permits						
Moving permits	4,000	4,000	3,992	-	3,992	(8)
Building permits	150,000	150,000	110,148	-	110,148	(39,852)
Total licenses and permits	<u>154,000</u>	<u>154,000</u>	<u>114,140</u>	<u>-</u>	<u>114,140</u>	<u>(39,860)</u>
Charges for services						
Assessors fees	6,000	6,000	8,450	-	8,450	2,450
Master in Equity fees	26,555	26,555	19,253	-	19,253	(7,302)
Probate fees	55,000	55,000	92,731	-	92,731	37,731
Planning and public service fees	10,000	10,000	8,909	-	8,909	(1,091)
ROD fees and charges	215,000	215,000	157,075	-	157,075	(57,925)
Landfill fees	226,992	226,992	178,856	-	178,856	(48,136)
County road user fee	711,000	711,000	726,053	-	726,053	15,053
Municipal inmate housing	35,000	35,000	27,560	-	27,560	(7,440)
Total charges for services	<u>1,285,547</u>	<u>1,285,547</u>	<u>1,218,887</u>	<u>-</u>	<u>1,218,887</u>	<u>(66,660)</u>
Fines and forfeitures						
Clerk of court fines and fees	135,000	135,000	137,254	-	137,254	2,254
Magistrate fines and fees	950,000	950,000	592,555	-	592,555	(357,445)
Sheriff's fines and fees	5,000	5,000	7,004	-	7,004	2,004
	<u>1,090,000</u>	<u>1,090,000</u>	<u>736,813</u>	<u>-</u>	<u>736,813</u>	<u>(353,187)</u>
Investment income						
	65,000	65,000	14,087	-	14,087	(50,913)
Miscellaneous						
Hangar rent	34,000	34,000	27,819	-	27,819	(6,181)
Multi-County Industrial Park	55,000	55,000	44,749	-	44,749	(10,251)
Miscellaneous revenue	135,500	135,500	271,174	-	271,174	135,674
Franchise fees	38,000	38,000	40,333	-	40,333	2,333
Voter registration	1,500	1,500	-	-	-	(1,500)
House arrest system	500	500	335	-	335	(165)
	<u>264,500</u>	<u>264,500</u>	<u>384,410</u>	<u>-</u>	<u>384,410</u>	<u>119,910</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Intergovernmental						
State						
Accommodations tax	30,000	30,000	29,668	-	29,668	(332)
Merchant's inventory tax	48,220	48,220	48,220	-	48,220	-
Solid waste tire fees	14,000	14,000	12,735	-	12,735	(1,265)
State aid and allocations	2,005,469	2,005,469	1,786,384	-	1,786,384	(219,085)
Voter registration	6,250	6,250	-	-	-	(6,250)
Clerk/Sheriff/Probate Judge supplements	6,300	6,300	8,910	-	8,910	2,610
Drug court funds	5,000	5,000	5,000	-	5,000	-
Vital records fees	12,000	12,000	9,452	-	9,452	(2,548)
PARD grant(s)	-	-	40,674	-	40,674	40,674
Airport improvement program	-	-	1,069	-	1,069	1,069
Waste tire grant	-	-	6,562	-	6,562	6,562
Waste oil grant	-	-	10,227	-	10,227	10,227
Cardboard collection grant	-	-	40,000	-	40,000	40,000
Economic Development grant	-	-	45,287	-	45,287	45,287
Emergency medical aid	-	-	15,135	-	15,135	15,135
Commerce rural infrastructure grant(s)	-	-	29,500	-	29,500	29,500
DSS - Clerk of Court	125,000	125,000	140,807	-	140,807	15,807
DSS - Revenue	46,000	46,000	58,652	-	58,652	12,652
DSS - Sheriff	15,000	15,000	16,401	-	16,401	1,401
Federal:						
Veterans affairs	6,100	6,100	5,872	-	5,872	(228)
Election commission	6,250	6,250	-	-	-	(6,250)
EMA citizen corp. grant(s)	-	-	4,643	-	4,643	4,643
Emergency Mgmt Performance grant(s)	-	-	36,405	-	36,405	36,405
DSN workforce training	-	-	16,642	-	16,642	16,642
Paxville community development grant	-	-	82,935	-	82,935	82,935
Automated fingerprint identification grant	-	-	555	-	555	555
Justice Assistance 2007	-	-	1,757	-	1,757	1,757
Airport improvement	-	-	19,242	-	19,242	19,242
	<u>2,325,589</u>	<u>2,325,589</u>	<u>2,472,734</u>	<u>-</u>	<u>2,472,734</u>	<u>147,145</u>
TOTAL REVENUES	\$ 17,246,440	\$ 17,246,440	\$ 17,266,101	\$ -	\$ 17,266,101	\$ 19,661

