

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF THE
COUNTY OF ORANGEBURG
ORANGEBURG, SOUTH CAROLINA
FOR THE
FISCAL YEAR ENDED
JUNE 30, 2006

J. William Clark
County Administrator

COUNTY OF ORANGEBURG
 Comprehensive Annual Financial Report
 For the fiscal year ended June 30, 2006

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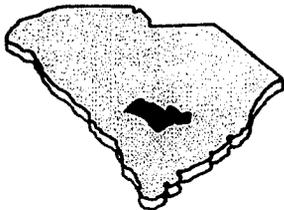
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COUNTY OF ORANGEBURG

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Orangeburg County



2005

COUNCIL MEMBERS

JOHN H. RICKENBACKER, CHM.
HARRY F. WIMBERLY, VICE CHM.
JANIE COOPER
CLYDE B. LIVINGSTON
HEYWARD H. LIVINGSTON
JOHNNY RAVENELL
JOHNNIE WRIGHT, SR.

COUNTY ADMINISTRATOR

BILL CLARK

December 12, 2006

Orangeburg County Council and
Citizens of Orangeburg County
Orangeburg, South Carolina

We are pleased to submit this Comprehensive Annual Financial Report of Orangeburg County government for the fiscal year ended June 30, 2006. State statutes require Orangeburg County government to issue annually a report on its financial position and activities, and that an independent firm of certified public accountants audits this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of this presentation, including all disclosures, rests with the County's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly both the financial position, and the results of operation and cash flow of the various funds, account groups, and component units of Orangeburg County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

This report presents the financial activity of the County in conformity with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

The Comprehensive Annual Financial Report consists of the following four sections:

1. The **Introductory Section**, which is unaudited, includes this Letter of Transmittal, the government's Organizational Chart, a location map, and a List of Principal Elected and Appointed Officials of Orangeburg County.
2. The **Financial Section** includes the financial statements and the combining and individual financial statements and schedules, as well as the independent auditor's report on the financial statements and schedules. GAAP require that the management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County of Orangeburg MD&A can be found immediately following the report of the independent auditors.
3. The **Statistical Section**, which is unaudited, includes selected financial and demographic information.
4. The **Single Audit Section** consists of audit reports required by the U.S. Office of Management and Budget Circular A-133.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act, as amended by the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments, and Non-Profit Organizations*. Information related to this single audit, including a schedule of expenditures of federal awards and the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and schedule of findings and questioned costs are included in the single audit section of this report.

The Reporting Entity

The financial reporting entity (the government) includes all the funds of the primary government, i.e., Orangeburg County, as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable and exclusion of which would render the financial statements incomplete or misleading. Orangeburg County, under a Council-Administrator form of government, provides a broad range of services which include:

- Public Safety - Law enforcement, emergency preparedness plans, jail facilities, and fire protection
- Veterans Assistance
- Voter Registration
- Roads and Bridges Maintenance
- Waste Disposal
- Planning
- Criminal, Civil, Probate and Family Court Administration
- Public Defender Assistance
- Tax Collection and Dispersal
- Health Services - Emergency medical services, indigent health care, and social services

Blended component units, although legally separate entities, are in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Orangeburg County COP's (certificates of participation) have been shown in the Debt Service Fund and the Capital Projects Fund. Discretely presented component units are reported separately on the combining balance sheet to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations, and cash flows from those of the primary government. The Orangeburg County Public Library, the Orangeburg-Calhoun Regional Detention Center, and the Orangeburg County Fire District are being reported as discretely presented component units.

Governmental Structure, Local Economic Condition and Outlook

Orangeburg-At-A-Glance - Orangeburg County is located in the south central part of South Carolina, approximately 41 miles south of Columbia, the State Capital. The County covers about 1,106 square miles, and the soil is generally fertile. Orangeburg County ranks first in the state in cash receipts from sales of crops and livestock. Principal farm commodities include corn, cotton, oats, dairy products, peaches, wheat and soybeans. The population of Orangeburg County is currently 92,617. Orangeburg County has natural beauty, numerous historical buildings, churches, and a moderate climate. It is known for its quality of life. Although once a largely rural and agricultural county, Orangeburg's economic development initiatives and infrastructure investments continue the County's transformation to a manufacturing and service based economy.

Orangeburg County enjoys the availability of four institutions of higher education: South Carolina State University, Claflin University, Orangeburg-Calhoun Technical Education Center, and Southern Methodist College.

The County is served by Interstate Highways 26 and 95, five U.S. highways and by a network of South Carolina highways.

Orangeburg's public services are provided by a Council-Administrator form of government, with seven Council members elected from districts for four-year staggered terms. The County Administrator is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the directors of the government's departments not under the control of elected officials.

Economic Condition and Outlook - There are over one hundred industrial facilities located in Orangeburg County which include plants manufacturing lawn equipment, hand tools, garments, roller bearings, organic chemicals, Teflon tubing, processing systems, fabric printing, chemicals, electrical assembly components, undergarments, wooden products, bakery products, heater wire, cement, various lumber products, power cable, shipping containers, knitting machines, diesel engines, NASCAR race coolers, and numerous other items. The largest industrial facilities in Orangeburg County include the plants of Electrolux (2,200 employees), Koyo Corporation of America (720), Zeus Industrial Products (two plants with 709 employees), Albemarle Corporation (517 employees) and Ambler Industries (490 employees). In addition, the Food Lion distribution center located near the Town of Vance has 800 employees.

The Town of Santee, located south of Lake Marion, has developed into a resort community. This town is situated adjacent to Interstate 95, and a number of motels, restaurants and other commercial establishments are located around it.

Orangeburg County continues to recruit industry placing a strong emphasis on buyer/supplier networks, retention of existing industries, and recruitment of new industries. A sophisticated marketing plan concentrating on the new County/City Industrial Park was introduced in 2000. Lennox International became the Park's first tenant in July 2000 with more than 65 employees. Operating as Allied Air Enterprises, the company has erected a \$19,000,000 building and has 350 employees. Other recent additions to the Orangeburg County/City Industrial Park include the DANA Corporation (150 employees), a manufacturer of automobile parts. H.T. Hackney, a distributor of wholesales grocery products (100 employees) and QM Plastics, a Canadian based manufacturer of plastic components (75 employees). In 2005, Allied Air Enterprises began a \$21,000,000 expansion that will bring an additional 250 jobs to Orangeburg County.

MAJOR INITIATIVES

Industrial Park - This joint initiative between the County of Orangeburg and the City of Orangeburg cost approximately \$9,000,000, with the total cost being shared equally by the County of Orangeburg and the City of Orangeburg. Assistance has also been received from the Economic Development Administration in the form of a \$1,500,000 grant to assist in the water and sewer infrastructure development at the three quadrants of Interstate 26 and U.S. Highway 301 located adjacent to the park. This greatly augments the industrial park and will allow for commercial development along this busy interstate and will also promote the economic development scheduled for the park. As a result of the initial successes within the Park, a Phase II expansion was begun in 2005 that will add approximately 220 acres for industrial development.

Lake Marion Regional Water Authority - This joint municipal water system is a regional concept with six counties in the eastern portion of the State of South Carolina where more than 50,000 citizens will be served with portable water as well as replacing the individual well system throughout this region. Since this announcement was made last year, the regional water authority has been awarded \$30 million in federal grants to assist in the development and construction of the water treatment plant and transmission lines. The water plant is presently under construction with a projected completion date of October 2007.

Capital Project Sales Tax - On November 3, 1998, Orangeburg County held a referendum so that citizens could authorize a one cent sales tax on all commercial and regular sales activities within the County of Orangeburg for a period of seven (7) years to be used for capital projects. This referendum was overwhelmingly passed by the citizens, and the tax was implemented on May 1, 1999. During the seven-year-life of this project, it has been projected that approximately \$53,287,457 will be generated. With this \$53,287,457, Orangeburg County Council, along with input from the citizens, has identified capital projects that will enhance the quality of life for all citizens within the County of Orangeburg as well as all of the County's corporate jurisdictions. The projects will be developed in a systematic manner over the next seven (7) years. The following are the major categories and the associated projected amounts for each of these categories:

Highways, roads, streets and bridges	\$ 14,154,323
Buildings: courthouses, administration, fire houses, etc.	3,867,489
Cultural, recreational and historic facilities	9,404,921
Water, sewer, or water and sewer projects	21,811,716
Flood control projects and storm water management facilities	457,182
Jointly-operated projects	<u>2,040,000*</u>
Total	51,735,631
1% collection fee payable to the South Carolina Department of Revenue	538,257
Project administration/management fee	<u>1,551,826</u>
Total	<u>\$ 53,825,714</u>

*Under jointly-operated projects, we are referring to projects shared between the County of Orangeburg and various cities and towns within the County.

On November 2, 2004, Orangeburg County citizens voted in a referendum to extend the one-cent Capital Projects Sales Tax for an additional seven years. The referendum was approved by 68% of the voters. The one-cent sales tax will begin being collected in May 2006 and is expected to generate approximately \$71 million for the construction of 108 capital and infrastructure projects and associated costs.

FINANCIAL INFORMATION

Internal Controls - Orangeburg County Council and Management are responsible for establishing and maintaining internal control designed to ensure that the assets of Orangeburg County are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control should not exceed the benefits likely to be derived. The valuation of costs and benefits requires estimates and judgments by Management.

As a recipient of federal, state and local assistance, the County of Orangeburg is also responsible for ensuring that adequate internal control is in place to guarantee and document compliance with applicable laws and regulations related to these programs. This internal control is subject to periodic evaluation by Management and contracted services on an as-needed basis with outside audit firms.

As a part of the County of Orangeburg's single audit process, described earlier, tests were made of our internal control and of our compliance with applicable laws and regulations, including those related to federal financial assistance programs.

Budgeting Controls - In addition to the aforementioned internal control, Orangeburg County government maintains budgetary controls. The object of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Orangeburg County Council. Activities of the general fund, eight of the twenty special revenue funds, the debt service fund, and one capital projects fund are included in the annual appropriated budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the departmental level within each fund. The government also maintains an encumbrance accounting system as one method of maintaining budgetary control. Encumbered amounts lapse at year end. However, outstanding encumbrances are re-appropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the County of Orangeburg continues to meet its responsibility for sound financial management.

Cash Management - The management of cash and investments is the responsibility of the County Treasurer. A negotiated rate of interest is paid daily on cash held in checking accounts. Other investments are made in U.S. Government Agency Securities and/or certificates of deposit. All investments are made in compliance with S.C. Codes 6-5-10 and 12-45-220.

Risk Management - The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions as well as job-related illnesses and accidents. The County pays premiums to a public entity risk pool for workers' compensation insurance and to the State Insurance Reserve Fund for all other forms of coverage. The County employs a full-time Risk Manager to administer its workers' compensation and loss prevention programs.

OTHER INFORMATION

Independent Audit - South Carolina's state statutes require an annual audit by independent certified public accountants. The firm of Elliott Davis, LLC provided audit services for the County of Orangeburg for the fiscal year ended June 30, 2005. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1984 and the related U.S. Office of Management and Budget's Circular A-133. Generally accepted auditing standards and the standards set forth in the General Accounting Office's *Governmental Auditing Standards* were used by the auditors in conducting the engagement. The auditor's reports on the general purpose financial statements and combining of individual fund statements and schedules are included in the financial section of this report. The auditor's reports on internal control and compliance with applicable laws and regulations can be found in the single audit section of this report.

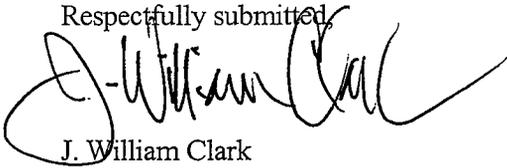
Awards - The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Orangeburg for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2005. This was the eighteenth consecutive year that the County of Orangeburg has received this prestigious award. In order to be awarded a Certificate of Achievement, the County of Orangeburg published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements.

In addition, the County was selected to receive two prestigious civic awards for the fiscal year ending June 30, 2006. The County was honored by The National Association of Counties with three 2006 Achievement Awards, and recognized by The S.C. Association of Counties with the J. Mitchell Graham award for excellence in governmental service.

Acknowledge - The timely preparation of the CAFR could not have been accomplished without the efficient services of the entire staffs of the Finance department, the County Treasurer, the Administration, and the special assistance provided by our independent audit firm, Elliott Davis, LLC, CPA's. We would like to express our appreciation to all staff members of these departments who assisted and contributed to the preparation of this report. Due credit also should be given to the Chairman and members of the Orangeburg County Council for their interest and support in planning and conducting the operations of the government in a responsible and progressive manner.

Respectfully submitted,



J. William Clark
County Administrator



Jannella Shuler
Finance Director

COUNTY OF ORANGEBURG, SOUTH CAROLINA

PRINCIPAL OFFICIALS
For the year ended June 30, 2006

MEMBERS OF COUNTY COUNCIL

John H. Rickenbacker, Chairman - County #7
Harry F. Wimberly, Vice-Chairman - County #3
Janie Cooper, Councilwoman - County #5
Clyde B. Livingston, Councilman - County #6
Heyward H. Livingston, Councilman - County #4
Johnny Ravenell, Councilman - County #2
Johnnie L. Wright, Sr., Councilman - County #1

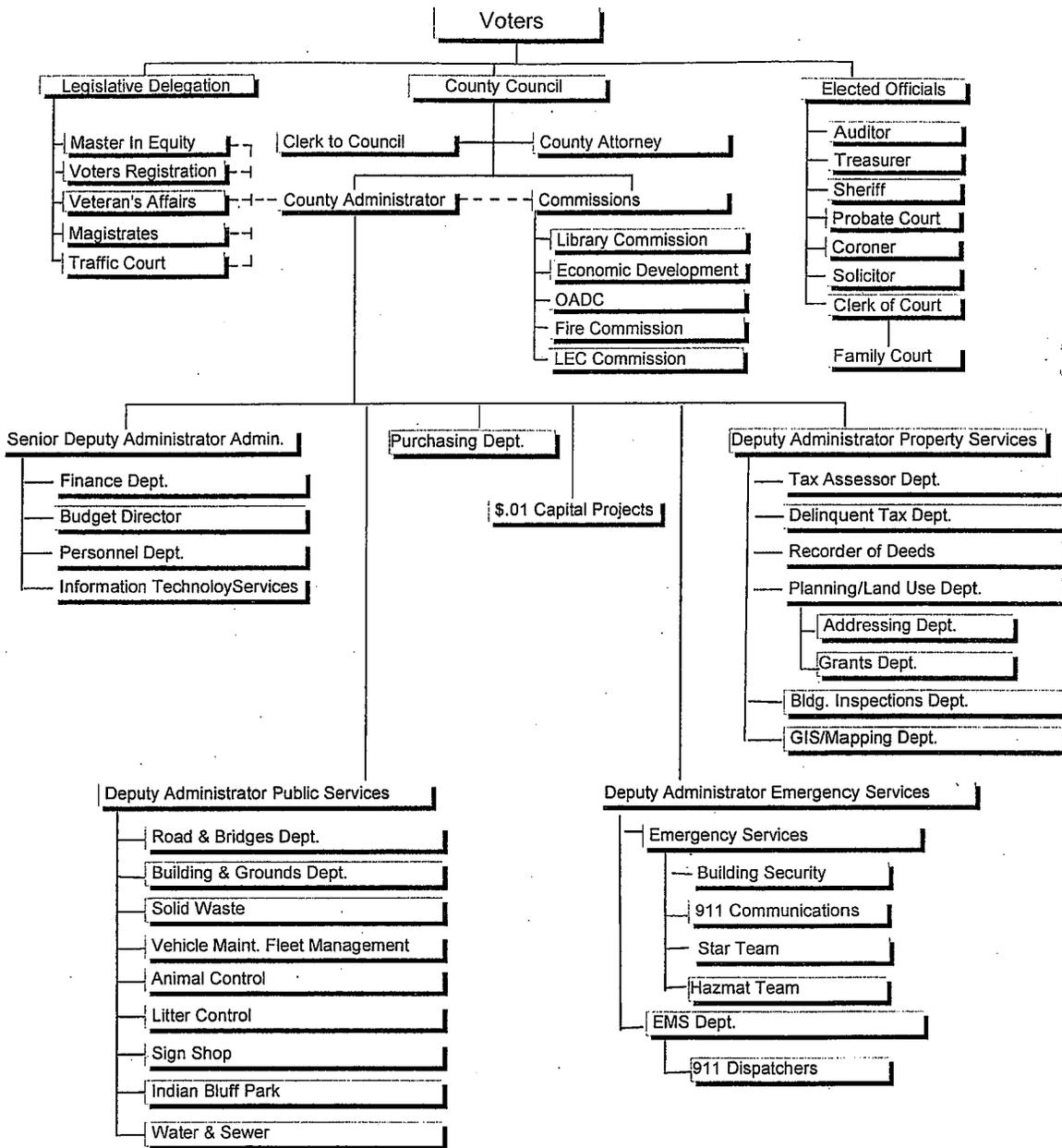
ELECTED OFFICIALS

David Pascoe, Solicitor
Pandora Jones-Glover, Probate Judge
Roger Cleckley, Auditor
Larry Williams, Sheriff
Samuetta V. Marshall, Coroner
Lisa Mizell, Clerk of Court
J. Steve Summers, Treasurer

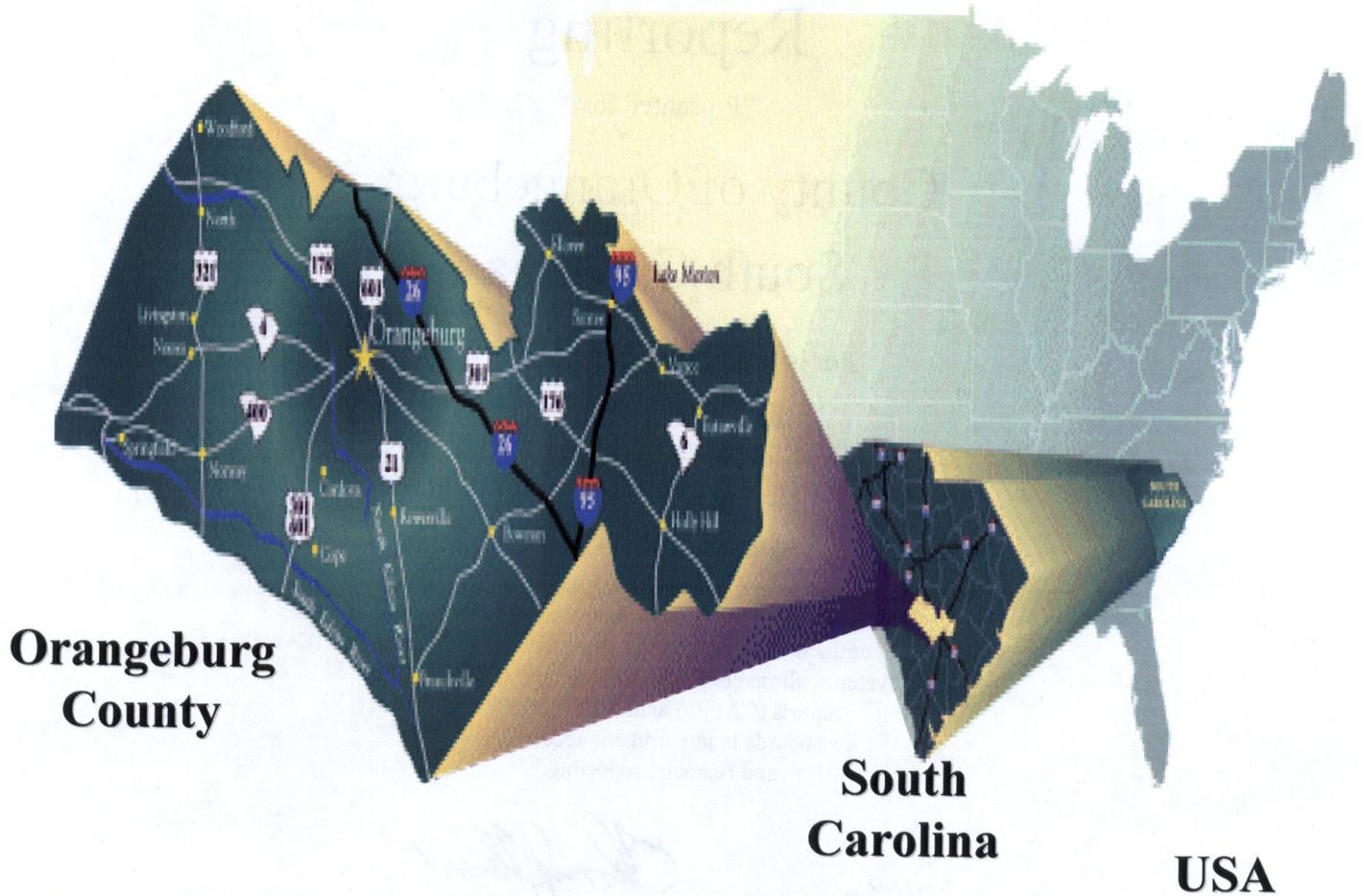
APPOINTED OFFICIALS

J. William Clark, County Administrator
Timothy E. Maybank, Senior Deputy County Administrator
Marion Lloyd, Deputy County Administrator
John Smith, Deputy County Administrator
Earl Whalen, Deputy County Administrator
D'Anne Haydel, County Attorney
Jannella S. Shuler, Finance Director

County of Orangeburg Organization Chart



Orangeburg County Location Map



**Orangeburg
County**

**South
Carolina**

USA



Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Orangeburg
South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "Romeo Ploun".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

FINANCIAL SECTION

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Orangeburg County
Orangeburg County Council
Orangeburg, South Carolina

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Orangeburg County as of and for the year ended June 30, 2006 which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Orangeburg County as of June 30, 2006, and the respective the changes in financial position 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 a report dated December 12, 2006, on our consideration of the County's internal control over financial reporting and 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 Budgetary Comparison Information, as listed in the Table of Contents, is not a required part of the basic financial statements but are supplementary information required by the 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 the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison nonmajor fund financial statements, combining and individual component unit financial statements, schedule of court fines and assessments, and statistical tables as listed in the Table of Contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison nonmajor fund financial statements, combining and individual component unit financial statements, schedule of court fines and assessments, and accompanying Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

December 12, 2006

ELSON DAVIS LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Orangeburg County's annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2006. Please read it in conjunction with the transmittal letter at the front of this report and the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The County's assets exceeded its liabilities at June 30, 2006 by \$84.7 million (net assets). Of this amount \$11.5 million (unrestricted net assets) may be used to meet the government's ongoing obligations.
- The County repaid \$9.4 million of bond, note, and capital lease obligations during the year.
- The County's total net assets increased \$3.3 million over the course of this year's operations.
- During the year, the County's general fund balance was decreased \$1.0 million.
- The general fund actual revenues were \$206 thousand less than budgeted. However, general fund expenditures were \$1.6 million less than budgeted.
- At the end of the current fiscal year, unreserved general fund balance was \$8.7 million or 29 percent of general fund expenditures and other uses for the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts - *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and an optional section that presents *combining statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the County government, reporting the County's operations in *more detail* than the government-wide statements.
 - The *governmental funds* statements tell how *general government* services like public safety were financed in the *short term* as well as what remains for future spending.
 - *Fiduciary fund* statements provide information about 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 accounting used for fiduciary funds is much like that of the proprietary funds.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about our nonmajor governmental funds, each of which are added together and presented in single columns in the basic financial statements.

Figure A-1 summarizes the major features of the County’s financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

**Figure A-1
Major Features of County of Orangeburg’s Government-wide and Fund Financial Statements**

	<u>Fund Statements</u>		
	<u>Government-wide Statements</u>	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire County government (except Fiduciary funds) and the County’s component units	The activities of the County that are not proprietary or fiduciary, such as police, fire, and parks	Instances in which the County is the agent for someone else’s resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All agency assets and liabilities, both short-term and long-term
Type of inflow/outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes *all* of the government’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County’s *net assets* and how they have changed. Net assets - the difference between the County’s assets and liabilities - is one way to measure the County’s financial health, or *position*.

- Over time, increases or decreases in the County’s net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County you need to consider additional non-financial factors such as changes in the County’s property tax base and the condition of the County’s roads.
- *Governmental activities* - Most of the County’s basic services are included here, such as the police, fire, public works, and parks departments, and general administration. Property taxes and state and federal grants finance most of these activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the County's most significant *funds* - not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The County Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has two kinds of funds:

- *Governmental funds* - Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Fiduciary funds* - The County acts as agent, or *fiduciary*, for other entities resources. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net assets

The County's net assets increased \$3.3 million or 4.1% between fiscal years 2005 and 2006 - ending at approximately \$84.7 million. (See Table A-1.)

Table A-1
County of Orangeburg's Net Assets
(in thousands of dollars)

	Governmental Activities		Total Percentage Change
	2006	2005	2005-2006
Current and other assets	\$ 65,207	\$ 62,488	4.4%
Capital assets	58,256	55,983	4.1%
Total assets	123,463	118,471	4.2%
Long-term debt	23,354	31,281	(25.3)%
Other liabilities	15,435	5,832	164.7%
Total liabilities	38,789	37,113	4.5%
Net assets			
Invested in capital assets, net of related debt	51,595	45,999	12.2%
Restricted	21,555	23,018	(6.4)%
Unrestricted	11,524	12,341	(6.6)%
Total net assets	\$ 84,674	\$ 81,358	4.1%

Changes in net assets. The County's total revenues decreased by 4.1 percent to \$58.5 million. (See Table A-2.) Approximately 46 percent of the County's revenue comes from property taxes and 15 percent comes from capital projects sales tax. Approximately 15 percent comes from fees charged for services, and 15 percent is from state and federal aid.

The total cost of all programs, services and capital improvements increased approximately \$7.8 million or 16.5 percent. The County's expenses cover a range of services, with about 31 percent related to public safety and 21 percent related to public works.

Table A-2 and the narrative that follows consider the operations of governmental activities.

GOVERNMENTAL ACTIVITIES

Revenues for the County's governmental activities decreased 4.1 percent, while total expenses increased 16.5 percent. The 4.1 percent decrease in total revenues was primarily attributable to roads systems contributed to the County of approximately \$1.2 million compared to \$3.8 million in the prior year.

Table A-2
Changes in County of Orangeburg's Net Assets
(in thousands of dollars)

	Governmental Activities		Total Percentage Change
	2006	2005	2005-2006
Revenues			
Program revenues			
Charges for services	\$ 8,682	\$ 9,731	(10.8)%
Grants and contributions	3,919	4,069	(3.7)%
Capital grants	-	492	(100.0)%
General revenues			
Property taxes	26,844	26,975	(.5)%
Other taxes	9,072	8,731	3.9%
Intergovernmental	5,023	4,121	21.9%
Other	4,967	6,911	(28.1)%
Total revenues	58,507	61,030	(4.1)%
Expenses			
General government	6,344	9,042	(29.8)%
Judicial	3,234	3,130	3.3%
Public works	11,647	4,303	170.7%
Public safety	17,167	16,412	4.6%
Social and health	4,217	3,246	29.9%
Sanitation	5,009	4,419	13.4%
Internal services	2,430	2,222	9.4%
Culture and recreation	4,056	3,384	19.9%
Interest and fiscal charges	1,086	1,227	11.5%
Total expenses	55,190	47,385	16.5%
Increase in net assets	\$ 3,317	\$ 13,645	(75.7)%

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$50.3 million, a decrease of \$6.7 million in comparison with the prior year. Approximately 24 percent of this total amount (\$12.1 million) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to pay debt service (\$9.7 million) or to fund capital asset projects for County facilities or infrastructure improvements (28.5 million).

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$8.7 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance to total fund expenditures. Unreserved fund balance represents approximately 29 percent of total general fund expenditures.

The fund balance of the County's general fund decreased by \$1 million during the current fiscal year. Key factors in this growth are as follows:

- Property tax revenues decreased \$740 thousand or 3.8% due largely to economic decline in the tax base.
- Charges for services decreased \$421 thousand or 14.5% due primarily to the lack of emergency medical service revenues as compared to the prior year.
- Expenditures increased \$3.6 million or 13.3% due primarily to salary increases.

The debt service fund had a total fund balance of \$9.7 million, all of which is reserved for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was \$439 thousand. Principal retirement decreased during the current period (\$79 thousand) as the result of no new bond indebtedness incurred during the prior year.

The capital projects sales tax fund had a total fund balance of \$21.3 million, all of which is reserved to improve, repair and construct infrastructure in the County. The net decrease in fund balance during the current year was \$3.6 million or 14.3%. Various capital projects were funded during the year.

The capital improvements fund had a total fund balance of \$7.2 million, all of which is reserved to improve and repair County owned facilities. The net decrease in fund balance during the current year was \$1.7 million.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were approximately \$2.0 million increase in appropriations. The primary areas for this increase was due to insurance and workers compensation.

All of this increase was to be funded from available fund balance. During the year, however, expenditures were less than budgetary estimates, thus eliminating the need to draw upon existing fund balance.

Actual general fund expenditures were \$1.6 million below budget amounts. This is primarily the result of general government other expenditures which were \$1.0 million less than the budget amounts.

Resources available for appropriation were \$207 thousand less than budgeted amount as follows:

- Other revenues were \$395 thousand less than budgeted.
- Charges related to Emergency Medical Services were \$271 thousand less than budgeted.
- Property taxes were \$350 less than budgeted due to effects of law change related to vehicle assessed value ratios.
- Interest on investments were \$537 greater than budgeted which was attributable to rising interest rates.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2006, the County had invested \$58.3 million in a broad range of capital assets net of accumulated depreciation. (See Table A-3.) This amount represents a net increase (including additions and deductions) of \$2.3 million, or 4.1 percent, over last year.

Table A-3
County of Orangeburg's Capital Assets
(net of depreciation, in thousands of dollars)

	Governmental		Total
	Activities		Percentage
	2006	2005	Change
	<u>2006</u>	<u>2005</u>	<u>2005-2006</u>
Land	\$ 3,509	\$ 3,499	0.3%
Construction in progress	3,633	2,705	34.3%
Buildings and improvements	35,613	34,452	3.4%
Furniture, fixtures and equipment	50,108	47,653	5.2%
Infrastructure	30,636	27,933	9.7%
Accumulated depreciation	<u>(65,243)</u>	<u>(60,259)</u>	8.3%
	<u>\$ 58,256</u>	<u>\$ 55,983</u>	4.1%

This year's major capital asset additions included:

- \$2.7 million in additions of infrastructure including road systems contributed of \$1.2 million.
- \$3.7 million in net additions of equipment, buildings, and improvements.
- \$927 thousand in net additions related to construction in progress.

More detailed information about the County's capital assets is presented in Notes 1 and 2 to the financial statements.

Long-term Debt

At year-end the County had \$23.3 million in bonds and capital lease obligations outstanding - a decrease of 25.3% over last year - as shown in Table A-4. More detailed information about the County's long-term liabilities is presented in Note 6 to the financial statements.

The state limits the amount of general obligation debt the County can issue to 8 percent of the assessed value of all taxable property within the County's legal limits. Our outstanding debt is significantly below this limit - which is currently \$18.1 million as reflected in Table 12 of this report.

Table A-4
County of Orangeburg's Outstanding Debt
(in thousands of dollars)

	Governmental Activities		Total Percentage Change
	<u>2006</u>	<u>2005</u>	<u>2005-2006</u>
General obligation bonds	\$ 10,600	\$ 11,535	(8.1)%
Revenue bonds	8,769	15,364	(42.9)%
Note payable	663	693	(4.3)%
Capital lease obligations	<u>3,322</u>	<u>3,689</u>	(9.9)%
Total	<u>\$ 23,354</u>	<u>\$ 31,281</u>	(25.3)%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Unemployment now stands at 9.3 percent, the same as a year ago. This compares unfavorably with the state's rate of 6.7 percent and the national rate of 4.6 percent.
- Inflationary trends in the region compare favorably to national indices.

These indicators were taken into account when adopting the general fund budget for 2007. Amounts available for appropriation in the general fund budget are at nearly \$33.6 million, an increase of less than 2 percent over the final 2006 budget of \$29.1 million.

Budgeted expenditures are expected to increase approximately 1 percent over the actual 2006 expenditures and other uses of \$31.5 million. The largest increments again are wages and other related employment costs.

If these estimates are realized, the County's budgetary general fund balance is expected to increase slightly by the close of 2007.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jannella Shuler, Finance Director, or visit the County website at www.orangeburgcounty.org.