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
General Government and Administration:						
Administration:						
Salaries and related Operations	\$ 269,502	\$ 274,367	\$ 271,978	\$ -	\$ 271,978	\$ 2,389
	28,700	28,700	26,898	-	26,898	1,802
	<u>298,202</u>	<u>303,067</u>	<u>298,876</u>	<u>-</u>	<u>298,876</u>	<u>4,191</u>
County Council:						
Salaries and related Operations	94,374	94,374	95,124	-	95,124	(750)
	19,350	19,350	11,847	-	11,847	7,503
	<u>113,724</u>	<u>113,724</u>	<u>106,971</u>	<u>-</u>	<u>106,971</u>	<u>6,753</u>
Assessor:						
Salaries and related Operations	437,593	446,458	405,054	-	405,054	41,404
	69,475	69,475	30,431	6,426	36,857	32,618
	<u>507,068</u>	<u>515,933</u>	<u>435,485</u>	<u>6,426</u>	<u>441,911</u>	<u>74,022</u>
Auditor:						
Salaries and related Operations	147,071	149,615	151,751	-	151,751	(2,136)
	14,972	14,972	14,831	(2)	14,829	143
	<u>162,043</u>	<u>164,587</u>	<u>166,582</u>	<u>(2)</u>	<u>166,580</u>	<u>(1,993)</u>
Treasurer:						
Salaries and related Operations	161,532	164,302	163,293	-	163,293	1,009
	11,350	11,350	18,979	-	18,979	(7,629)
	<u>172,882</u>	<u>175,652</u>	<u>182,272</u>	<u>-</u>	<u>182,272</u>	<u>(6,620)</u>
Finance:						
Salaries and related Operations	390,046	396,767	394,052	-	394,052	2,715
	31,695	31,695	33,422	154	33,576	(1,881)
	<u>421,741</u>	<u>428,462</u>	<u>427,474</u>	<u>154</u>	<u>427,628</u>	<u>834</u>
Human Resources:						
Salaries and related Operations	125,401	127,724	127,277	-	127,277	447
	25,875	25,875	21,429	-	21,429	4,446
	<u>151,276</u>	<u>153,599</u>	<u>148,706</u>	<u>-</u>	<u>148,706</u>	<u>4,893</u>
Tax Collector:						
Salaries and related Operations	107,646	109,499	112,064	-	112,064	(2,565)
	14,400	14,400	10,666	-	10,666	3,734
	<u>122,046</u>	<u>123,899</u>	<u>122,730</u>	<u>-</u>	<u>122,730</u>	<u>1,169</u>
Voter Registration:						
Salaries and related Operations	86,074	87,425	87,353	-	87,353	72
	10,760	10,760	8,742	-	8,742	2,018
	<u>96,834</u>	<u>98,185</u>	<u>96,095</u>	<u>-</u>	<u>96,095</u>	<u>2,090</u>
Information Technology:						
Salaries and related Operations	61,561	61,561	42,951	-	42,951	18,610
	290,913	290,913	201,304	1,704	203,008	87,905
	<u>352,474</u>	<u>352,474</u>	<u>244,255</u>	<u>1,704</u>	<u>245,959</u>	<u>106,515</u>
Veterans Affairs:						
Salaries and related Operations	49,015	49,817	49,582	-	49,582	235
	5,525	5,525	6,419	-	6,419	(894)
	<u>54,540</u>	<u>55,342</u>	<u>56,001</u>	<u>-</u>	<u>56,001</u>	<u>(659)</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Nondepartmental Expenditures:						
Special Projects	550,000	550,000	167,144	(10,662)	156,482	393,518
Rent - Judicial Annex	103,000	103,000	104,614	-	104,614	(1,614)
Workmen's compensation	320,000	320,000	332,810	-	332,810	(12,810)
Audit fee	30,000	30,000	30,955	-	30,955	(955)
Unemployment	10,000	10,000	49,069	-	49,069	(39,069)
Electricity	280,000	280,000	285,937	-	285,937	(5,937)
Printing and postage	140,000	140,000	156,083	-	156,083	(16,083)
Christmas bonus	35,000	35,000	34,644	-	34,644	356
Property and liability insurance	215,000	215,000	215,783	-	215,783	(783)
Drug screening	3,500	3,500	3,925	-	3,925	(425)
Water	21,000	21,000	21,231	-	21,231	(231)
Retirees' insurance	236,000	236,000	216,388	-	216,388	19,612
Telephone	145,000	145,000	158,598	-	158,598	(13,598)
Personnel	351,208	147,630	-	-	-	147,630
Holiday compensation	51,400	56,400	54,137	-	54,137	2,263
Water & Sewer Authority related	-	-	6,827	-	6,827	(6,827)
Retirement expense	800	800	902	-	902	(102)
FICA expense	7,200	7,200	6,864	-	6,864	336
Police retirement	4,575	4,575	4,921	-	4,921	(346)
Towing fees	500	500	-	-	-	500
Bank fees and charges	10,500	10,500	23,201	-	23,201	(12,701)
	<u>2,514,683</u>	<u>2,316,105</u>	<u>1,874,033</u>	<u>(10,662)</u>	<u>1,863,371</u>	<u>452,734</u>
Grant Expense:						
Santee Cooper airport improvement	-	-	21,380	-	21,380	(21,380)
Paxville CDC community block grant	-	-	82,935	-	82,935	(82,935)
Emergency management plan(s)	-	-	23,905	-	23,905	(23,905)
EMS Grant in aid	-	-	15,135	-	15,135	(15,135)
Waste oil grant(s)	-	-	10,217	429	10,646	(10,646)
Waste tire grant(s)	-	-	9,685	-	9,685	(9,685)
Cardboard collection grant(s)	-	-	41,013	-	41,013	(41,013)
SC Parks and Recreation	-	-	32,350	-	32,350	(32,350)
Automated fingerprint identification	-	-	799	-	799	(799)
V-Safe 2008	-	-	30,000	(30,000)	-	-
Radio interoperable communications	-	-	458,709	(368,787)	89,922	(89,922)
Barrineau Public Utilities grant	-	-	29,500	-	29,500	(29,500)
Citizen Corps - SCEMD	-	-	4,589	-	4,589	(4,589)
Justice Assistance 2007	-	-	1,757	-	1,757	(1,757)
Economic Development grant	-	-	45,287	-	45,287	(45,287)
Multi-park Improvements	-	-	18,510	-	18,510	(18,510)
	<u>-</u>	<u>-</u>	<u>825,771</u>	<u>(398,358)</u>	<u>427,413</u>	<u>(427,413)</u>
Total General Government and Administration	<u>4,967,513</u>	<u>4,801,029</u>	<u>4,985,251</u>	<u>(400,738)</u>	<u>4,584,513</u>	<u>216,516</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Court Related:						
Clerk of Court:						
Salaries and related Operations	101,919	115,259	114,537	-	114,537	722
	41,250	41,250	44,455	-	44,455	(3,205)
	<u>143,169</u>	<u>156,509</u>	<u>158,992</u>	<u>-</u>	<u>158,992</u>	<u>(2,483)</u>
Magistrates:						
Salaries and related Operations	412,298	423,191	413,906	-	413,906	9,285
	22,250	22,250	19,149	-	19,149	3,101
	<u>434,548</u>	<u>445,441</u>	<u>433,055</u>	<u>-</u>	<u>433,055</u>	<u>12,386</u>
Probate Judge:						
Salaries and related Operations	106,422	108,450	111,494	-	111,494	(3,044)
	9,930	9,930	10,718	-	10,718	(788)
	<u>116,352</u>	<u>118,380</u>	<u>122,212</u>	<u>-</u>	<u>122,212</u>	<u>(3,832)</u>
Family Court:						
Salaries and related Operations	108,407	110,364	109,571	-	109,571	793
	6,600	6,600	5,156	-	5,156	1,444
	<u>115,007</u>	<u>116,964</u>	<u>114,727</u>	<u>-</u>	<u>114,727</u>	<u>2,237</u>
Register of Deeds:						
Salaries and related Operations	95,378	117,904	107,032	-	107,032	10,872
	66,100	66,100	81,407	-	81,407	(15,307)
	<u>161,478</u>	<u>184,004</u>	<u>188,439</u>	<u>-</u>	<u>188,439</u>	<u>(4,435)</u>
Master in Equity:						
Salaries and related Operations	28,905	29,326	25,872	-	25,872	3,454
	3,670	3,670	5,215	-	5,215	(1,545)
	<u>32,575</u>	<u>32,996</u>	<u>31,087</u>	<u>-</u>	<u>31,087</u>	<u>1,909</u>
DSS Funds - Clerk of Court:						
Salaries and related Operations	96,485	98,133	95,027	-	95,027	3,106
	10,000	10,000	5,036	-	5,036	4,964
	<u>106,485</u>	<u>108,133</u>	<u>100,063</u>	<u>-</u>	<u>100,063</u>	<u>8,070</u>
Circuit Court Judges:						
Allowance	19,500	19,500	19,995	(38)	19,957	(457)
Solicitor:						
Allowance	143,813	143,813	143,813	-	143,813	-
Public Defender:						
Allowance	60,000	60,000	60,000	-	60,000	-
	223,313	223,313	223,808	(38)	223,770	(457)
Total Court Related	<u>1,332,927</u>	<u>1,385,740</u>	<u>1,372,383</u>	<u>(38)</u>	<u>1,372,345</u>	<u>13,395</u>
Public Safety:						
Sheriff:						
Salaries and related Operations	1,974,253	2,013,834	1,942,897	-	1,942,897	70,937
	565,000	565,000	656,769	(5,007)	651,762	(86,762)
	<u>2,539,253</u>	<u>2,578,834</u>	<u>2,599,666</u>	<u>(5,007)</u>	<u>2,594,659</u>	<u>(15,825)</u>
Emergency Preparedness:						
Salaries and related Operations	97,751	99,592	97,927	-	97,927	1,665
	22,340	22,340	33,764	(21,623)	12,141	10,199
	<u>120,091</u>	<u>121,932</u>	<u>131,691</u>	<u>(21,623)</u>	<u>110,068</u>	<u>11,864</u>
Correctional Center:						
Salaries and related Operations	1,398,651	1,423,278	1,344,121	-	1,344,121	79,157
	492,510	492,510	511,468	20,076	531,544	(39,034)
	<u>1,891,161</u>	<u>1,915,788</u>	<u>1,855,589</u>	<u>20,076</u>	<u>1,875,665</u>	<u>40,123</u>

**CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009**

	<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>				
Coroner:						
Salaries and related	42,251	43,096	43,096	-	43,096	-
Operations	61,140	61,140	60,808	-	60,808	332
	<u>103,391</u>	<u>104,236</u>	<u>103,904</u>	<u>-</u>	<u>103,904</u>	<u>332</u>
Communications:						
Salaries and related	477,463	484,873	487,548	-	487,548	(2,675)
Operations	18,700	18,700	7,781	4,762	12,543	6,157
	<u>496,163</u>	<u>503,573</u>	<u>495,329</u>	<u>4,762</u>	<u>500,091</u>	<u>3,482</u>
EMS:						
Contract	887,315	887,315	887,315	-	887,315	-
Animal Control:						
Expenses	132,000	132,000	132,000	-	132,000	-
Total Public Safety	<u>6,169,374</u>	<u>6,243,678</u>	<u>6,205,494</u>	<u>(1,792)</u>	<u>6,203,702</u>	<u>39,976</u>
Physical Environment:						
Facilities Management:						
Salaries and related	212,356	215,930	211,588	-	211,588	4,342
Operations	192,890	192,890	141,288	32	141,320	51,570
	<u>405,246</u>	<u>408,820</u>	<u>352,876</u>	<u>32</u>	<u>352,908</u>	<u>55,912</u>
Landfill:						
Salaries and related	159,382	161,811	160,829	-	160,829	982
Operations	1,465,000	1,465,000	1,389,743	-	1,389,743	75,257
	<u>1,624,382</u>	<u>1,626,811</u>	<u>1,550,572</u>	<u>-</u>	<u>1,550,572</u>	<u>76,239</u>
County Engineer:						
Salaries and related	80,347	81,776	80,602	-	80,602	1,174
Operations	3,550	3,550	1,271	-	1,271	2,279
	<u>83,897</u>	<u>85,326</u>	<u>81,873</u>	<u>-</u>	<u>81,873</u>	<u>3,453</u>
Public Works:						
Salaries and related	586,051	595,508	574,861	-	574,861	20,647
Operations	264,336	264,336	240,998	-	240,998	23,338
	<u>850,387</u>	<u>859,844</u>	<u>815,859</u>	<u>-</u>	<u>815,859</u>	<u>43,985</u>
Total Physical Environment	<u>2,963,912</u>	<u>2,980,801</u>	<u>2,801,180</u>	<u>32</u>	<u>2,801,212</u>	<u>179,589</u>
Economic Environment:						
Planning and Public Service Commission:						
Salaries and related	287,800	295,788	274,036	-	274,036	21,752
Operations	54,200	54,200	43,019	-	43,019	11,181
	<u>342,000</u>	<u>349,988</u>	<u>317,055</u>	<u>-</u>	<u>317,055</u>	<u>32,933</u>
Development Board:						
Salaries and related	148,658	151,385	149,925	-	149,925	1,460
Operations	186,400	186,400	139,305	17,250	156,555	29,845
	<u>335,058</u>	<u>337,785</u>	<u>289,230</u>	<u>17,250</u>	<u>306,480</u>	<u>31,305</u>
Total Economic Environment	<u>677,058</u>	<u>687,773</u>	<u>606,285</u>	<u>17,250</u>	<u>623,535</u>	<u>64,238</u>

CLARENDON COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Transportation:						
Fleet Maintenance:						
Salaries and related	157,282	161,975	159,624	-	159,624	2,351
Operations	12,915	12,915	9,679	-	9,679	3,236
	<u>170,197</u>	<u>174,890</u>	<u>169,303</u>	<u>-</u>	<u>169,303</u>	<u>5,587</u>
Airport Commission:						
Operations	204,500	204,500	26,357	-	26,357	178,143
	<u>204,500</u>	<u>204,500</u>	<u>26,357</u>	<u>-</u>	<u>26,357</u>	<u>178,143</u>
Total Transportation	<u>374,697</u>	<u>379,390</u>	<u>195,660</u>	<u>-</u>	<u>195,660</u>	<u>183,730</u>
Recreation and Culture:						
Recreation:						
Salaries and related	203,921	207,649	208,188	-	208,188	(539)
Operations	100,750	100,750	95,497	-	95,497	5,253
	<u>304,671</u>	<u>308,399</u>	<u>303,685</u>	<u>-</u>	<u>303,685</u>	<u>4,714</u>
County Archives:						
Salaries and related	41,624	44,966	44,137	-	44,137	829
Operations	9,022	9,022	7,386	-	7,386	1,636
	<u>50,646</u>	<u>53,988</u>	<u>51,523</u>	<u>-</u>	<u>51,523</u>	<u>2,465</u>
Total Recreation and Culture	<u>355,317</u>	<u>362,387</u>	<u>355,208</u>	<u>-</u>	<u>355,208</u>	<u>7,179</u>
Miscellaneous:						
Agencies:						
Santee-Lynches Council of Government	22,782	22,782	22,782	-	22,782	-
Voter Registration Board	6,250	6,250	-	-	-	6,250
Paxville Community Devel. Corp.	8,000	8,000	8,000	-	8,000	-
Clarendon Soil and Water Conservation	30,000	30,000	30,000	-	30,000	-
Election Commission	6,250	6,250	-	-	-	6,250
Election Commission - Supplies	3,000	3,000	18,567	-	18,567	(15,567)
Clemson Extension	48,900	48,900	47,322	-	47,322	1,578
SC Association of Counties	8,672	8,672	8,672	-	8,672	-
Delegation allowance	14,000	14,000	14,000	-	14,000	-
Behavioral Services	17,380	17,380	17,380	-	17,380	-
Clarendon Community Devel. Corp.	10,000	10,000	10,000	-	10,000	-
Clarendon First Steps	9,500	9,500	9,500	-	9,500	-
DHEC	15,670	15,670	15,670	-	15,670	-
Santee Wateree RTA	2,450	2,450	2,450	-	2,450	-
Harvest Hope Food Bank	5,500	5,500	5,500	-	5,500	-
Indigent care	68,579	68,579	68,579	-	68,579	-
Council on Aging	5,000	5,000	5,000	-	5,000	-
County Board of Education	6,617	6,617	9,190	-	9,190	(2,573)
Wateree Community Action	1,500	1,500	1,500	-	1,500	-
USC Sumter - Mid Carolina	4,000	4,000	4,000	-	4,000	-
American Red Cross	5,000	5,000	5,000	-	5,000	-
Lake Marion Regional Water Authority	24,500	24,500	19,385	-	19,385	5,115
Central Carolina Technical College	297,092	297,092	297,092	-	297,092	-
	<u>620,642</u>	<u>620,642</u>	<u>619,589</u>	<u>-</u>	<u>619,589</u>	<u>1,053</u>
Total Miscellaneous	<u>620,642</u>	<u>620,642</u>	<u>619,589</u>	<u>-</u>	<u>619,589</u>	<u>1,053</u>
Total Expenditures	<u>\$ 17,461,440</u>	<u>\$ 17,461,440</u>	<u>\$ 17,141,050</u>	<u>\$ (385,286)</u>	<u>\$ 16,755,764</u>	<u>\$ 705,676</u>
Other Financing Sources (Uses)						
Sale of Assets	\$ 40,000	\$ 40,000	\$ 73,275	\$ -	\$ 73,275	\$ 33,275
Transfers In (Out)	-	-	-	-	-	-
	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 73,275</u>	<u>\$ -</u>	<u>\$ 73,275</u>	<u>\$ 33,275</u>