BASIC FINANCIAL STATEMENTS

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2006

Exhibit A-1

	Governmental Activities	Component Units
ASSETS		
Cash and cash equivalents	\$ 29,245,938	\$ 365,740
Cash with fiscal agent	26,517,874	-
Receivables, net of allowance for uncollectibles:		
Taxes	2,006,535	168,584
Other	2,457,660	-
Due from primary government	-	634,113
Due from other governments	3,554,412	75,500
Due from agencies	342,360	-
Due from component unit	799,312	-
Inventories	147,962	-
Other assets	134,229	13,225
Capital assets:		
Land	3,509,053	-
Construction in progress	3,632,918	-
Buildings and improvements	35,612,765	-
Furniture, fixtures, and equipment	50,107,944	-
Infrastructure assets	30,636,395	-
Less accumulated depreciation	<u>(65,242,686)</u>	<u>-</u>
Total capital assets, net of depreciation	<u>58,256,389</u>	<u>-</u>
Total assets	<u>\$ 123,462,671</u>	<u>\$ 1,257,162</u>
LIABILITIES		
Accounts payable	\$ 1,584,443	\$ 170,089
Accrued salaries and benefits	456,418	81,721
Due to component units	634,113	-
Due to primary government	-	799,312
Due to agencies	11,165,950	-
Accrued interest payable	452,239	-
Other liabilities	8,172	-
Long-term liabilities:		
Due within one year	9,508,591	76,012
Due in more than one year	<u>14,979,182</u>	<u>140,933</u>
Total liabilities	<u>\$ 38,789,108</u>	<u>\$ 1,268,067</u>
NET ASSETS		
Invested in capital assets net of related debt	\$ 51,595,231	\$ -
Reserved for:		
Debt service	9,664,741	-
Capital outlay	11,889,662	-
Unrestricted (deficit)	<u>11,523,929</u>	<u>(10,905)</u>
Total net assets	<u>\$ 84,673,563</u>	<u>\$ (10,905)</u>

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

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
For the year ended June 30, 2006

Exhibit A-2

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Primary Government	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Units
PRIMARY GOVERNMENT						
Governmental activities						
General government	\$ 6,343,675	\$ 670,587	\$ -	\$ -	\$ (5,673,088)	
Judicial	3,233,742	2,362,630	-	-	(871,112)	
Public works	11,647,075	2,600,142	870,996	-	(8,175,937)	
Public safety	17,167,215	1,245,173	1,310,546	-	(14,611,496)	
Social and health	4,217,784	-	1,737,169	-	(2,480,615)	
Sanitation	5,009,300	1,803,467	-	-	(3,205,833)	
Internal services	2,429,788	-	-	-	(2,429,788)	
Culture and recreation	4,055,473	-	-	-	(4,055,473)	
Interest and fiscal charges	1,085,850	-	-	-	(1,085,850)	
Total governmental activities	\$ 55,189,902	\$ 8,681,999	\$ 3,918,711	\$ -	(42,589,192)	
Component units						
Fire commission	2,025,008	-	-	-		\$ (2,025,008)
Public Library	1,055,760	20,543	183,164	-		(852,053)
Regional Detention center	5,381,882	70,227	4,063,036	-		(1,248,619)
Total Component units	\$ 8,462,650	\$ 90,770	\$ 4,246,200	\$ -		(4,125,680)

GENERAL REVENUES

Property taxes levied for:		
General purposes	\$ 18,730,061	\$ 2,200,597
Debt service	1,534,292	-
Special revenue projects	6,579,262	-
Sales tax	8,867,624	-
Accommodations tax	204,268	-
Interest and investment income	2,904,383	14,122
Intergovernmental not restricted to special programs	5,023,274	-
Contributions not restricted to specific programs	1,200,000	-
Miscellaneous	862,499	905,603
Total general revenues and transfers	45,905,663	3,120,322
Change in net assets	3,316,471	(1,005,358)
Net assets beginning of year	90,765,333	994,453
Prior period adjustment	(9,408,241)	-
Net assets beginning of year, as restated	81,357,092	994,453
Net assets end of year	\$ 84,673,563	\$ (10,905)

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

COUNTY OF ORANGEBURG, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2006

Exhibit A-3

	General	Debt Service	Capital Projects Sales Tax	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 29,245,938	\$ -	\$ -	\$ -	\$ -	\$ 29,245,938
Cash with fiscal agent	-	9,868,004	16,625,826	24,044	-	26,517,874
Receivables, net of allowance for uncollectibles:						
Property taxes	1,388,941	139,381	-	61,066	417,147	2,006,535
Intergovernmental	1,211,824	-	2,341,658	930	-	3,554,412
Other	980,469	-	-	-	1,477,191	2,457,660
Due from other funds	2,896,815	-	2,732,014	7,798,435	4,442,123	17,869,387
Due from agencies	342,360	-	-	-	-	342,360
Due from component unit	799,312	-	-	-	-	799,312
Inventories	147,962	-	-	-	-	147,962
Land held for resale	-	-	-	134,229	-	134,229
	\$ 37,013,621	\$ 10,007,385	\$ 21,699,498	\$ 8,018,704	\$ 6,336,461	\$ 83,075,669
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 384,913	\$ -	\$ 345,494	\$ 144,243	\$ 709,793	\$ 1,584,443
Accrued salaries	375,001	-	876	-	80,541	456,418
Due to other funds	14,972,572	256,680	-	680,143	1,959,992	17,869,387
Due to agencies	11,165,950	-	-	-	-	11,165,950
Due to component units	634,113	-	-	-	-	634,113
Due to others	-	-	-	-	8,172	8,172
Deferred revenue - Property taxes	742,045	85,964	-	31,959	227,221	1,087,189
	28,274,594	342,644	346,370	856,345	2,985,719	32,805,672
FUND BALANCES						
Reserved for:						
Debt service	-	9,664,741	-	-	-	9,664,741
Capital outlay	-	-	21,353,128	7,162,359	-	28,515,487
Unreserved						
Undesignated reported in:						
General fund	8,739,027	-	-	-	-	8,739,027
Special revenue fund	-	-	-	-	3,351,252	3,351,252
Capital project fund	-	-	-	-	(510)	(510)
	8,739,027	9,664,741	21,353,128	7,162,359	3,350,742	50,269,997
Total fund balances	8,739,027	9,664,741	21,353,128	7,162,359	3,350,742	50,269,997
Total liabilities and fund balances	\$ 37,013,621	\$ 10,007,385	\$ 21,699,498	\$ 8,018,704	\$ 6,336,461	\$ 83,075,669

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

COUNTY OF ORANGEBURG, SOUTH CAROLINA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2006

Exhibit A-4

Total fund balances - Governmental funds \$ 50,269,997

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

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds. These
assets consist of:

Land	3,509,053
Construction in progress	3,632,918
Buildings and improvements	35,612,765
Furniture, fixtures, and equipment	50,107,944
Infrastructure assets	30,636,395
Accumulated depreciation	<u>(65,242,686)</u>
Total capital assets	<u>58,256,389</u>

Some revenues will be collected after year-end but are not available soon
enough to pay for the current period's expenditures and therefore are
deferred in the funds.

Deferred property taxes	1,087,189
-------------------------	-----------

Some liabilities are not due and payable in the current period and therefore
are not reported in the funds. Those liabilities consist of:

General obligation debt	(10,600,000)
Capital leases payable	(3,322,092)
Revenue bonds	(8,769,296)
Note payable	(663,043)
Accrued interest	(452,239)
Other liabilities	(297,245)
Deferred amount on refunding	67,448
Compensated absences	<u>(903,545)</u>
Total long-term liabilities	<u>(24,940,012)</u>

Net assets of governmental activities \$ 84,673,563

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

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2006

Exhibit A-5

	General	Debt Service	Capital Projects Sales Tax	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 18,727,201	\$ 1,527,144	\$ -	\$ 764,371	\$ 5,815,160	\$ 26,833,876
Sales tax	-	-	8,867,624	-	-	8,867,624
Intergovernmental	5,023,274	-	-	-	4,122,979	9,146,253
Licenses and permits	670,587	-	-	-	-	670,587
Charges for services	2,472,931	-	-	87,326	4,797,063	7,357,320
Fines, fees, and forfeitures	544,157	-	-	-	109,935	654,092
Investment income	662,550	826,411	1,358,591	-	56,831	2,904,383
Other	853,808	-	-	8,691	-	862,499
Total revenues	<u>28,954,508</u>	<u>2,353,555</u>	<u>10,226,215</u>	<u>860,388</u>	<u>14,901,968</u>	<u>57,296,634</u>
EXPENDITURES						
General government	11,024,730	-	872,301	-	-	11,897,031
Judicial	3,167,867	-	-	-	-	3,167,867
Public works	48,183	-	5,116,432	3,756,246	3,692,671	12,613,532
Public safety	12,986,853	-	-	-	1,471,919	14,458,772
Social and health	2,259,337	-	-	-	1,941,978	4,201,315
Sanitation	-	-	-	-	5,009,300	5,009,300
Internal services	1,552,818	-	-	-	-	1,552,818
Culture and recreation	-	-	1,267,666	-	2,967,807	4,235,473
Debt service:						
Principal retirement	-	7,355,000	-	-	-	7,355,000
Interest and fiscal charges	-	995,191	-	-	-	995,191
Total expenditures	<u>31,039,788</u>	<u>8,350,191</u>	<u>7,256,399</u>	<u>3,756,246</u>	<u>15,083,675</u>	<u>65,486,299</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,085,280)</u>	<u>(5,996,636)</u>	<u>2,969,816</u>	<u>(2,895,858)</u>	<u>(181,707)</u>	<u>(8,189,665)</u>
OTHER FINANCING SOURCES (USES):						
Capital leases and bonds issued	1,463,589	-	-	-	-	1,463,589
Transfers in	-	6,525,967	-	1,174,639	410,771	8,111,377
Transfers out	(410,771)	(968,794)	(6,525,967)	-	(205,845)	(8,111,377)
Total other financing sources (uses)	<u>1,052,818</u>	<u>5,557,173</u>	<u>(6,525,967)</u>	<u>1,174,639</u>	<u>204,926</u>	<u>1,463,589</u>
Net change in fund balances	(1,032,462)	(439,463)	(3,556,151)	(1,721,219)	23,219	(6,726,076)
Fund balances, beginning of year	9,771,489	10,104,204	24,909,279	8,883,578	3,327,523	56,996,073
Fund balances, end of year	<u>\$ 8,739,027</u>	<u>\$ 9,664,741</u>	<u>\$ 21,353,128</u>	<u>\$ 7,162,359</u>	<u>\$ 3,350,742</u>	<u>\$ 50,269,997</u>

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

COUNTY OF ORANGEBURG, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended June 30, 2006

Exhibit A-6

Net change in fund balances - Total government funds	\$ (6,726,076)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:	
Capital outlay	7,346,728
Capital disposals, net of accumulated depreciation	(52,876)
Depreciation expense	<u>(5,020,915)</u>
Excess of capital outlay over depreciation expense	<u>2,272,937</u>
Because some revenue will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred property tax revenues increased by this amount this year.	
	<u>9,739</u>
Bond and capital lease proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from:	
Bond proceeds	(8,800)
Capital lease proceeds	<u>(1,454,789)</u>
	<u>(1,463,589)</u>
Repayment of long-term debt is reported as an expenditure in governmental funds. But the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consisted of:	
Bond principal retirement	7,538,804
Note payable retirement	29,514
Capital lease payments	<u>1,821,433</u>
Total long-term debt repayment	<u>9,389,751</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	
Compensated absences	(42,088)
Amortization on refunding difference	<u>(38,540)</u>
	<u>(80,628)</u>
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.	<u>(85,663)</u>
Change in net assets of government activities	<u>\$ 3,316,471</u>

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

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2006

Exhibit A-7

ASSETS	
Cash	\$ 4,305,230
Property taxes receivable - Net	3,890,882
Due from general fund	<u>11,165,948</u>
Total assets	<u><u>\$ 19,362,060</u></u>

LIABILITIES	
Accounts payable	\$ 765
Due to taxing units	14,351,316
Due to general fund	342,360
Due to others	<u>4,667,619</u>
Total liabilities	<u><u>\$ 19,362,060</u></u>

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

COUNTY OF ORANGEBURG
NOTES TO FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County of Orangeburg, South Carolina (the County), have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the County's accounting policies are described below.

A. Reporting entity

Orangeburg County, South Carolina is governed by an elected seven-member council. As required by accounting principles generally accepted in the United States of America, the financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the government. All of the County's component units report financial data using June 30 year ends.

Blended component unit

The Orangeburg Projects Corporation (the Corporation) was formed primarily to construct and equip an addition to the Orangeburg-Calhoun Law Enforcement Center. The Corporation also owns certain other equipment and building improvements used by the County. The Corporation is governed by a board composed of the County Council Chairman, who serves as President; the Orangeburg County Administrator, who serves as Secretary; and a representative of the Branch Banking & Trust Company of South Carolina which serves as Trustee. The Corporation financed its projects by issuing Certificates of Participation which are being retired exclusively by the County's rental payments for property owned by the Corporation. The Corporation is presented as a governmental fund type.

Discretely presented component units

Orangeburg County Public Library - The Orangeburg County Public Library (the Library) provides library services to County residents. Orangeburg County Council appoints all the members of the Library's Board of Trustees and provides the majority of the Library's funding. The County also owns all of the Library's capital assets. Accordingly, the Library is fiscally dependent on the County.

The Orangeburg-Calhoun Regional Detention Center - The Orangeburg-Calhoun Regional Detention Center (the LEC) houses prisoners for Orangeburg and Calhoun Counties. The LEC is governed by a board composed of seven members, five of whom are appointed by Orangeburg County Council, and two of whom are appointed by Calhoun County Council. The LEC is fiscally dependent upon the County because its budget must be approved by the Orangeburg County Council and the County provides the majority of its funding. The LEC is presented as a governmental fund type.

(Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The Orangeburg County Fire Commission - The Orangeburg County Fire Commission (the Commission) was created in 1997 to provide coordinated fire protection throughout Orangeburg County. The Commission has either bought or leased the equipment used by the twenty-nine towns and volunteer fire departments which previously provided fire protection in the County. The Commission is governed by a board composed of seven members, all of whom are appointed by the Orangeburg County Council. The Commission's budget and the special millage rate to fund it must be approved by County Council. In addition, the County is wholly responsible for the Commission's debt and owns all the Commission's fixed assets. Accordingly, the Commission is fiscally dependent on the County.

Complete financial statements for the Orangeburg County Public Library may be obtained at the Central Library Office located at 510 Louis Street, N.E., Orangeburg, South Carolina. Complete financial statements for the LEC may be obtained at its office, 1520 Ellis Avenue Ext., N.E., Orangeburg, South Carolina. Complete financial statements for the Fire Commission may be obtained from the Orangeburg County Administrator, 1437 Amelia Street, Orangeburg, South Carolina.

B. Basis of presentation

The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide financial statements

The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. For the most part, the effect of interfund activity has been removed from the statements. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental activities for the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities of the County. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

Fund financial statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

(Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Fund accounting

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purposes and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The government has the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on general long-term debt associated with equipment and facilities owned by the County.

The *capital project sales tax fund* accounts for the sales tax revenues that are restricted to improve, repair and construct infrastructure on the County.

The *capital improvements fund* account for property tax revenues and bond proceeds that are restricted to improve and repair County facilities.

Additionally, the government reports the following fund types:

The *special revenue funds* are used to account for the proceeds of specific revenue sources (other than special assessments, or major capital projects) that are legally restricted to expenditures for specified purposes.

The *capital projects funds* are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The *agency fund* accounts for monies held on behalf of school districts, special districts and other agencies that use the County as a depository or property taxes are collected on behalf of the other governments.

Measurement Focus

Government-wide financial statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the County are included on the statement of net assets.

Fund financial statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

(Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - exchange and non-exchange transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Deferred revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes receivable for which there is an enforceable legal claim as of June 30, 2006 have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

(Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Encumbrances

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 General Fund. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Cash and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government and its component units to invest in (1) obligations of the United States and its agencies, (2) general obligations of South Carolina and its political subdivisions, (3) financial institutions if their deposits are insured by an agency of the federal government, and (4) certificates of deposit which are collaterally secured by securities of the type described at (1) and (2) above which are held by a third party.

Investments, consisting of repurchase agreements and mortgage-backed securities, are stated at fair value. No investments are stated at amortized cost.

Receivables and payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

All trade and property tax receivables are shown net of an allowance for uncollectibles. Taxes on real property are assessed as of January 1, levied the following September, due January 15, and become delinquent March 15. Liens attach to the property at the time the taxes are levied. The levy date for motor vehicle taxes is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the same month.

Property tax receivables and allowances by major and other governmental funds as of June 30, 2006 were as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Improvements Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Property taxes receivable	\$ 1,522,191	\$ 159,734	\$ 70,682	\$ 461,528	\$ 2,244,135
Less: Allowance	<u>163,250</u>	<u>20,353</u>	<u>9,616</u>	<u>44,381</u>	<u>237,600</u>
Net	<u>\$ 1,388,941</u>	<u>\$ 139,381</u>	<u>\$ 61,066</u>	<u>\$ 417,147</u>	<u>\$ 2,006,535</u>

(Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Intergovernmental receivable

Amounts due from federal grants represent reimbursable costs, which have been incurred by the County but have not been reimbursed by the grantor agency. Costs under grant programs are recognized as expenditures in the period in which they are incurred by the County.

Compensated absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The general fund is used to liquidate any liabilities for compensated absences.

Use of estimates

The financial statements include estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenditures. Actual results could differ from these estimates.

Capital assets

Capital assets, which include property, plant equipment, and infrastructure assets (e.g., roads, bridges and similar items), are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Land improvements	15 years
Buildings	30 years
Building improvements	15 years
Vehicles	5 years
Furniture and equipment	3 to 10 years
Machinery and equipment	5 to 10 years
Infrastructure	25 to 30 years

(Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary information - Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund, the debt service fund, and various but not all special revenue funds. The capital improvements capital projects fund also adopts an annual budget consistent with accounting principles generally accepted in the United States of America, but the other two adopt project-length budgets. All annual appropriations lapse at fiscal year end.

In February of each year, all agencies of the County submit requests for appropriations to the County Administrator so that a budget may be prepared. By the end of March, the proposed budget is presented to County Council for review. The Council holds public hearings and a final budget must be prepared and adopted no later than June 30.

The appropriated budget is prepared by fund, function and department. Line item transfers within operating departments may be approved by the County Administrator. Transfers from the contingency account in excess of \$2,000 must be approved by County Council. The legal level of budgetary control is the department level. Budget amounts reflected in the accompanying financial statements represent the original budgets and any revisions.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

Deficit fund equity - As of June 30, 2006, Roads and Bridges Maintenance, E911, New Brookland Lighting Tax District, Brookdale Lighting Tax District, Special Education, Electrolux Home Products, Pathways special revenue funds and certificate of participation capital project fund had deficit fund balances of \$310,431, \$38,336, \$2,314, \$2,108, \$366,882, \$415,157, \$71,707 and \$510, respectively. In addition, the Detention Center component unit had a deficit fund balance of \$940,585.

III. DETAILED NOTES ON ALL FUNDS

NOTE 1 - DEPOSITS AND INVESTMENTS

At June 30, 2006, the carrying amount of the County's deposits was \$32,435,368 and the bank balance was \$30,893,262. State law requires that all of the County's deposits be covered by FDIC insurance or by collateral held on the pledging financial institutions' trust departments in the County's name. At June 30, 2006, \$7,115,717 of the County's bank balance was uncollateralized.

(Continued)

III. DETAILED NOTES ON ALL FUNDS, Continued

NOTE 1 - DEPOSITS AND INVESTMENTS, Continued

As of June 30, 2006, the County had the following investments:

<u>June 30, 2006</u>	<u>Fair Value</u>	<u>Maturities</u>
Federal Home Loan Mortgage Corporation Bond	\$ 14,094,080	10/10/06
Federal National Mortgage Association Bond	4,182,750	2/28/07
Federal National Mortgage Association Bond	8,217,000	2/28/07
Repurchase agreements	<u>1,139,844</u>	Overnight
Total	<u>\$ 27,633,674</u>	

Interest rate risk

The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk

The County has no investment policy that would further limit its investment choices other than state law. The County's investments in Federal Home Loan Mortgage Corporation and Federal National Mortgage Association bonds were rated AAA by Moody's Investors Services and AAA by Standard & Poor's.

Of the County's investments in repurchase agreements, underlying securities exceeding \$1,139,844 are held by the investment's counterparty, in the name of the County.

Concentration of credit risk

The County places no limit on the amount the County may invest in any one issuer.

A reconciliation of cash and cash equivalents as shown on the government-wide statement of net assets and the statement of fiduciary net assets is as follows:

Reported value of deposits	\$ 32,435,368
Fair value of investments	<u>27,633,674</u>
Total	<u>\$ 60,069,042</u>
Cash and cash equivalents	
Exhibit A-1	\$ 55,763,812
Exhibit A-7	<u>4,305,230</u>
Total	<u>\$ 60,069,042</u>

NOTE 2 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2006 was as follows:

	<u>Balance</u> <u>June 30, 2005</u>	<u>Restatement</u>	<u>Balance</u> <u>As restated</u> <u>June 30, 2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2006</u>
Governmental Activities						
Capital assets not being depreciated						
Land	\$ 5,623,036	\$ (2,123,983)	\$ 3,499,053	\$ 10,000	\$ -	\$ 3,509,053
Construction in progress	<u>2,705,379</u>	<u>-</u>	<u>2,705,399</u>	<u>2,704,999</u>	<u>(1,777,460)</u>	<u>3,632,918</u>
Total capital assets not being depreciated	<u>\$ 8,328,415</u>	<u>\$ (2,123,983)</u>	<u>\$ 6,204,432</u>	<u>\$ 2,714,999</u>	<u>\$ (1,777,460)</u>	<u>\$ 7,141,971</u>
Capital assets being depreciated						
Infrastructure	27,932,896	-	27,932,896	2,703,499	-	30,636,395
Building and improvements	29,838,297	4,613,382	34,451,679	1,161,086	-	35,612,765
Furniture, fixtures and equipment	<u>30,612,358</u>	<u>17,040,182</u>	<u>47,652,540</u>	<u>2,544,604</u>	<u>(89,200)</u>	<u>50,107,944</u>
Total capital assets at being depreciated	<u>88,383,551</u>	<u>21,653,564</u>	<u>110,037,115</u>	<u>6,409,189</u>	<u>(89,200)</u>	<u>116,357,104</u>
Less accumulated depreciation for:						
Infrastructure	(4,038,905)	-	(4,038,905)	(902,107)	-	(4,941,012)
Buildings, improvements and equipment	<u>(27,281,368)</u>	<u>(28,937,822)</u>	<u>(56,219,190)</u>	<u>(4,118,808)</u>	<u>36,324</u>	<u>(60,301,674)</u>
Total accumulated depreciation	<u>(31,320,273)</u>	<u>(28,937,822)</u>	<u>(60,258,095)</u>	<u>(5,020,915)</u>	<u>36,324</u>	<u>(65,242,686)</u>
Total capital assets being depreciated, net	<u>57,063,278</u>	<u>(7,284,258)</u>	<u>49,779,020</u>	<u>1,388,274</u>	<u>(52,876)</u>	<u>51,114,418</u>
Governmental activities capital assets, net	<u>\$ 65,391,693</u>	<u>\$ (9,408,241)</u>	<u>\$ 55,983,452</u>	<u>\$ 4,103,273</u>	<u>\$ (1,830,336)</u>	<u>\$ 58,256,389</u>

During the year ended June 30, 2006, infrastructure consisting of road systems valued at \$1.2 million were contributed to the County.

Depreciation expense was charged to functions as follows:

General Government	\$ 419,958
Judicial	65,875
Internal Services	876,970
Public Safety	2,737,957
Public Works	903,686
Social and Health	<u>16,469</u>
Total Governmental Activities Depreciation Expense	<u>\$ 5,020,915</u>

NOTE 3 - COMPONENT UNIT INFORMATION

Condensed Statement of Net Assets

	<u>Fire Commission</u>	<u>Public Library</u>	<u>Regional Detention Center</u>	<u>Total Component Units</u>
Assets:				
Cash, investments, and other assets	\$ 806,597	\$ 266,134	\$ 184,431	\$ 1,257,162
Total assets	<u>\$ 806,597</u>	<u>\$ 266,134</u>	<u>\$ 184,431</u>	<u>\$ 1,257,162</u>
Liabilities:				
Accounts payable and other current liabilities	11,659	29,712	210,439	251,872
Other liabilities	<u>20,598</u>	<u>81,082</u>	<u>914,577</u>	<u>1,016,195</u>
Total liabilities	<u>32,257</u>	<u>110,794</u>	<u>1,125,016</u>	<u>1,268,067</u>
Net assets:				
Unrestricted (deficit)	<u>774,340</u>	<u>155,340</u>	<u>(940,585)</u>	<u>(10,905)</u>
Total net assets	<u>\$ 774,340</u>	<u>\$ 155,340</u>	<u>\$ (940,585)</u>	<u>\$ (10,905)</u>

Reconciliation of total component unit fund balances to net assets of component unit activities.

	<u>Fire Commission</u>	<u>Public Library</u>	<u>Regional Detention Center</u>	<u>Total Component Units</u>
Total Fund Balances - Component Units	\$ 704,348	\$ 187,911	\$ (875,915)	\$ 16,344
Some revenues will be collected after year end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds	90,590	-	-	90,590
Some other liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(20,598)</u>	<u>(32,571)</u>	<u>(64,670)</u>	<u>(117,839)</u>
Net assets of component units activities	<u>\$ 774,340</u>	<u>\$ 155,340</u>	<u>\$ (940,585)</u>	<u>\$ (10,905)</u>

**Fire Commission
Condensed Statement of Activities**

	<u>Expenses</u>	<u>Charges for services</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
			<u>Operating Grants and Contributions</u>	<u>Capital grants and contributions</u>	<u>Total</u>
Salaries and benefits	\$ 269,131	\$ -	\$ -	\$ -	\$ (269,131)
Contracted services	555,275	-	-	-	(555,275)
Operating expenses	<u>1,200,602</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,200,602)</u>
	<u>\$ 2,025,008</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,025,008)</u>
General revenues:					
					\$ 2,200,597
					<u>14,122</u>
					2,214,719
					<u>189,711</u>
					<u>584,629</u>
					<u>\$ 774,340</u>

(Continued)

NOTE 3 - COMPONENT UNIT INFORMATION, Continued

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Component Unit to the Statement of Activities.

Net change in fund balances - Component units \$ 213,380

Because some revenue will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred property tax revenues decreased by this amount this year. (20,689)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures (2,980)

Changes in net assets of component unit activities **\$ 189,711**

**Regional Detention Center
Condensed Statement of Activities**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for services	Operating Grants and Contributions	Capital grants and contributions	
				Total	
Governmental activities	\$ 5,314,413	\$ -	\$ 4,063,036	\$ -	\$ (1,251,377)
Business type activities	<u>67,469</u>	<u>70,227</u>	<u>-</u>	<u>-</u>	<u>2,758</u>
	<u>\$ 5,381,882</u>	<u>\$ 70,227</u>	<u>\$ 4,063,036</u>	<u>\$ -</u>	<u>\$ (1,248,619)</u>

General revenues:	
Other general revenues	\$ <u>3,838</u>
Total general revenues	<u>3,838</u>
Change in net assets	(1,244,781)
Net assets - beginning	<u>304,196</u>
Net assets (deficit) - ending	<u>\$ (940,585)</u>

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Component Unit to the Statement of Activities.

Net change in fund balances - Component units \$ (1,237,267)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures (7,514)

Changes in net assets of component unit activities **\$ (1,244,781)**

(Continued)

NOTE 3 - COMPONENT UNIT INFORMATION, Continued

**Public Library
Condensed Statement of Activities**

	<u>Expenses</u>	<u>Charges for services</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
			<u>Operating Grants and Contributions</u>	<u>Capital grants and contributions</u>	
					<u>Total</u>
Salaries and benefits	\$ 679,601	\$ -	\$ 110,874	\$ -	\$ (568,727)
Operating expenses	<u>376,159</u>	<u>20,543</u>	<u>72,290</u>	<u>-</u>	<u>(283,326)</u>
	<u>\$ 1,055,760</u>	<u>\$ 20,543</u>	<u>\$ 183,164</u>	<u>\$ -</u>	<u>\$ (852,053)</u>
General revenues:					
					\$ <u>901,765</u>
					<u>901,765</u>
					49,712
					<u>105,628</u>
					<u>\$ 155,340</u>

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Component Unit to the Statement of Activities.

Net change in fund balances - Component units	\$ 54,682
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures	<u>(4,970)</u>
Changes in net assets of component unit activities	<u>\$ 49,712</u>

NOTE 4 - INTERFUND BALANCES AND TRANSFERS

The balances of interfund receivables and payables at June 30, 2006 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Improvement	\$ 680,143
General Fund	Debt Service	256,680
General Fund	Nonmajor Governmental	1,959,992
Capital Project Sales Tax	General Fund	2,732,014
Capital Improvements	General Fund	7,798,435
Nonmajor Governmental	General Fund	<u>4,442,123</u>
		<u>\$ 17,869,387</u>

All of the above balances are scheduled to be collected in the subsequent year. The balances at June 30 resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

(Continued)

NOTE 4 - INTERFUND BALANCES AND TRANSFERS, Continued

Any transactions to transfer revenues from the fund budgeted to receive them to the fund budgeted to expend them are reported as transfers from and to other funds. Total transfers during the year ended June 30, 2006 consisted of the following individual amounts:

<u>Transfer In Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
Nonmajor Governmental	General Fund	\$ 410,771
Debt Service	Capital Projects Sales Tax	6,525,967
Capital Improvements	Debt Service	968,794
Capital Improvements	Nonmajor Governmental	<u>205,845</u>
		<u>\$ 8,111,377</u>

NOTE 5 - LEASES

Capital leases - The County has entered into lease agreements as lessee in order to finance acquisition of various vehicles, radio equipment, heavy equipment and fire trucks. The lease agreements include a bargain purchase option and qualify as capital leases for accounting purposes.

The following is an analysis of equipment leased under capital leases as of June 30, 2006:

Machinery and equipment	\$ 9,104,933
Less: Accumulated depreciation	<u>(3,321,842)</u>
Carrying value	<u>\$ 5,783,091</u>

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2006 were as follows:

2007	\$ 2,660,999
2008	552,193
2009	<u>193,411</u>
Total minimum lease payments	3,406,603
Less, amount representing interest	<u>84,511</u>
Present value of minimum lease payments	<u>\$ 3,322,092</u>

(Continued)

NOTE 5 - LEASES, Continued

Capital leases payable at June 30, 2006 are comprised of the following individual leases:

Lease purchase agreement with a bank entered into January 1999 for \$1,298,108, collateralized by communication equipment. Monthly payments of \$14,886, including principal and interest at 6.69%. This agreement matures in January 2008.	\$ 267,295
Lease purchase agreement with a commercial credit corporation entered into August 2001 for \$5,001,452, collateralized by heavy equipment. Monthly payments of \$67,988, including principal and interest at 5.00%. This agreement matures in August 2007.	1,679,044
Lease purchase agreement with a bank entered into June 2003 for \$1,360,995, collateralized by vehicles. Semi-annual payments of \$178,616, including principal and interest at 2.75%. The agreement matures in January 2007.	333,503
Lease purchase agreement with a bank entered into January 2005 for \$1,680,640, collateralized by vehicles. Semi-annual payments of \$224,067, including principal and interest at 2.87%. The agreement matures in January 2009.	<u>1,042,250</u>
	<u>\$ 3,322,092</u>

Annual requirements to amortize the capital leases outstanding at June 30, 2006, are as follows:

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2007	\$ 2,597,716	\$ 63,003	\$ 2,660,719
2008	533,957	18,236	552,193
2009	<u>190,419</u>	<u>3,242</u>	<u>193,661</u>
	<u>\$ 3,322,092</u>	<u>\$ 84,511</u>	<u>\$ 3,406,603</u>

NOTE 6 - LONG-TERM DEBT

General Obligation Bonds - The County's borrowing power is restricted by amended Article X, Section 14 of the State Constitution effective December 1, 1977. This section provides that a local unit cannot at any time have a total debt outstanding that exceeds 8% of its assessed property value. Based on the December 31, 2006 taxable assessed property valuation net of exemptions of \$226,842,305 (unaudited), the legal debt limit is \$18,147,384, leaving a legal debt margin as of June 30, 2006 of \$7,547,384. General obligation bonds payable at June 30, 2006 are composed of the following individual issues:

	<u>Balance June 30, 2005</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2006</u>	<u>Amount due in one year</u>
General obligation bonds of 1998 due in annual installments ranging from \$165,000 to \$275,000 through January 1, 2014; interest at 4% to 6% - original issue was \$2,900,000	\$ 2,010,000	\$ -	\$ 180,000	\$ 1,830,000	\$ 190,000
General obligation bonds of 2003 due in annual installments ranging from \$345,000 - \$635,000 through April 1, 2023; interest at 2% to 5% - original issue was \$9,135,000	8,290,000	-	350,000	7,940,000	355,000
General obligation bonds of 2003 due in annual installments ranging from \$400,000 - \$420,000 through April 1, 2008; interest at 1.5% to 2.25% - original issue was \$2,050,000	<u>1,235,000</u>	<u>-</u>	<u>405,000</u>	<u>830,000</u>	<u>410,000</u>
	<u>\$ 11,535,000</u>	<u>\$ -</u>	<u>\$ 935,000</u>	<u>\$ 10,600,000</u>	<u>\$ 955,000</u>

The County issued \$11,185,000 general obligation bonds, Series 2003 A & B for an advance refunding of the \$2,000,000 outstanding balance of general obligation bonds, Series 1998. The refunding was undertaken to reduce future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$154,164. This amount is being netted against the new debt and being amortized over the new debt's life, which is the same as the refunded debt. The transaction also resulted in an economic gain of \$61,120 and a reduction of \$76,400 in future debt service payments.