CLARENDON COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FIRE DEPARTMENT - SPECIAL REVENUE FUND
BUDGETARY BASIS
JUNE 30, 2009

	Final Budget	Actual Amount	Variance Positive (Negative)
REVENUES			
Taxes	\$ 1,644,800	\$ 1,807,681	\$ 162,881
Interest	-	2,746	2,746
Total revenues	<u>1,644,800</u>	<u>1,810,427</u>	<u>165,627</u>
EXPENDITURES			
Public Safety:			
Salaries and related	840,074	798,219	41,855
Operations	<u>804,726</u>	<u>1,357,422</u>	<u>(552,696)</u>
	<u>1,644,800</u>	<u>2,155,641</u>	<u>(510,841)</u>
Excess (deficiency) of revenues over (under) expenditures	-	(345,214)	(345,214)
Fund balances at beginning of year	<u>644,420</u>	<u>644,420</u>	<u>-</u>
Fund balance at end of year	<u>\$ 644,420</u>	<u>\$ 299,206</u>	<u>\$ (345,214)</u>

FIDUCIARY FUND

AGENCY FUNDS

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

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF FIDUCIARY NET ASSETS
ALL AGENCY FUNDS
JUNE 30, 2009**

	School Districts Debt Service	School Districts Operations	Probate Judge	Master-In Equity	Municipalities
ASSETS					
Cash	\$ 1,664,564	\$ -	320	\$ 7,771	\$ -
Delinquent taxes receivable	128,752	925,760	-	-	-
Due from credit card	-	-	-	-	-
Due from General Fund	13,933	194,411	-	-	20,003
Due from other magistrates	-	-	-	-	-
Due from trust fund holders	-	-	-	-	-
Total assets	<u>1,807,249</u>	<u>1,120,171</u>	<u>320</u>	<u>7,771</u>	<u>20,003</u>
LIABILITIES					
Due to trust fund holders	1,699,182	350,498	320	7,771	-
Due to Treasurer	-	-	-	-	-
Due to Treasurer - cash coverage (shortage)	-	-	-	-	-
Deferred revenue	108,067	769,673	-	-	-
Due to Towns and Town magistrates	-	-	-	-	20,003
Due to other magistrates	-	-	-	-	-
Total liabilities	<u>1,807,249</u>	<u>1,120,171</u>	<u>320</u>	<u>7,771</u>	<u>20,003</u>
NET ASSETS					
Total net assets	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF FIDUCIARY NET ASSETS
ALL AGENCY FUNDS
JUNE 30, 2009**

	Magistrates			Clerk of Court	Tax Collector	Total
	General Account	Civil Account	Part- Time			
ASSETS						
Cash	\$ 166,982	\$ 4,845	\$ 3,414	\$ 444,953	\$ 265,392	\$ 2,558,241
Delinquent taxes receivable	-	-	-	-	-	1,054,512
Due from credit card	620	-	1,160	-	-	1,780
Due from General Fund	-	-	-	-	4,189	232,536
Due from other magistrates	2,883	-	-	-	-	2,883
Due from trust fund holders	-	-	-	1,897	-	1,897
Total assets	170,485	4,845	4,574	446,850	269,581	3,851,849
LIABILITIES						
Due to trust fund holders	41,094	-	1,100	398,461	269,581	2,768,007
Due to Treasurer	121,037	4,845	-	31,400	-	157,282
Due to Treasurer - cash coverage (shortage)	8,354	-	-	16,989	-	25,343
Deferred revenue	-	-	-	-	-	877,740
Due to Towns and Town magistrates	-	-	591	-	-	20,594
Due to other magistrates	-	-	2,883	-	-	2,883
Total liabilities	170,485	4,845	4,574	446,850	269,581	3,851,849
NET ASSETS						
Total net assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2009