Annual requirements to amortize general obligation debt outstanding at June 30, 2006, excluding arbitrage rebate liabilities, if any, are summarized as follows:

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2007	\$ 955,000	\$ 427,425	\$ 1,382,425
2008	975,000	402,750	1,377,750
2009	580,000	376,500	956,500
2010	600,000	356,790	956,790
2011	625,000	335,390	960,390
2012 - 2016	2,960,000	1,297,325	4,257,325
2017 - 2021	2,665,000	717,325	3,382,325
2022 - 2024	<u>1,240,000</u>	<u>93,750</u>	<u>1,333,750</u>
	<u>\$ 10,600,000</u>	<u>\$ 4,007,255</u>	<u>\$ 14,607,255</u>

(Continued)

NOTE 6 - LONG-TERM DEBT, Continued

Revenue Bonds - Revenue bonds payable at June 30, 2006 are composed of the following individual issues:

	<u>Balance</u> <u>June 30, 2005</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2006</u>	<u>Amount due</u> <u>in one year</u>
Revenue bond, Series 2002, due in monthly installments of \$1,496 through November 15, 2042; interest at 4.5% - original issue was \$343,805	\$ 329,300	\$ 8,800	\$ 3,804	\$ 334,296	\$ 3,967
Revenue bond, Series 2002, due in semiannual installments ranging from \$2,635,000 to \$4,400,000 through October 1, 2007; interest at 3.50% to 4.75% - original issue was \$35,235,000	<u>15,035,000</u>	<u>-</u>	<u>6,600,000</u>	<u>8,435,000</u>	<u>5,800,000</u>
	<u>\$ 15,364,300</u>	<u>\$ 8,800</u>	<u>\$ 6,603,804</u>	<u>\$ 8,769,296</u>	<u>\$ 5,803,967</u>

Annual requirements to amortize revenue bond debt outstanding at June 30, 2006 are summarized as follows:

<u>Year ended</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2007	\$ 5,803,967	\$ 339,648	\$ 6,143,615
2008	2,639,137	76,396	2,715,533
2009	4,314	13,638	17,952
2010	4,499	13,453	17,952
2011	4,692	13,260	17,952
2012 - 2016	26,658	63,102	89,760
2017 - 2021	32,885	56,875	89,760
2022 - 2026	40,567	49,193	89,760
2027 - 2031	50,044	39,716	89,760
2032 - 2036	61,735	28,025	89,760
2037 - 2041	76,156	13,603	89,759
2042 - 2044	<u>24,642</u>	<u>784</u>	<u>25,426</u>
	<u>\$ 8,769,296</u>	<u>\$ 707,693</u>	<u>\$ 9,476,989</u>

Notes Payable - Note payable at June 30, 2006 is composed of the following:

	<u>Balance</u> <u>June 30, 2005</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2006</u>	<u>Amount due</u> <u>in one year</u>
Loan from Lower Savannah Regional Development Corporation. The note is to be repaid over 120 monthly principal and interest payments and a balloon payment due at the end of the tenth year; interest at 2.5%	<u>\$ 692,557</u>	<u>-</u>	<u>\$ 29,514</u>	<u>\$ 663,043</u>	<u>\$ 31,828</u>

Annual requirements to amortize notes payable debt at June 30, 2006 are summarized as follows:

<u>Year ended</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2007	\$ 31,828	\$ 15,863	\$ 47,691
2008	32,617	15,074	47,691
2009	33,426	14,265	47,691
2010	34,255	13,436	47,691
2011	35,104	12,587	47,691
2012 - 2016	<u>495,813</u>	<u>14,506</u>	<u>510,319</u>
	<u>\$ 663,043</u>	<u>\$ 85,731</u>	<u>\$ 748,774</u>

(Continued)

NOTE 6 - LONG-TERM DEBT, Continued

There are a number of limitations and restrictions contained in the various bond and certificate indentures, such as types of authorized investments, promise to levy tax sufficient to cover debt service, and establishment of sinking fund, if necessary. The County is in compliance with all significant limitations and restrictions.

Changes in general long-term liabilities - The following is a summary of debt transactions of the County for the year ended June 30, 2006:

	<u>Balance</u> <u>June 30, 2005</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2006</u>	<u>Amount due</u> <u>in one year</u>
General obligation bonds	\$ 11,535,000	\$ -	\$ 935,000	\$ 10,600,000	\$ 955,000
Deferred amount on refunding	(105,988)	-	(38,540)	(67,448)	(38,540)
Revenue bonds	15,364,300	8,800	6,603,804	8,769,296	5,803,967
Note payable	692,557	-	29,514	663,043	31,828
Capital leases	3,688,766	1,454,789	1,821,433	3,322,092	2,597,716
Landfill closure and post-closure costs	324,904	-	27,659	297,245	28,000
Compensated absences	861,457	214,379	172,291	903,545	130,620
	<u>\$ 32,360,996</u>	<u>\$ 1,677,968</u>	<u>\$ 9,551,161</u>	<u>\$ 24,487,773</u>	<u>\$ 9,508,591</u>

The County boundaries also include additional (unaudited) overlapping debt of other political subdivisions not administered by the County Treasurer. The extent of overlap is 100%.

NOTE 7 - CLOSURE AND POST CLOSURE COSTS OF MUNICIPAL SOLID WASTE LANDFILL

The County operated a solid waste landfill which it closed in July 1995. On July 1, 1994, the County adopted GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Costs*, to account for closure and post closure costs associated with this landfill. The South Carolina Department of Health and Environmental Control (DHEC) requires landfill operators to provide for inspection and maintenance of the physical characteristics of the site, as well as monitoring and maintenance of the groundwater and gas monitoring systems and the leachate collection and treatment system, for a period of thirty years following the closing. DHEC also requires that operators cover the landfill with a minimum cover of a certain permeability.

The County liability for closure and postclosure care costs is based on landfill capacity used to date. Since the landfill was closed as of July 1995, the County considers it to be at 100% of capacity. The County paid to cover the landfill in fiscal 1996. Accordingly, long term liabilities reflect a \$297,245 liability for estimated postclosure care costs. This amount was reduced by \$27,659 during fiscal year 2006 to reflect one year's expenditures for postclosure care. Postclosure care costs are based on engineering estimates and are subject to change due to inflation, deflation, technology and/or applicable laws and regulations. Payment for these costs is being made from special revenue funds in the solid waste fund on a pay-as-you go basis.

NOTE 8 - NET ASSETS

Net assets represent the difference between assets and liabilities and were as follows:

Net Assets

Invested in capital assets, net of related debt:

Net capital assets	\$ 58,256,389
Less: Revenue bonds	(8,769,296)
General obligation bonds	(10,600,000)
Deferred on refunding	67,448
Capital leases	(3,322,092)
Notes payable	(663,043)
Add: Unspent debt proceeds	<u>16,625,825</u>
	<u>51,595,231</u>

(Continued)

NOTE 8 - NET ASSETS, Continued

Restricted for capital activity and debt service:	
Restricted cash and receivables	
Debt service	9,664,741
Capital proceeds	28,515,487
Less: Unspent debt proceeds	<u>(16,625,825)</u>
	<u>21,554,403</u>
Unrestricted	<u>11,523,929</u>
Total net assets	<u>\$ 84,673,563</u>

NOTE 9 - CONDUIT DEBT OBLIGATIONS

From time to time, the County has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the County, the State of South Carolina, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2006, aggregate principal payable on industrial revenue bonds outstanding was \$30,975,865.

NOTE 10 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and job related illnesses and accidents. The County pays premiums to a public entity risk pool for workman's compensation insurance and to the State Accident Fund for all other forms of coverage. The public entity risk pool and the State Accident Fund promise to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accordance with insurance policy and benefit program limits. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. There has been no significant reduction in coverage and amounts of settlements have not exceeded coverage in any of the last three years.

NOTE 11 - EMPLOYEE RETIREMENT PLANS

County employees participate in either the South Carolina Retirement System (SCRS) or the South Carolina Police Officers Retirement System (PORS), depending on their particular duties. Both plans are administered by the South Carolina Retirement System and are classified as cost-sharing multiple-employer, Public Employee Retirement Systems (PERS). SCRS and PORS provide retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefit provisions for SCRS are established pursuant to Section 9-1-20 of the 1976 South Carolina Code of Laws. Benefit provisions for PORS are established pursuant to Section 9-11-20 of the Code of Laws. The South Carolina Retirement System issues a publicly available stand-alone report which may be obtained by writing to South Carolina Retirement Systems, Post Office Box 11960, Columbia, South Carolina 29211 or by calling (803) 737-6800.

(Continued)

NOTE 11 - EMPLOYEE RETIREMENT PLANS, Continued

SCRS and PORS members are required to contribute 6.25% for the year ended June 30, 2006 (6.0% for the years ended June 30, 2005 and 2004) and 6.5%, respectively, of their annual covered salaries, and the County is required to contribute at an actuarially determined rate. The current rates actuarially determined are 7.55% for the year ended June 30, 2006 (6.7% for the years ended June 30, 2005 and 2004) and 10.3%, respectively. The contribution requirements of the plan members and the County are established and may be amended by the South Carolina General Assembly.

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

	<u>SCRS</u>	<u>PORS</u>
2006	\$ 1,045,758	\$ 644,412
2005	894,986	595,324
2004	822,882	573,718

These contributions equaled the County's required contributions.

The County and the component units employees may participate in the 457 and/or 401(k) deferred compensation plans, which are available to state and local governmental employees and administered by a state approved nongovernmental third party. The plans, available to all County and component unit employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation plans are not available to employees until termination, retirement, death or unforeseeable emergency.

Employees eligible for service retirement may participate in the Teacher and Retiree Incentive Program (TERI). TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not make SCRS contributions, do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits. Effective July 1, 2006, TERI participants who entered the program before July 1, 2005 do not have to contribute SCRS as long as they are covered under the TERI program.

Certain state employees may elect to participate in the Optional Retirement Program (ORP), a defined contribution plan, which provides retirement and death benefits through the purchase of individual fixed or variable annuity contracts, which are issued to and become the property of the participants. To elect ORP, eligible employees must irrevocably waive SCRS membership within their first ninety days of employment.

Under state law, contributions to the ORP are required at the same rates as for the SCRS 7.55 percent plus the retiree surcharge of 3.25 percent from the employer in fiscal year 2006.

None of the County's employees have elected to be covered under the Optional Retirement plans as of June 30, 2006.

NOTE 12 - POST-RETIREMENT HEALTH INSURANCE BENEFITS

Under terms of a County ordinance, the County provides post-employment health benefits to employees who retire from service or who terminate with at least 15 years of service who meet one or more of the eligibility requirements, such as age, length of service, and hire date. Generally, those who retire must have at least five (5) years of retirement service credit under the South Carolina Retirement System to qualify for benefits. Benefits are effective at date of retirement or when the employee is eligible for retirement benefits.

(Continued)

NOTE 12 - POST-RETIREMENT HEALTH INSURANCE BENEFITS, Continued

The County finances these benefits on a pay-as-you-go basis through annual appropriation. During the year ended June 30, 2006, the County paid \$142,715 to provide these benefits for the 38 retired employees who qualified.

NOTE 13 - JOINTLY GOVERNED ORGANIZATION

During the year ended June 30, 1997, the County joined eight neighboring counties in signing service agreements with the Three Rivers Solid Waste Authority (the Authority) which operates a landfill for use by the respective counties. The Authority is governed by a board composed of representatives from each of the participating counties. The Authority has issued bonds which mature at varying rates through 2027 depending on how quickly the landfill reaches capacity. The bonds will be retired from the minimum fees charged to the counties for use of the landfill under terms of the service agreements. Except for the minimum fee requirement, no participating county has any obligation, entitlement or residual interest. Payments to the Authority during fiscal 2006 were \$2,032,253.

Complete financial statements for the Authority are available from its office at Post Office Box 850, Aiken, South Carolina 29802.

NOTE 14 - RELATED PARTY TRANSACTION

The County provides accounting, payroll and cash management services to all three of its component units. These services are provided at no charge.

NOTE 15 - CONTINGENT LIABILITIES

Grant Programs - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Litigation - At June 30, 2006, the County was the defendant in several lawsuits involving various types of claims. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

NOTE 16 - SUBSEQUENT EVENT

Pursuant to the Capital Project Sales Tax Act, on November 2, 2004, taxpayers voted on a referendum to allow for the issuance of approximately \$71 million in revenue bonds. The County anticipates issuing these bonds in the year ended June 30, 2007.

NOTE 17 - PRIOR PERIOD ADJUSTMENTS

In prior years, due to the capital asset software system limitations, capital assets and accumulated depreciation was understated. During the current year, the County reconciled the financial statement amounts to the detailed capital asset records resulting in prior period restatements. Capital assets net of accumulated depreciation related to governmental activities were decreased by \$9.4 million.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF ORANGEBURG, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the year ended June 30, 2006

Exhibit B-1

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes				
Property taxes	\$ 19,077,380	\$ 19,077,380	18,727,201	\$ (350,179)
Intergovernmental revenue	5,029,121	5,029,121	5,023,274	(5,847)
Licenses and permits	614,100	614,100	670,587	56,487
Charges for services				
Emergency Medical Services	925,000	925,000	654,458	(270,542)
Other	1,584,771	1,584,771	1,818,473	233,702
Fines, fees and forfeitures	556,765	556,765	544,157	(12,608)
Interest on investments	125,481	125,481	662,550	537,069
Other	1,248,629	1,248,629	853,808	(394,821)
Total revenues	29,161,247	29,161,247	28,954,508	(206,739)
EXPENDITURES				
General government				
Executive	565,294	565,294	520,726	44,568
Administrator	949,257	950,340	811,769	138,571
County attorney	97,710	97,710	153,277	(55,567)
Personnel	281,063	281,063	284,690	(3,627)
Voter registration	148,526	148,526	89,332	59,194
Election Commission	160,170	160,170	111,342	48,828
Delinquent tax collector	259,051	307,551	283,545	24,006
Treasurer	333,721	333,721	299,234	34,487
Finance	233,539	233,539	258,403	(24,864)
Auditor	224,015	224,015	223,877	138
Tax assessor	700,741	700,741	626,623	74,118
Data processing	925,088	940,586	843,469	97,117
Planning and building inspections	597,208	602,218	554,089	48,129
Orangeburg County Development Commission	590,964	655,964	679,303	(23,339)
Other	4,482,321	6,270,261	5,285,051	985,210
Total general government	10,548,668	12,471,699	11,024,730	1,446,969
Judicial				
Clerk of court	338,547	339,721	236,484	103,237
Family court	486,108	484,934	519,545	(34,611)
Master-in-equity	123,186	124,486	128,583	(4,097)
Other courts	532,089	532,089	521,734	10,355
Magistrates	831,666	840,924	826,621	14,303
Public Defender	448,700	448,700	448,700	-
Solicitor	467,500	486,200	486,200	-
Total judicial	3,227,796	3,257,054	3,167,867	89,187
Public works				
Maintenance	-	-	(146)	146
Sign shop	46,008	46,008	48,329	(2,321)
Total public works	46,008	46,008	48,183	(2,175)

(Continued)

COUNTY OF ORANGEBURG, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the year ended June 30, 2006

Exhibit B-1

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES, Continued				
Public safety				
Sheriff	5,965,543	5,967,155	5,977,020	(9,865)
E-911 communications center	506,875	506,875	504,058	2,817
Emergency Medical Services	2,660,128	2,686,128	2,989,914	(303,786)
Coroner	244,565	244,565	237,819	6,746
Total public safety	9,377,111	9,404,723	9,708,811	(304,088)
Social and health				
Recreation	221,893	221,893	164,842	57,051
Health services	785,954	785,954	785,287	667
Animal control	308,178	308,178	308,951	(773)
Allocations to social agencies	189,524	253,874	218,761	35,113
Total social and health	1,505,549	1,569,899	1,477,841	92,058
Internal services				
Purchasing	131,846	131,846	185,392	(53,546)
Building and grounds maintenance	1,081,060	1,081,060	810,301	270,759
Vehicle maintenance	561,173	561,173	557,125	4,048
Total internal services	1,774,079	1,774,079	1,552,818	221,261
Allocations to others				
Others	4,090,371	4,090,371	4,059,538	30,833
Total expenditures	30,569,582	32,613,833	31,039,788	1,574,045
Excess (deficiency) of revenues over (under expenditures)	(1,408,335)	(3,452,586)	(2,085,280)	1,367,306
OTHER FINANCING SOURCES (USES)				
Capital leases and bonds issued	-	-	1,463,589	1,463,589
Transfers out	(156,217)	(156,217)	(410,771)	(254,554)
Total other financing sources (uses)	(156,217)	(156,217)	1,052,818	1,209,035
Net change in fund balance	(1,564,552)	(3,608,803)	(1,032,462)	2,576,341
FUND BALANCE, JULY 1			9,771,489	
FUND BALANCE, JUNE 30			\$ 8,739,027	

***COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION***

NOTE 1 - BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund.