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
Municipalities				
Assets				
Due from General Fund	\$ 372	\$ 1,162,624	\$ 1,142,993	\$ 20,003
Total Assets	<u>\$ 372</u>	<u>\$ 1,162,624</u>	<u>\$ 1,142,993</u>	<u>\$ 20,003</u>
Liabilities				
Due to Towns	\$ 372	\$ 1,162,624	\$ 1,142,993	\$ 20,003
Total Liabilities	<u>\$ 372</u>	<u>\$ 1,162,624</u>	<u>\$ 1,142,993</u>	<u>\$ 20,003</u>
School Districts Debt Service				
Assets				
Cash and investments	\$ 2,119,245	\$ 18,619,598	\$ 19,074,279	\$ 1,664,564
Due from other funds	7,662	1,026,596	1,020,325	13,933
Delinquent taxes receivable	122,982	12,207	6,437	128,752
Total Assets	<u>\$ 2,249,889</u>	<u>\$ 19,658,401</u>	<u>\$ 20,101,041</u>	<u>\$ 1,807,249</u>
Liabilities				
Deferred revenue	107,377	690	-	108,067
Due to trust fund holders	2,142,512	-	443,330	1,699,182
Total Liabilities	<u>\$ 2,249,889</u>	<u>\$ 690</u>	<u>\$ 443,330</u>	<u>\$ 1,807,249</u>
School District Operations				
Assets				
Delinquent taxes receivable	\$ 792,073	\$ 133,687	\$ -	\$ 925,760
Due from General Fund	13,148	8,640,450	8,459,187	194,411
Total Assets	<u>\$ 805,221</u>	<u>\$ 8,774,137</u>	<u>\$ 8,459,187</u>	<u>\$ 1,120,171</u>
Liabilities				
Deferred revenue	\$ 657,310	\$ 112,363	\$ -	\$ 769,673
Due to trust fund holders	147,911	202,587	-	350,498
Total Liabilities	<u>\$ 805,221</u>	<u>\$ 314,950</u>	<u>\$ -</u>	<u>\$ 1,120,171</u>

**CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2009**

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
Probate Judge:				
Assets				
Cash	\$ 540	\$ 100,579	\$ 100,799	\$ 320
Total Assets	<u>\$ 540</u>	<u>\$ 100,579</u>	<u>\$ 100,799</u>	<u>\$ 320</u>
Liabilities				
Due to trust fund holders	\$ 540	\$ -	\$ 220	\$ 320
Total Liabilities	<u>\$ 540</u>	<u>\$ -</u>	<u>\$ 220</u>	<u>\$ 320</u>
Master In Equity				
Assets				
Cash	\$ 31,465	\$ 504,674	\$ 528,368	\$ 7,771
Total Assets	<u>\$ 31,465</u>	<u>\$ 504,674</u>	<u>\$ 528,368</u>	<u>\$ 7,771</u>
Liabilities				
Due to trust fund holders	\$ 31,465	\$ -	\$ 23,694	\$ 7,771
Total Liabilities	<u>\$ 31,465</u>	<u>\$ -</u>	<u>\$ 23,694</u>	<u>\$ 7,771</u>
Magistrate: General account				
Assets				
Cash	\$ 180,777	\$ 1,448,834	\$ 1,462,629	\$ 166,982
Due from credit card	930	620	930	620
Due from other magistrates	174	2,883	174	2,883
Total Assets	<u>\$ 181,881</u>	<u>\$ 1,452,337</u>	<u>\$ 1,463,733</u>	<u>\$ 170,485</u>
Liabilities				
Due to Treasurer	\$ 114,195	\$ 121,037	\$ 114,195	\$ 121,037
Due to trust fund holders	59,871	41,094	59,871	41,094
Due to Treasurer - cash overage/(shortage)	7,815	8,354	7,815	8,354
Total Liabilities	<u>\$ 181,881</u>	<u>\$ 170,485</u>	<u>\$ 181,881</u>	<u>\$ 170,485</u>

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2009

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
Magistrate: Civil Account				
Assets				
Cash	\$ 5,663	\$ 69,195	\$ 70,013	\$ 4,845
Total Assets	<u>\$ 5,663</u>	<u>\$ 69,195</u>	<u>\$ 70,013</u>	<u>\$ 4,845</u>
Liabilities				
Due to Treasurer	\$ 5,663	\$ -	\$ 818	\$ 4,845
Total Liabilities	<u>\$ 5,663</u>	<u>\$ -</u>	<u>\$ 818</u>	<u>\$ 4,845</u>
Magistrate: Summerton				
Assets				
Cash	\$ 174	\$ 3,328	\$ 88	\$ 3,414
Due from Credit Card	-	1,160	-	1,160
Total Assets	<u>\$ 174</u>	<u>\$ 4,488</u>	<u>\$ 88</u>	<u>\$ 4,574</u>
Liabilities				
Due to other magistrates	\$ 174	\$ 2,797	\$ 88	\$ 2,883
Due to Town magistrates	-	591	-	591
Due to Trust Fund holders	-	1,100	-	1,100
Total Liabilities	<u>\$ 174</u>	<u>\$ 4,488</u>	<u>\$ 88</u>	<u>\$ 4,574</u>
Clerk of Court				
Assets				
Cash	\$ 688,546	\$ 3,670	\$ 247,263	\$ 444,953
Due from State	-	-	-	-
Total Assets	<u>\$ 691,097</u>	<u>\$ 3,670</u>	<u>\$ 247,917</u>	<u>\$ 446,850</u>
Liabilities				
Due to Treasurer	\$ 44,218	\$ -	\$ 12,818	\$ 31,400
Due to trust fund holders	632,134	-	233,673	398,461
Due to Treasurer - cash overage/(shortage)	14,745	2,244	-	16,989
Total Liabilities	<u>\$ 691,097</u>	<u>\$ 2,244</u>	<u>\$ 246,491</u>	<u>\$ 446,850</u>