SUPPLEMENTARY INFORMATION

COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2006

Exhibit B-2

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Receivables, net of allowance for uncollectibles:			
Property taxes	\$ 417,147	\$ -	\$ 417,147
Other	1,477,191	-	1,477,191
Due from other funds	<u>4,442,123</u>	<u>-</u>	<u>4,442,123</u>
Total assets	<u>\$ 6,336,461</u>	<u>\$ -</u>	<u>\$ 6,336,461</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 709,793	-	\$ 709,793
Accrued salaries	80,541	-	80,541
Due to other funds	1,959,482	510	1,959,992
Due to others	8,172	-	8,172
Deferred revenue - Property taxes	<u>227,221</u>	<u>-</u>	<u>227,221</u>
Total liabilities	<u>2,985,209</u>	<u>510</u>	<u>2,985,719</u>
Fund balances			
Reserved for:			
Capital outlay	-	(510)	(510)
Unreserved:			
Undesignated	<u>3,351,252</u>	<u>-</u>	<u>3,351,252</u>
Total fund balances	<u>3,351,252</u>	<u>(510)</u>	<u>3,350,742</u>
Total liabilities and fund balances	<u>\$ 6,336,461</u>	<u>\$ -</u>	<u>\$ 6,336,461</u>

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended June 30, 2006

Exhibit B-3

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES			
Property taxes	\$ 5,815,160	\$ -	\$ 5,815,160
Intergovernmental	4,122,979	-	4,122,979
Charges for services	4,797,063	-	4,797,063
Fines, fees, and forfeitures	109,935	-	109,935
Interest	<u>55,574</u>	<u>1,257</u>	<u>56,831</u>
Total revenues	<u>14,900,711</u>	<u>1,257</u>	<u>14,901,968</u>
EXPENDITURES			
Public works	3,692,671	-	3,692,671
Public safety	1,471,919	-	1,471,919
Social and health	1,941,978	-	1,941,978
Sanitation	5,009,300	-	5,009,300
Culture and recreation	<u>2,967,807</u>	<u>-</u>	<u>2,967,807</u>
Total expenditures	<u>15,083,675</u>	<u>-</u>	<u>15,083,675</u>
Excess of revenues over expenditures	<u>(182,964)</u>	<u>1,257</u>	<u>(181,707)</u>
Other financing sources:			
Transfers in	410,771	-	410,771
Transfers out	<u>-</u>	<u>(205,845)</u>	<u>(205,845)</u>
Total other financing sources	<u>410,771</u>	<u>(205,845)</u>	<u>204,926</u>
Net change in fund balances	227,807	(204,588)	23,219
Fund balances, beginning of the year	<u>3,123,445</u>	<u>204,078</u>	<u>3,327,523</u>
Fund balances, end of the year	<u>\$ 3,351,252</u>	<u>\$ (510)</u>	<u>\$ 3,350,742</u>

COUNTY OF ORANGEBURG, SOUTH CAROLINA
GENERAL FUND
COMPARATIVE BALANCE SHEETS

Exhibit B-4

	JUNE 30,	
	2006	2005
ASSETS		
Cash and cash equivalents	\$ 29,245,938	\$ 21,221,429
Receivables, net of allowance for uncollectibles:		
Property taxes	1,388,941	1,552,291
Intergovernmental	1,211,824	1,113,365
Other	980,469	966,393
Due from other funds	2,896,815	7,214,344
Due from agencies	342,360	-
Due from component unit	799,312	-
Inventories	147,962	84,691
	\$ 37,013,621	\$ 32,152,513
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 384,913	\$ 470,943
Accrued salaries	375,001	282,626
Due to other funds	14,972,572	19,862,239
Due to agencies	11,165,950	-
Due to component units	634,113	1,026,031
Deferred revenue - Property taxes	742,045	739,185
	28,274,594	22,381,024
Fund Balances		
Reserved		
Inventories	147,962	84,691
Encumbrances	1,008,441	477,754
Unreserved - undesignated	7,582,624	9,209,044
	8,739,027	9,771,489
	\$ 37,013,621	\$ 32,152,513

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
GENERAL FUND**

Exhibit B-5

**COMPARATIVE STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE**

	For the years ended June 30,	
	<u>2006</u>	<u>2005</u>
REVENUES		
Taxes	\$ 18,727,201	\$ 19,467,483
Intergovernmental	5,023,274	5,073,453
Licenses and permits	670,587	646,720
Charges for services	2,472,931	2,893,570
Fines, fees and forfeitures	544,157	593,294
Interest on investments	662,550	275,085
Other	<u>853,808</u>	<u>1,434,177</u>
Total revenues	<u>28,954,508</u>	<u>30,383,782</u>
EXPENDITURES		
Current		
General government	11,024,730	8,506,418
Judicial	3,167,867	3,073,783
Public works	48,183	47,233
Public safety	12,986,853	12,115,648
Social and health	2,259,337	2,187,104
Internal services	<u>1,552,818</u>	<u>1,468,408</u>
Total expenditures	<u>31,039,788</u>	<u>27,398,594</u>
Excess of revenues over expenditures	<u>(2,085,280)</u>	<u>2,985,188</u>
OTHER FINANCING SOURCES (USES)		
Capital leases and bonds issued	1,463,589	-
Transfers out	<u>(410,771)</u>	<u>(314,769)</u>
Total other financing sources (uses)	<u>1,052,818</u>	<u>(314,769)</u>
Excess of revenues and other financing sources over expenditures	(1,032,462)	2,670,419
FUND BALANCE, JULY 1	<u>9,771,489</u>	<u>7,101,070</u>
FUND BALANCE, JUNE 30	<u>\$ 8,739,027</u>	<u>\$ 9,771,489</u>

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Roads and Bridges Maintenance

This fund is used to account for the County's road use fee, which is legally restricted to construction and maintenance of the County's roads and bridges.

E911

This fund is used to account for the tariff added to telephone bills in the County, which is legally restricted to pay for the E911 phone system in the County.

New Brookland Lighting Tax District

This fund is used to account for the property tax paid by residents of the New Brookland area of the County, which is legally restricted to pay for lighting in that area.

Solid Waste

This fund is used to account for property taxes and fees charged to pay for solid waste disposal in the County.

Victims Assistance

This fund is used to account for fines mandated by state law, which must be spent on victims of crime.

Accommodations Tax

This fund is used to account for sales tax revenues received from the state, which must be used only to promote tourism in Orangeburg County.

Brookdale Lighting Tax District

This fund is used to account for the property tax paid by residents of the Brookdale area of the County, which is legally restricted to pay for lighting in that area.

Legislative Delegation Economic Development Projects

This fund is used to account for grants made by the South Carolina Department of Health and Environmental Control, which have been restricted to expenditures for economic development projects.

Special Education

This fund is used to account for property taxes levied to be used for educational purposes.

Grant Subfunds, Economic Development Project and Tobacco Site

This fund is used to account for various grant funds received which are legally restricted as to expenditures for particular purposes.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2006

Exhibit B-6

	<u>Roads & Bridges Maintenance</u>	<u>E911</u>	<u>New Brooklyn Lighting Tax District</u>	<u>Solid Waste</u>	<u>Victims Assistance</u>	<u>Accommodations Tax</u>	<u>Brookdale Lighting Tax District</u>
ASSETS							
Receivables, net of allowance for uncollectibles:							
Property taxes	\$ -	\$ -	\$ 1,252	\$ 262,173	\$ -	\$ -	\$ 306
Other	324,705	32,418	-	240,414	-	62,059	-
Due from general fund	-	-	-	2,819,250	132,885	36,233	-
	<u>-\$ 324,705</u>	<u>\$ 32,418</u>	<u>\$ 1,252</u>	<u>\$ 3,321,837</u>	<u>\$ 132,885</u>	<u>\$ 98,292</u>	<u>\$ 306</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 103,105	\$ 5,918	\$ 1,941	\$ 483,070	\$ 764	\$ 20,483	\$ 1,670
Accrued salaries	28,418	1,843	-	26,020	3,052	-	-
Due to general fund	503,613	62,993	676	-	-	-	551
Due to others	-	-	-	-	-	-	-
Deferred revenue - Property taxes	-	-	949	148,870	-	-	193
	<u>635,136</u>	<u>70,754</u>	<u>3,566</u>	<u>657,960</u>	<u>3,816</u>	<u>20,483</u>	<u>2,414</u>
Fund balance (deficit)							
Unreserved, undesignated	<u>(310,431)</u>	<u>(38,336)</u>	<u>(2,314)</u>	<u>2,663,877</u>	<u>129,069</u>	<u>77,809</u>	<u>(2,108)</u>
	<u>\$ 324,705</u>	<u>\$ 32,418</u>	<u>\$ 1,252</u>	<u>\$ 3,321,837</u>	<u>\$ 132,885</u>	<u>\$ 98,292</u>	<u>\$ 306</u>

(Continued)

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2006

Exhibit B-6

	Legislative Delegation Economic Development Projects	Lake Marion Water	Department of Natural Resources	Special Education	Grant Subfunds	Economic Development Project	Tobacco Site
ASSETS							
Receivables, net of allowance for uncollectibles:							
Property taxes	\$ -	\$ -	\$ -	\$ 153,416	\$ -	\$ -	\$ -
Other	-	-	-	231	397,290	-	-
Due from general fund	<u>202,894</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,153,894</u>	<u>-</u>	<u>96,967</u>
Total assets	<u>\$ 202,894</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,647</u>	<u>\$ 1,551,184</u>	<u>\$ -</u>	<u>\$ 96,967</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ 11,190	\$ 8,045	\$ -	\$ -
Accrued salaries	-	-	-	14,736	6,472	-	-
Due to general fund	-	-	-	417,394	558,894	-	-
Due to others	-	-	-	-	8,172	-	-
Deferred revenue - Property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,209</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>520,529</u>	<u>581,583</u>	<u>-</u>	<u>-</u>
Fund balance (deficit)							
Unreserved, undesignated	<u>202,894</u>	<u>-</u>	<u>-</u>	<u>(366,882)</u>	<u>969,601</u>	<u>-</u>	<u>96,967</u>
Total liabilities and fund balances	<u>\$ 202,894</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,647</u>	<u>\$ 1,551,184</u>	<u>\$ -</u>	<u>\$ 96,967</u>

(Continued)

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2006

Exhibit B-6

	<u>Springfield High School</u>	<u>FEMA Winter Storm</u>	<u>Homeland Security Program</u>	<u>Electrolux Home Products</u>	<u>Certified Sites</u>	<u>Pathways</u>	<u>Total</u>
ASSETS							
Receivables, net of allowance for uncollectibles:							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 417,147
Other	-	240,074	-	-	180,000	-	1,477,191
Due from general fund	-	-	-	-	-	-	4,442,123
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,442,123</u>
Total assets	<u>\$ -</u>	<u>\$ 240,074</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180,000</u>	<u>\$ -</u>	<u>\$ 6,336,461</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ 1,900	\$ -	\$ 71,707	\$ 709,793
Accrued salaries	-	-	-	-	-	-	80,541
Due to general fund	-	2,104	-	413,257	-	-	1,959,482
Due to others	-	-	-	-	-	-	8,172
Deferred revenue - Property taxes	-	-	-	-	-	-	227,221
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>227,221</u>
Total liabilities	<u>-</u>	<u>2,104</u>	<u>-</u>	<u>415,157</u>	<u>-</u>	<u>71,707</u>	<u>2,985,209</u>
Fund balance (deficit)							
Unreserved, undesignated	-	237,970	-	(415,157)	180,000	(71,707)	3,351,252
	<u>-</u>	<u>237,970</u>	<u>-</u>	<u>(415,157)</u>	<u>180,000</u>	<u>(71,707)</u>	<u>3,351,252</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 240,074</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180,000</u>	<u>\$ -</u>	<u>\$ 6,336,461</u>

COUNTY OF ORANGEBURG, SOUTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended June 30, 2006

Exhibit B-7

	Roads & Bridges Maintenance	E911	New Brooklyn Lighting Tax District	Solid Waste	Victims Assistance	Accommodations Tax	Brookdale Lighting Tax District
REVENUES							
Property taxes	\$ -	\$ -	\$ 7,366	\$ 3,256,455	\$ -	\$ -	\$ 5,801
Intergovernmental	-	-	-	-	-	204,268	-
Charges for services	2,512,816	480,780	-	1,803,467	-	-	-
Fines, fees and forfeitures	-	-	-	-	109,935	-	-
Interest on investments	-	-	-	-	-	2,416	-
Total revenue	<u>2,512,816</u>	<u>480,780</u>	<u>7,366</u>	<u>5,059,922</u>	<u>109,935</u>	<u>206,684</u>	<u>5,801</u>
EXPENDITURES							
Public works	3,001,515	-	11,646	-	-	-	10,019
Public safety	-	485,664	-	-	225,793	-	-
Social and health	-	-	-	-	-	-	-
Sanitation	-	-	-	5,009,300	-	-	-
Culture and recreation	-	-	-	-	-	189,035	-
Total expenditures	<u>3,001,515</u>	<u>485,664</u>	<u>11,646</u>	<u>5,009,300</u>	<u>225,793</u>	<u>189,035</u>	<u>10,019</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(488,699)</u>	<u>(4,884)</u>	<u>(4,280)</u>	<u>50,622</u>	<u>(115,858)</u>	<u>17,649</u>	<u>(4,218)</u>
OTHER FINANCING SOURCES							
Transfer in	233,794	155,095	11,313	-	-	-	10,569
Total financing sources	<u>233,794</u>	<u>155,095</u>	<u>11,313</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,569</u>
Net change in fund balance	(254,905)	150,211	7,033	50,622	(115,858)	17,649	6,351
FUND BALANCE (DEFICIT), JULY 1	<u>(55,526)</u>	<u>(188,547)</u>	<u>(9,347)</u>	<u>2,613,255</u>	<u>244,927</u>	<u>60,160</u>	<u>(8,459)</u>
FUND BALANCE (DEFICIT), JUNE 30	<u>\$ (310,431)</u>	<u>\$ (38,336)</u>	<u>\$ (2,314)</u>	<u>\$ 2,663,877</u>	<u>\$ 129,069</u>	<u>\$ 77,809</u>	<u>\$ (2,108)</u>

(Continued)

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS**

Exhibit B-7

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2006**

	Economic Development Projects	Lake Marion Water	Department of Natural Resources	Special Education	Grant Subfunds	Economic Development Project	Tobacco Site
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ 2,545,538	\$ -	\$ -	\$ -
Intergovernmental	102,250	-	-	-	2,338,934	-	-
Charges for services	-	-	-	-	-	-	-
Fines, fees and forfeitures	-	-	-	-	-	-	-
Interest on investments	701	-	-	-	52,457	-	-
Total revenue	<u>102,951</u>	<u>-</u>	<u>-</u>	<u>2,545,538</u>	<u>2,391,391</u>	<u>-</u>	<u>-</u>
EXPENDITURES							
Public works	215,962	-	-	-	301,029	-	-
Public safety	-	-	-	-	760,462	-	-
Social and health	-	-	-	-	600,085	-	-
Sanitation	-	-	-	-	-	-	-
Culture and recreation	-	48,292	5,500	2,655,957	69,023	-	-
Total expenditures	<u>215,962</u>	<u>48,292</u>	<u>5,500</u>	<u>2,655,957</u>	<u>1,730,599</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(113,011)</u>	<u>(48,292)</u>	<u>(5,500)</u>	<u>(110,419)</u>	<u>660,792</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES							
Transfer in	-	-	-	-	-	-	-
Total financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(113,011)	(48,292)	(5,500)	(110,419)	660,792	-	-
FUND BALANCE (DEFICIT), JULY 1	<u>315,905</u>	<u>48,292</u>	<u>5,500</u>	<u>(256,463)</u>	<u>308,809</u>	<u>-</u>	<u>96,967</u>
FUND BALANCE (DEFICIT), JUNE 30	<u>\$ 202,894</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (366,882)</u>	<u>\$ 969,601</u>	<u>\$ -</u>	<u>\$ 96,967</u>

(Continued)

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS**

Exhibit B-7

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2006**

	Springfield High School	FEMA Winter Storm	Homeland Security Program	Electrolux Home Products	Certified Sites	Pathways	Total
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,815,160
Intergovernmental	25,000	240,074	-	452,643	320,000	439,810	4,122,979
Charges for services	-	-	-	-	-	-	4,797,063
Fines, fees and forfeitures	-	-	-	-	-	-	109,935
Interest on investments	-	-	-	-	-	-	55,574
Total revenue	<u>25,000</u>	<u>240,074</u>	<u>-</u>	<u>452,643</u>	<u>320,000</u>	<u>439,810</u>	<u>14,900,711</u>
EXPENDITURES							
Public works	12,500	-	-	-	140,000	-	3,692,671
Public safety	-	-	-	-	-	-	1,471,919
Social and health	-	-	-	868,300	-	473,593	1,941,978
Sanitation	-	-	-	-	-	-	5,009,300
Culture and recreation	-	-	-	-	-	-	2,967,807
Total expenditures	<u>12,500</u>	<u>-</u>	<u>-</u>	<u>868,300</u>	<u>140,000</u>	<u>473,593</u>	<u>15,083,675</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,500</u>	<u>240,074</u>	<u>-</u>	<u>(415,657)</u>	<u>180,000</u>	<u>(33,783)</u>	<u>(182,964)</u>
OTHER FINANCING SOURCES							
Transfer in	-	-	-	-	-	-	410,771
Total financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>410,771</u>
Net change in fund balance	12,500	240,074	-	(415,657)	180,000	(33,783)	227,807
FUND BALANCE (DEFICIT), JULY 1	<u>(12,500)</u>	<u>(2,104)</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>(37,924)</u>	<u>3,123,445</u>
FUND BALANCE (DEFICIT), JUNE 30	<u>\$ -</u>	<u>\$ 237,970</u>	<u>\$ -</u>	<u>\$ (415,157)</u>	<u>\$ 180,000</u>	<u>\$ (71,707)</u>	<u>\$ 3,351,252</u>

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SPECIAL REVENUE FUND
ROADS AND BRIDGES MAINTENANCE
COMPARATIVE BALANCE SHEET

Exhibit B-8

	JUNE 30,	
	2006	2005
ASSETS		
Accounts receivable	\$ 324,705	\$ 6,924
Due from general fund	-	49,639
	\$ 324,705	\$ 56,563
 LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 103,105	\$ 93,808
Accrued salaries	28,418	18,281
Due to general fund	503,613	-
Total liabilities	635,136	112,089
 Fund deficit		
Unreserved/undesignated	(310,431)	(55,526)
Total liabilities and fund deficit	\$ 324,705	\$ 56,563

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SPECIAL REVENUE FUND**

Exhibit B-9

ROADS AND BRIDGES MAINTENANCE

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the years ended June 30

	2006			Variance favorable (unfavorable)	2005		
	Original Budget	Final Budget	Actual		Official and Final Budget	Actual	Variance favorable (unfavorable)
REVENUES							
Charges for services	\$ 3,183,070	\$ 3,183,070	\$ 2,512,816	\$ (670,254)	\$ 2,492,210	\$ 2,349,463	\$ (142,747)
EXPENDITURES							
Public works	3,416,924	3,416,924	3,001,515	415,409	2,650,762	2,557,967	92,795
Excess (deficiency) of revenues over (under) expenditures	(233,854)	(233,854)	(488,699)	(254,845)	(158,552)	(208,504)	(49,952)
OTHER FINANCING SOURCES							
Transfer in	233,854	233,854	233,794	(60)	158,552	158,552	-
Net change in fund balance	\$ -	\$ -	(254,905)	\$ (254,905)	\$ -	(49,952)	\$ (49,952)
FUND DEFICIT, JULY 1			(55,526)			(5,574)	
FUND DEFICIT, JUNE 30			\$ (310,431)			\$ (55,526)	

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SPECIAL REVENUE FUND
SOLID WASTE
COMPARATIVE BALANCE SHEET

Exhibit B-10

	JUNE 30,	
	2006	2005
ASSETS		
Property taxes receivable	\$ 262,173	\$ 291,699
Accounts receivable	240,414	262,672
Due from general fund	2,819,250	2,601,980
Total assets	\$ 3,321,837	\$ 3,156,351
LIABILITIES AND FUND EQUITY		
Liabilities		
Accounts payable	\$ 483,070	\$ 362,842
Accrued salaries	26,020	15,491
Deferred revenue - Property taxes	148,870	164,763
Total liabilities	657,960	543,096
Fund equity		
Unreserved, undesignated	2,663,877	2,613,255
Total liabilities and fund equity	\$ 3,321,837	\$ 3,156,351

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SPECIAL REVENUE FUND
SOLID WASTE**

Exhibit B-11

**COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the years ended June 30**

	2006				2005			
	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)	Original Budget	Budget	Actual	Variance favorable (unfavorable)
REVENUES								
Property taxes	\$ 2,858,570	\$ 2,858,570	\$ 3,256,455	\$ 397,885	\$ 2,747,570	\$ 2,747,570	\$ 3,358,438	\$ 610,868
Charges for services	<u>1,864,716</u>	<u>1,864,716</u>	<u>1,803,467</u>	<u>(61,249)</u>	<u>1,754,725</u>	<u>1,754,725</u>	<u>1,941,709</u>	<u>186,984</u>
Total revenues	<u>4,723,286</u>	<u>4,723,286</u>	<u>5,059,922</u>	<u>336,636</u>	<u>4,502,295</u>	<u>4,502,295</u>	<u>5,300,147</u>	<u>797,852</u>
EXPENDITURES								
Sanitation	<u>4,723,286</u>	<u>5,070,684</u>	<u>5,009,300</u>	<u>61,384</u>	<u>4,514,295</u>	<u>4,519,779</u>	<u>4,350,327</u>	<u>169,452</u>
Excess (deficiency) of revenue over (under) expenditures	<u>\$ -</u>	<u>\$ (347,398)</u>	50,622	<u>\$ 398,020</u>	<u>\$ (12,000)</u>	<u>\$ (17,484)</u>	949,820	<u>\$ 967,304</u>
FUND BALANCE, JULY 1			<u>2,613,255</u>				<u>1,663,435</u>	
FUND BALANCE, JUNE 30			<u>\$ 2,663,877</u>				<u>\$ 2,613,255</u>	

SPECIAL REVENUE FUND

SPECIAL EDUCATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the year ended June 30, 2006

	<u>Budget Original</u>	<u>Budget Final</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Property taxes	\$ 2,470,482	\$ 2,470,482	\$ 2,545,538	\$ 75,056
Total revenues	<u>2,470,482</u>	<u>2,470,482</u>	<u>2,545,538</u>	<u>75,056</u>
EXPENDITURES				
Culture and recreation	<u>2,836,810</u>	<u>2,836,810</u>	<u>2,655,957</u>	<u>180,853</u>
	<u>2,836,810</u>	<u>2,836,810</u>	<u>2,655,957</u>	<u>180,853</u>
Excess (deficiency) of revenue over (under) expenditures	<u>\$ (366,328)</u>	<u>\$ (366,328)</u>	(110,419)	<u>\$ 255,909</u>
FUND BALANCE, JULY 1			<u>(256,463)</u>	
FUND BALANCE, JUNE 30			<u>\$ (366,882)</u>	

COUNTY OF ORANGEBURG, SOUTH CAROLINA

Exhibit B-13

SPECIAL REVENUE FUND

ACCOMMODATIONS TAX

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the year ended June 30, 2006

	<u>Budget Original</u>	<u>Budget Final</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Intergovernmental	\$ 140,000	\$ 140,000	\$ 204,268	\$ 64,268
Interest on investments	<u>-</u>	<u>-</u>	<u>2,416</u>	<u>2,416</u>
Total revenues	<u>140,000</u>	<u>140,000</u>	<u>206,684</u>	<u>66,684</u>
EXPENDITURES				
Culture and recreation	<u>140,000</u>	<u>140,000</u>	<u>189,035</u>	<u>(49,035)</u>
	<u>140,000</u>	<u>140,000</u>	<u>189,035</u>	<u>(49,035)</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	17,649	<u>\$ 17,649</u>
FUND BALANCE, JULY 1			<u>60,160</u>	
FUND BALANCE, JUNE 30			<u>\$ 77,809</u>	

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SPECIAL REVENUE FUND
NEW BROOKLYN LIGHTING TAX DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the year ended June 30, 2006

Exhibit B-14

	<u>Budget Original</u>	<u>Budget Final</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Property taxes	\$ 13,537	\$ 13,537	\$ 7,366	\$ (6,171)
Total revenues	<u>13,537</u>	<u>13,537</u>	<u>7,366</u>	<u>(6,171)</u>
EXPENDITURES				
Public works	<u>13,537</u>	<u>13,537</u>	<u>11,646</u>	<u>1,891</u>
	<u>13,537</u>	<u>13,537</u>	<u>11,646</u>	<u>1,891</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>(4,280)</u>	<u>(4,280)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>-</u>	<u>11,313</u>	<u>11,313</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>11,313</u>	<u>11,313</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>7,033</u>	<u>\$ 7,033</u>
FUND BALANCE (DEFICIT), JULY 1			<u>(9,347)</u>	
FUND BALANCE (DEFICIT), JUNE 30			<u>\$ (2,314)</u>	

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SPECIAL REVENUE FUND
BROOKDALE LIGHTING TAX DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the year ended June 30, 2006

Exhibit B-15

	<u>Budget Original</u>	<u>Budget Final</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Property taxes	\$ 10,854	\$ 10,854	\$ 5,801	\$ (5,053)
Total revenues	<u>10,854</u>	<u>10,854</u>	<u>5,801</u>	<u>(5,053)</u>
EXPENDITURES				
Public works	<u>10,854</u>	<u>10,854</u>	<u>10,019</u>	<u>835</u>
	<u>10,854</u>	<u>10,854</u>	<u>10,019</u>	<u>835</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>(4,218)</u>	<u>(4,218)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>-</u>	<u>10,569</u>	<u>10,569</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>10,569</u>	<u>10,569</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	6,351	<u>\$ 6,351</u>
FUND BALANCE (DEFICIT), JULY 1			<u>(8,459)</u>	
FUND BALANCE (DEFICIT), JUNE 30			<u>\$ (2,108)</u>	

COUNTY OF ORANGEBURG, SOUTH CAROLINA

Exhibit B-16

SPECIAL REVENUE FUND

VICTIMS ASSISTANCE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the year ended June 30, 2006

	<u>Budget Original</u>	<u>Budget Final</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Fines, fees, and forfeitures	\$ 185,198	\$ 185,198	\$ 109,935	\$ (75,263)
Total revenues	<u>185,198</u>	<u>185,198</u>	<u>109,935</u>	<u>(75,263)</u>
EXPENDITURES				
Public works	<u>196,524</u>	<u>194,912</u>	<u>225,793</u>	<u>(30,881)</u>
	<u>196,524</u>	<u>194,912</u>	<u>225,793</u>	<u>(30,881)</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(11,326)</u>	<u>(9,714)</u>	(115,858)	<u>(106,144)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>11,326</u>	<u>11,326</u>	-	<u>(11,326)</u>
Total other financing sources	<u>11,326</u>	<u>11,326</u>	-	<u>(11,326)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,612</u>	(115,858)	<u>\$ (117,470)</u>
FUND BALANCE, JULY 1			<u>244,927</u>	
FUND BALANCE, JUNE 30			<u>\$ 129,069</u>	

COUNTY OF ORANGEBURG, SOUTH CAROLINA

Exhibit B-17

SPECIAL REVENUE FUND

E911 SURCHARGE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the year ended June 30, 2006

	<u>Budget Original</u>	<u>Budget Final</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Charges for services	\$ 520,000	\$ 520,000	\$ 480,780	\$ (39,220)
Total revenues	<u>520,000</u>	<u>520,000</u>	<u>480,780</u>	<u>(39,220)</u>
EXPENDITURES				
Public safety	<u>675,095</u>	<u>675,095</u>	<u>485,664</u>	<u>189,431</u>
	<u>675,095</u>	<u>675,095</u>	<u>485,664</u>	<u>189,431</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(155,095)</u>	<u>(155,095)</u>	<u>(4,884)</u>	<u>150,211</u>
OTHER FINANCING SOURCES				
Transfers in	<u>155,095</u>	<u>155,095</u>	<u>155,095</u>	<u>-</u>
Total other financing sources	<u>155,095</u>	<u>155,095</u>	<u>155,095</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	150,211	<u>\$ 150,211</u>
FUND BALANCE (DEFICIT), JULY 1			<u>(188,547)</u>	
FUND BALANCE (DEFICIT), JUNE 30			<u>\$ (38,336)</u>	

DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET**

Exhibit B-18

	JUNE 30,	
	2006	2005
ASSETS		
Cash with fiscal agent	\$ 9,868,004	\$ 10,712,231
Property taxes receivable	139,381	159,734
Total assets	\$ 10,007,385	\$ 10,871,965
LIABILITIES AND FUND EQUITY		
Liabilities		
Due to general fund	\$ 256,680	\$ 688,945
Deferred revenue - Taxes	85,964	78,816
Total liabilities	342,644	767,761
Fund equity		
Reserved	9,664,741	10,104,204
Total liabilities and fund equity	\$ 10,007,385	\$ 10,871,965

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
DEBT SERVICE FUND**

Exhibit B-19

**COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the years ended June 30**

	2006			2005		
	Budget Original & Final	Actual	Variance favorable (unfavorable)	Original & Final Budget	Actual	Variance favorable (unfavorable)
REVENUES						
Property taxes	\$ 1,306,645	\$ 1,527,144	\$ 220,499	\$ 1,330,970	\$ 1,689,219	\$ 358,249
Intergovernmental	-	-	-	-	-	-
Investment income	-	826,411	826,411	-	597,845	597,845
Total revenues	<u>1,306,645</u>	<u>2,353,555</u>	<u>1,046,910</u>	<u>1,330,970</u>	<u>2,287,064</u>	<u>956,094</u>
EXPENDITURES						
Principal retirement	755,000	7,355,000	(6,600,000)	745,000	8,245,000	(7,500,000)
Interest and fees	<u>551,645</u>	<u>995,191</u>	<u>(443,546)</u>	<u>585,970</u>	<u>1,313,693</u>	<u>(727,723)</u>
Total expenditures	<u>1,306,645</u>	<u>8,350,191</u>	<u>(7,043,546)</u>	<u>1,330,970</u>	<u>9,558,693</u>	<u>(8,227,723)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(5,996,636)</u>	<u>(5,996,636)</u>	<u>-</u>	<u>(7,271,629)</u>	<u>(7,271,629)</u>
OTHER FINANCING SOURCES						
Transfers in	-	6,525,967	6,525,967	-	8,595,332	8,595,332
Transfers out	-	<u>(968,794)</u>	<u>(968,794)</u>	-	-	-
Total other financing sources	<u>-</u>	<u>5,557,173</u>	<u>5,557,173</u>	<u>-</u>	<u>8,595,332</u>	<u>8,595,332</u>
Excess (deficiency) of revenues and and other financing sources over (under) expenditures	<u>\$ -</u>	<u>(439,463)</u>	<u>\$ (439,463)</u>	<u>\$ -</u>	<u>1,323,703</u>	<u>\$ 1,323,703</u>
FUND BALANCE (DEFICIT), JULY 1		<u>10,104,204</u>			<u>8,780,501</u>	
FUND BALANCE (DEFICIT), JUNE 30		<u>\$ 9,664,741</u>			<u>\$ 10,104,204</u>	

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Certificates of Participation

This fund is being used to account for the expenditure of proceeds of Certificates of Participation issued primarily to finance construction of an addition to the Orangeburg-Calhoun Law Enforcement Center.

Capital Projects Sales Tax

These sales tax revenues are restricted to improve, repair and construct infrastructure in the County. This fund is reported as a major governmental fund.

Capital Improvements

These property tax revenues are restricted to improve and repair County-owned facilities. This fund is reported as a major governmental fund.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NONMAJOR CAPITAL PROJECTS FUNDS
BALANCE SHEET
JUNE 30, 2006

Exhibit B-20

	<u>Certificates of Participation</u>
ASSETS	
Cash with fiscal agent	\$ -
Receivables, net of allowance for uncollectibles:	
Property taxes	-
Intergovernmental	-
Due from general fund	-
Land held for resale	-
	-
Total assets	<u>\$ -</u>
LIABILITIES AND FUND EQUITY	
Liabilities	
Accounts payable	\$ -
Accrued salaries	-
Due to general fund	510
Deferred revenue - Taxes	-
	-
Total liabilities	<u>510</u>
Fund equity	
Reserved for capital projects	<u>(510)</u>
Total fund equity	<u>(510)</u>
Total liabilities and fund equity	<u>\$ -</u>

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NONMAJOR CAPITAL PROJECTS FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2006

Exhibit B-21

	<u>Certificates of Participation</u>
REVENUE	
Sales tax	\$ -
Property taxes	-
Intergovernmental	-
Charges for services	-
Investment income	1,257
Other	-
Total revenues	<u>1,257</u>
 EXPENDITURES	
General government	-
Public works	-
Culture and recreation	-
Total expenditures	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	1,257
 OTHER FINANCING SOURCES (USES)	
Transfers in	-
Transfers out	<u>(205,845)</u>
Total other financing sources	<u>(205,845)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(204,588)
 FUND BALANCES, JULY 1	<u>204,078</u>
 FUND BALANCES, JUNE 30	<u>\$ (510)</u>

NONMAJOR CAPITAL PROJECTS FUND

CERTIFICATES OF PARTICIPATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

From inception and for the year ended June 30, 2006

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to date</u>
REVENUE				
Investment income	\$ -	\$ 192,859	\$ 1,257	\$ 194,116
Total revenue	<u>-</u>	<u>192,859</u>	<u>1,257</u>	<u>194,116</u>
EXPENDITURES				
General government	210,800	383,180	-	383,180
Judicial	4,503,936	4,514,929	-	4,514,929
Public safety	350,280	381,660	-	381,660
Social and health	135,000	178,862	-	178,862
Other	<u>1,044,984</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total expenditures	<u>6,245,000</u>	<u>5,462,631</u>	<u>-</u>	<u>5,462,631</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(6,245,000)</u>	<u>(5,269,772)</u>	<u>1,257</u>	<u>(5,268,515)</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	6,245,000	5,429,989	-	5,429,989
Transfers in	-	43,861	-	43,861
Transfers out	<u>-</u>	<u>-</u>	<u>(205,845)</u>	<u>(205,845)</u>
Total other financing sources (uses)	<u>6,245,000</u>	<u>5,473,850</u>	<u>(205,845)</u>	<u>5,268,005</u>
Excess (deficiency) of revenue and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 204,078</u>	<u>(204,588)</u>	<u>\$ (510)</u>
FUND BALANCE, JULY 1			<u>204,078</u>	
FUND BALANCE (DEFICIT), JUNE 30			<u>\$ (510)</u>	