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2009

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
Tax Collector				
Assets				
Cash	\$ 272,395	\$ -	\$ 7,003	\$ 265,392
Due from General Fund	-	4,189	-	4,189
Total Assets	<u>\$ 272,395</u>	<u>\$ 4,189</u>	<u>\$ 7,003</u>	<u>\$ 269,581</u>
Liabilities				
Due to General Fund	\$ 2,422	\$ -	\$ 2,422	\$ -
Due to trust fund holders	269,973	-	392	269,581
Total Liabilities	<u>\$ 272,395</u>	<u>\$ -</u>	<u>\$ 2,814</u>	<u>\$ 269,581</u>
Total All Agency Funds				
Assets				
Cash and Investments	\$ 3,298,805	\$ 20,749,878	\$ 21,490,442	\$ 2,558,241
Delinquent taxes receivable	915,055	145,894	6,437	1,054,512
Due from credit card	930	1,780	930	1,780
Due from General Fund	21,182	10,833,859	10,622,505	232,536
Due from other magistrates	174	2,883	174	2,883
Due from trust fund holders	2,551	-	654	1,897
Total Assets	<u>\$ 4,238,697</u>	<u>\$ 31,734,294</u>	<u>\$ 32,121,142</u>	<u>\$ 3,851,849</u>
Liabilities				
Due to Treasurer	\$ 164,076	\$ 121,037	\$ 127,831	\$ 157,282
Due to Treasurer - cash overage/(shortage)	22,560	10,598	7,815	25,343
Due to General Fund	2,422	-	2,422	-
Due to trust fund holders	3,284,406	244,781	761,180	2,768,007
Deferred revenue	764,687	113,053	-	877,740
Due to Towns	372	1,162,624	1,142,993	20,003
Due to Town Magistrate	-	591	-	591
Due to other magistrates	174	2,797	88	2,883
Total Liabilities	<u>\$ 4,238,697</u>	<u>\$ 1,655,481</u>	<u>\$ 2,042,329</u>	<u>\$ 3,851,849</u>

CLARENDON COUNTY
SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES
SPECIAL REVENUE FUND - VICTIMS RIGHTS FUND
JUNE 30, 2009

	Clerk of Court	Magistrates	Total
Court Fines			
Court fines collected	\$ 13,599	\$ 592,557	\$ 606,156
Court fines retained by County	<u>10,176</u>	<u>592,557</u>	<u>602,733</u>
Court fines remitted to State Treasurer	<u>\$ 3,423</u>	<u>\$ -</u>	<u>\$ 3,423</u>
Court Assessments			
Court assessments collected	\$ 9,198	\$ 918,136	\$ 927,334
Court assessments retained by County	<u>3,018</u>	<u>61,482</u>	<u>64,500</u>
Court assessments remitted to State Treasurer	<u>\$ 6,180</u>	<u>\$ 856,654</u>	<u>\$ 862,834</u>
Court Surcharges			
Court surcharges collected	<u>\$ 14,643</u>	<u>\$ 18,640</u>	<u>\$ 33,283</u>
Court surcharges retained by County	<u>\$ 14,643</u>	<u>\$ 18,640</u>	<u>\$ 33,283</u>
Victims Services			
Court assessments allocated to Victim Services	\$ 3,018	\$ 61,482	\$ 64,500
Court surcharges allocated to Victim Services	<u>14,643</u>	<u>18,640</u>	<u>33,283</u>
Funds allocated to Victim Services	<u>\$ 17,661</u>	<u>\$ 80,122</u>	97,783
Victim Services expenditures			<u>(102,248)</u>
			<u>\$ (4,465)</u>
Beginning balance - July 1, 2008		\$ 16,775	
Excess of expenditures over revenue for current year		<u>(4,465)</u>	
Interest Income		<u>73</u>	
Ending Balance - June 30, 2009		<u>\$ 12,383</u>	

**CLARENDON COUNTY, SOUTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2009**

Real and Other Personal Property Assessed Value	\$ 75,721,480
Vehicles Assessed Value	10,986,292
Manufacturer's Assessed Value	1,248,700
Merchants Inventory Value	688,290
Motor Carrier Assessed Value	<u>1,232,209</u>
Total Taxable Assessed Value	<u>89,876,971</u>
Debt Limit - Eight Percent (8%) of Total Taxable Assessed Value	7,190,158
Amount of Debt Applicable to Debt Limit:	<u>4,090,000</u>
LEGAL DEBT MARGIN	<u><u>\$ 3,100,158</u></u>

McGregor & COMPANY^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS | SINCE 1930

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS • SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

C.C. McGregor, CPA
1906-1968

PARTNERS

W.C. Stevenson, CPA
B.T. Kight, CPA
G.D. Skipper, CPA
L.R. Leaphart, Jr, CPA
M.J. Binnicker, CPA
W.W. Francis, CPA

D.L. Richardson, CPA
E.C. Inabinet, CPA
S.S. Luoma, CPA
T.M. McCall, CPA
H.D. Brown, Jr, CPA
L.B. Salley, CPA

D.K. Strickland, CPA
J.P. McGuire, CPA
L.H. Kelly, CPA

ASSOCIATES

V.K. Laroche, CPA
G.N. Mundy, CPA
M.L. Layman, CPA
P.A. Betette, Jr, CPA

S. Wo, CPA
G.A. Farmer, CPA
C.D. Hinchee, CPA
J.R. Matthews, II, CPA

January 7, 2010

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

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

We have audited the financial statements of the governmental activities, the business-type activity, 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, 2009, which collectively comprise Clarendon County's basic financial statements and have issued our report thereon dated January 7, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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

(continued)

A 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. We consider the deficiencies in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting. (2009-1)

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 Clarendon County's internal control.

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 identify all deficiencies that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered material weaknesses. However the significant deficiency described above (2009-1) is considered to be a material weakness.

Compliance and Other Matters

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

We noted certain matters that we reported to management of Clarendon County in a separate letter dated January 7, 2010.

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

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2009**

**FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORT IN
ACCORDANCE WITH GOVERNMENT AUDIT STANDARDS**

Significant Deficiency

2009-1 Material Audit Adjustments

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

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

Cause: The entries were the result of oversight on the part of finance and grants staff.

Effect: Without the proposed entries being made, the financial statements would have been materially misstated as of and for the year ended June 30, 2009.

Recommendation: Finance staff should further review accounts and transactions to make all necessary adjustments.

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

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA**

OTHER MATTERS

JUNE 30, 2009

McGregor & COMPANY_{LLP}

CERTIFIED PUBLIC ACCOUNTANTS | SINCE 1930

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS • SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

C.C. McGregor, CPA
1906-1968

W.C. Stevenson, CPA
B.T. Kight, CPA
G.D. Skipper, CPA
L.R. Leaphart, Jr, CPA
M.J. Binnicker, CPA
W.W. Francis, CPA

D.L. Richardson, CPA
E.C. Inabinet, CPA
S.S. Luoma, CPA
T.M. McCall, CPA
H.D. Brown, Jr, CPA
L.B. Salley, CPA

D.K. Strickland, CPA
J.P. McGuire, CPA
L.H. Kelly, CPA

ASSOCIATES

V.K. Laroche, CPA
G.N. Mundy, CPA
M.L. Layman, CPA
P.A. Betette, Jr, CPA

S. Wo, CPA
G.A. Farmer, CPA
C.D. Hincee, CPA
J.R. Matthews, II, CPA

January 7, 2010

Clarendon County Council
Clarendon County
Manning, South Carolina

In planning and performing our audit of the financial statements of Clarendon County for the year ended June 30, 2009, we considered the County's internal control to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal control and increasing operating efficiency. The following summarizes our comments and suggestions regarding those matters. We previously reported on the County's internal control in our report dated January 7, 2010. This letter does not affect our report dated January 7, 2010, on the financial statements of Clarendon County.

LANDFILL BILLING

During our audit, we did some observation and testing of the landfill operations. We tested the landfill billing and noted the following:

- The computer program at the landfill was not being used properly. Problems were encountered when weighing vehicles that crossed the scales. This resulted in duplicate entries in the computer.
- We could not reconcile the monthly summary sheets printed at the landfill to the bills generated in the finance department. This was due to the finance department only using individual weight tickets and not the monthly summary sheets in preparing bills.

ORANGEBURG
1190 Boulevard Street
Orangeburg, SC 29115
(803) 536-1015
fax (803) 536-1020

BARNWELL
(803) 259-1163
fax (803) 259-5469

COLUMBIA
(803) 787-0003
fax (803) 787-2299

www.mcgregorcpa.com

We recommend that the following steps be taken to correct these problems:

- Landfill personnel needs to be trained to understanding all aspects of the computer program and report any problems encountered. Presently, the computer manager has spent time with the landfill personnel and has trained them on use of the computer software.
- Customers at the landfill should sign off on the landfill receipt kept by the County. When billing, the finance personnel will know that these weight tickets are authentic. The finance department should reconcile the weight tickets to the landfill summary monthly to ensure that there are no duplicate entries.
- Landfill bills should include previous balance, amount paid, the monthly billed amount and the end of month balance. This presentation will make reconciling and researching billing questions easier.

Currently, the finance department is in the process of implementing the recommendations we have made above.

PROCUREMENT

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

- Two vehicles purchased by the Sheriff's Department were not purchased in accordance with the procurement policy. The purchases were not initiated through the procurement department, therefore bids were not obtained.
- A mower purchased by Public Works was also not initiated through procurement.
- A Water/Sewer Service contract for 2008-2009 was not initiated through procurement. Bids were not obtained and no formal contract was signed. For the 2009-2010 year, these services were handled through procurement and bids were obtained.

We recommend that all purchases of goods and services follow procurement policy guidelines. If a sole source vendor is chosen or an emergency situation arises, that should be documented properly. Unauthorized commitments made by County personnel should be subject to the disciplinary action as stated in the policy.

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

McHugher & Co LLP