COUNTY OF ORANGEBURG, SOUTH CAROLINA

Exhibit B-23

MAJOR CAPITAL PROJECTS FUND

CAPITAL PROJECTS SALES TAX

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

From inception and for the year ended June 30, 2006

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to date</u>
REVENUES				
Sales tax	\$ 52,704,200	\$ 46,625,976	\$ 8,867,624	\$ 55,493,600
Investment income	-	3,492,212	1,358,591	4,850,803
Total revenues	<u>52,704,200</u>	<u>50,118,188</u>	<u>10,226,215</u>	<u>60,344,403</u>
EXPENDITURES				
General government	40,000	4,785,946	872,301	5,658,247
Public safety	3,867,489	-	-	-
Public works	39,391,790	22,188,071	5,116,432	27,304,503
Culture and recreation	9,404,921	2,098,676	1,267,666	3,366,342
Total expenditures	<u>52,704,200</u>	<u>29,072,693</u>	<u>7,256,399</u>	<u>36,329,092</u>
Excess of revenues over expenditures	-	21,045,495	2,969,816	24,015,311
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	35,689,347	-	35,689,347
Transfers out	-	(31,825,563)	(6,525,967)	(38,351,530)
Total other financing sources (uses)	<u>-</u>	<u>3,863,784</u>	<u>(6,525,967)</u>	<u>(2,662,183)</u>
Excess of revenue and other financing sources (uses) over expenditures	<u>\$ -</u>	<u>\$ 24,909,279</u>	(3,556,151)	<u>\$ 21,353,128</u>
FUND BALANCE, JULY 1			<u>24,909,279</u>	
FUND BALANCE, JUNE 30			<u>\$ 21,353,128</u>	

COUNTY OF ORANGEBURG, SOUTH CAROLINA

Exhibit B-24

MAJOR CAPITAL PROJECTS FUND

CAPITAL IMPROVEMENTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the year ended June 30, 2006

	Budget Original	Budget Final	Actual	Variance favorable (unfavorable)
REVENUES				
Property taxes	\$ 808,146	\$ 808,146	\$ 764,371	\$ (43,775)
Intergovernmental	-	-	-	-
Charges for services	-	-	87,326	87,326
Investment income	-	-	-	-
Other	-	-	8,691	8,691
	<u>808,146</u>	<u>808,146</u>	<u>860,388</u>	<u>52,242</u>
Total revenues				
EXPENDITURES				
General government	-	-	-	-
Public works	808,146	9,724,993	3,756,246	5,968,747
	<u>808,146</u>	<u>9,724,993</u>	<u>3,756,246</u>	<u>5,968,747</u>
Total expenditures				
Excess (deficiency) of revenue over (under) expenditures	<u>-</u>	<u>(8,916,847)</u>	<u>(2,895,858)</u>	<u>6,020,989</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	8,916,847	1,174,639	(7,742,208)
	<u>-</u>	<u>8,916,847</u>	<u>1,174,639</u>	<u>(7,742,208)</u>
Total other financing sources (uses)				
Excess (deficiency) of revenue and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(1,721,219)</u>	<u>\$ (1,721,219)</u>
FUND BALANCE, JULY 1			<u>8,883,578</u>	
FUND BALANCE, JUNE 30			<u>\$ 7,162,359</u>	

AGENCY FUNDS

Agency funds are used to account for assets held by the County as an agent for other governmental units and courts. Property taxes and other revenue are collected, temporarily retained, and distributed by the County Treasurer in accordance with Acts of the General Assembly of South Carolina.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the year ended June 30, 2006

Exhibit B-25

	Balance June 30, 2005	Additions	Deductions	Balance June 30, 2006
CONSOLIDATED SCHOOL DISTRICT 3				
Assets				
Property taxes receivable	\$ 3,597,571	\$ 10,957,507	\$ 11,312,104	\$ 3,242,974
Due from general fund	<u>3,843,565</u>	<u>11,312,104</u>	<u>13,669,585</u>	<u>1,486,084</u>
	<u>\$ 7,441,136</u>	<u>\$ 22,269,611</u>	<u>\$ 24,981,689</u>	<u>\$ 4,729,058</u>
Liabilities				
Due to taxing unit	<u>\$ 7,441,136</u>	<u>\$ 22,269,611</u>	<u>\$ 24,981,689</u>	<u>\$ 4,729,058</u>
CONSOLIDATED SCHOOL DISTRICT 4				
Assets				
Due from general fund	<u>\$ 3,502,695</u>	<u>\$ 11,867,195</u>	<u>\$ 10,796,021</u>	<u>\$ 4,573,869</u>
Liabilities				
Due to taxing unit	<u>\$ 3,502,695</u>	<u>\$ 11,867,195</u>	<u>\$ 10,796,021</u>	<u>\$ 4,573,869</u>
CONSOLIDATED SCHOOL DISTRICT 5				
Assets				
Due from general fund	<u>\$ 4,559,597</u>	<u>\$ 29,088,685</u>	<u>\$ 28,962,660</u>	<u>\$ 4,685,622</u>
Liabilities				
Accounts payable	\$ 341,520	\$ -	\$ 341,520	\$ -
Due to taxing unit	4,218,077	28,747,165	28,621,140	4,344,102
Due to general fund	<u>-</u>	<u>341,520</u>	<u>-</u>	<u>341,520</u>
	<u>\$ 4,559,597</u>	<u>\$ 29,088,685</u>	<u>\$ 28,962,660</u>	<u>\$ 4,685,622</u>
COUNTY BOARD OF EDUCATION				
Assets				
Property taxes receivable	\$ 514,980	\$ 8,036,392	\$ 8,068,774	\$ 482,598
Due from general fund	<u>835,104</u>	<u>8,068,774</u>	<u>8,903,623</u>	<u>255</u>
	<u>\$ 1,350,084</u>	<u>\$ 16,105,166</u>	<u>\$ 16,972,397</u>	<u>\$ 482,853</u>
Liabilities				
Due to taxing unit	<u>\$ 1,350,084</u>	<u>\$ 16,105,166</u>	<u>\$ 16,972,397</u>	<u>\$ 482,853</u>
TOWNS				
Assets				
Property taxes receivable	\$ 137,100	\$ 1,555,144	\$ 1,545,981	\$ 146,263
Due from general fund	<u>3,984</u>	<u>1,545,981</u>	<u>1,546,679</u>	<u>3,286</u>
	<u>\$ 141,084</u>	<u>\$ 3,101,125</u>	<u>\$ 3,092,660</u>	<u>\$ 149,549</u>
Liabilities				
Accounts payable	\$ 10,815	\$ -	\$ 10,050	\$ 765
Due to taxing unit	130,269	3,100,285	3,082,610	147,944
Due to general fund	<u>-</u>	<u>840</u>	<u>-</u>	<u>840</u>
	<u>\$ 141,084</u>	<u>\$ 3,101,125</u>	<u>\$ 3,092,660</u>	<u>\$ 149,549</u>

(Continued)

COUNTY OF ORANGEBURG, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the year ended June 30, 2006

Exhibit B-25

	Balance June 30, 2005	Additions	Deductions	Balance June 30, 2006
DELINQUENT TAX COLLECTOR				
Assets				
Cash with fiscal agent	\$ 67,348	\$ 2,290,259	\$ -	\$ 2,357,607
Due from general fund	-	668	-	668
	\$ 67,348	\$ 2,290,927	\$ -	\$ 2,358,275
Liabilities				
Due to others	\$ 67,348	\$ 2,290,927	\$ -	\$ 2,358,275
SANTEE FIRE DISTRICT				
Assets				
Property taxes receivable	\$ 16,411	\$ 185,048	185,055	\$ 16,404
Due from general fund	-	185,055	185,055	-
	\$ 16,411	\$ 370,103	\$ 370,110	\$ 16,404
Liabilities				
Due to taxing unit	\$ 16,411	\$ 370,103	\$ 370,110	\$ 16,404
HOLLY HILL HEALTH AND DRAINAGE				
Assets				
Property taxes receivable	\$ 973	\$ 11,607	\$ 11,616	\$ 964
Liabilities				
Due to taxing unit	\$ 973	\$ 11,607	\$ 11,616	\$ 964
HORSE RANGE WATER SHED				
Assets				
Property taxes receivable	\$ 2,086	\$ 12,025	\$ 12,432	\$ 1,679
Due from general fund	22,088	12,432	13,197	21,323
	\$ 24,174	\$ 24,457	\$ 25,629	\$ 23,002
Liabilities				
Due to taxing unit	\$ 24,174	\$ 24,457	\$ 25,629	\$ 23,002
COW CASTLE DRAINAGE DISTRICT				
Assets				
Due from general fund	\$ 33,120	-	-	\$ 33,120
Liabilities				
Due to taxing unit	\$ 33,120	\$ -	\$ -	\$ 33,120
SOLICITOR'S SEIZED PROPERTY				
Assets				
Due from general fund	\$ 5,644	7,324	-	\$ 12,968
Liabilities				
Due to others	\$ 5,644	\$ 7,324	\$ -	\$ 12,968

(Continued)

COUNTY OF ORANGEBURG, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the year ended June 30, 2006

Exhibit B-25

	Balance June 30, 2005	Additions	Deductions	Balance June 30, 2006
SOLICITOR'S FORFEITED BOND FUND				
Assets				
Due from general fund	\$ 17,281	\$ 9,382	\$ -	\$ 26,663
Liabilities				
Due to others	\$ 17,281	\$ 9,382	\$ -	\$ 26,663
OTHER				
Assets				
Cash	\$ 1,441,543	\$ 563,683	\$ 57,603	\$ 1,947,623
Due from general fund	208,905	113,185	-	322,090
	\$ 1,650,448	\$ 676,868	\$ 57,603	\$ 2,269,713
Liabilities				
Accounts payable	\$ 57,603	\$ -	\$ 57,603	\$ -
Due to others	1,592,845	676,868	-	2,269,713
Total liabilities	\$ 1,650,448	\$ 676,868	\$ 57,603	\$ 2,269,713
FIREMAN'S INSURANCE PREMIUM FUND				
Assets				
Cash	\$ -	\$ 152,224	\$ 152,224	\$ -
Liabilities				
Due to others	\$ -	\$ 152,224	\$ 152,224	\$ -
TOTAL ASSETS, ALL AGENCY FUNDS				
Cash	\$ 1,508,891	\$ 3,006,166	\$ 209,827	\$ 4,305,230
Property taxes receivable	4,269,121	20,757,723	21,135,962	3,890,882
Due from general fund	13,031,983	62,210,785	64,076,820	11,165,948
Total assets	\$ 18,809,995	\$ 85,974,674	\$ 85,422,609	\$ 19,362,060
TOTAL LIABILITIES, ALL AGENCY FUNDS				
Accounts payable	\$ 409,938	\$ -	\$ 409,173	\$ 765
Due to taxing units	16,716,939	82,495,589	84,861,212	14,351,316
Due to general fund	-	342,360	-	342,360
Due to others	1,683,118	3,136,725	152,224	4,667,619
Total liabilities	\$ 18,809,995	\$ 85,974,674	\$ 85,422,609	\$ 19,362,060

COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING STATEMENT OF NET ASSETS
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2006

Exhibit B-26

	Orangeburg County Fire Commission	Orangeburg County Public Library	Orangeburg- Calhoun Regional Detention Center	Totals
ASSETS				
Cash and cash equivalents	\$ 500	\$ 266,134	\$ 99,106	\$ 365,740
Property taxes receivable	168,584	-	-	168,584
Intergovernmental receivable	-	-	75,500	75,500
Due from primary government	634,113	-	-	634,113
Other assets	3,400	-	9,825	13,225
Total assets	806,597	266,134	184,431	1,257,162
LIABILITIES				
Accounts payable	7,185	14,975	147,929	170,089
Accrued salaries and benefits	4,474	14,737	62,510	81,721
Due to primary government	-	48,511	750,801	799,312
Long-term liabilities:				
Due within one year	9,254	11,074	55,684	76,012
Due in more than one year	11,344	21,497	108,092	140,933
Total liabilities	32,257	110,794	1,125,016	1,268,067
NET ASSETS				
Unrestricted (deficit)	774,340	155,340	(940,585)	(10,905)
Total net assets	\$ 774,340	\$ 155,340	\$ (940,585)	\$ (10,905)

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF ACTIVITIES - ORANGEBURG COUNTY FIRE COMMISSION
DISCRETELY PRESENTED COMPONENT UNIT
For the year ended June 30, 2006

Exhibit B-27

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
PRIMARY GOVERNMENT	Expenses				Governmental Activities
Governmental activities					
Public Safety					
Salaries and benefits	\$ 269,131	\$ -	\$ -	\$ -	\$ (269,131)
Contracted services	555,275	-	-	-	(555,275)
Operating expenses	1,200,602	-	-	-	(1,200,602)
Total governmental activities	\$ 2,025,008	\$ -	\$ -	\$ -	\$ (2,025,008)
GENERAL REVENUES					
					\$ 2,200,597
					14,122
					2,214,719
					189,711
					584,629
					\$ 774,340

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF ACTIVITIES - ORANGEBURG COUNTY PUBLIC LIBRARY
DISCRETELY PRESENTED COMPONENT UNIT
For the year ended June 30, 2006

Exhibit B-28

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
PRIMARY GOVERNMENT					
Governmental activities					
Salaries and benefits	\$ 679,601	\$ -	\$ 110,874	\$ -	\$ (568,727)
Operating expenses	376,159	20,543	72,290	-	(283,326)
Total governmental activities	\$ 1,055,760	\$ 20,543	\$ 183,164	\$ -	\$ (852,053)
		GENERAL REVENUES			
					\$ 859,670
					42,095
					901,765
					49,712
					105,628
					\$ 155,340

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF ACTIVITIES - ORANGEBURG-CALHOUN REGIONAL DETENTION CENTER
DISCRETELY PRESENTED COMPONENT UNIT
For the year ended June 30, 2006

Exhibit B-29

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business- type Activities	Total
PRIMARY GOVERNMENT							
Governmental activities							
Regional Detention center - Prisoner care	\$ 5,314,413	\$ -	\$ 4,063,036	\$ -	\$ (1,251,377)		\$ (1,251,377)
Business-type activities							
Regional Detention center	67,469	70,227	-	-		\$ 2,758	2,758
Total primary government	<u>\$ 5,381,882</u>	<u>\$ 70,227</u>	<u>\$ 4,063,036</u>	<u>\$ -</u>	(1,251,377)	2,758	<u>\$ (1,248,619)</u>
GENERAL REVENUES							
Miscellaneous					-	3,838	\$ 3,838
Total general revenues					-	3,838	3,838
Change in net assets					(1,251,377)	6,596	(1,244,781)
Net assets, beginning of year					211,686	92,510	304,196
Net assets (deficit), end of year					<u>\$ (1,039,691)</u>	<u>\$ 99,106</u>	<u>\$ (940,585)</u>

COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2006

Exhibit B-30

	Orangeburg County Fire Commission	Orangeburg County Public Library	Orangeburg- Calhoun Regional Detention Center	Total
ASSETS				
Cash	\$ 500	\$ 266,134	\$ -	\$ 266,634
Property taxes receivable	168,584	-	-	168,584
Intergovernmental receivable	-	-	75,500	75,500
Due from primary government	634,113	-	-	634,113
Other assets	3,400	-	9,825	13,225
Total assets	\$ 806,597	\$ 266,134	\$ 85,325	\$ 1,158,056
LIABILITIES AND EQUITY				
Liabilities:				
Accounts payable	\$ 7,185	\$ 14,975	\$ 147,929	\$ 170,089
Accrued salaries and benefits	4,474	14,737	62,510	81,721
Deferred revenue - Taxes	90,590	-	-	90,590
Due to primary government	-	48,511	750,801	799,312
Total liabilities	102,249	78,223	961,240	1,141,712
Fund Equity				
Fund balances				
Unreserved, undesignated (deficit)	704,348	187,911	(875,915)	16,344
Total fund equity	704,348	187,911	(875,915)	16,344
Total liabilities and fund equity	\$ 806,597	\$ 266,134	\$ 85,325	\$ 1,158,056

COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
DISCRETELY PRESENTED COMPONENT UNITS
For the year ended June 30, 2006

Exhibit B-31

	Orangeburg County Fire Commission	Orangeburg County Public Library	Orangeburg - Calhoun Regional Detention Center	Totals
REVENUES				
Property taxes	\$ 2,221,286	\$ -	\$ -	\$ 2,221,286
Intergovernmental	-	1,042,834	4,063,036	5,105,870
Other	14,122	62,638	-	76,760
Total revenues	2,235,408	1,105,472	4,063,036	7,403,916
EXPENDITURES				
Current				
Public safety	2,022,028	1,050,790	5,300,303	8,373,121
Excess of revenues over (under) expenditures	213,380	54,682	(1,237,267)	(969,205)
FUND BALANCES, JULY 1	490,968	133,229	361,352	985,549
FUND BALANCES (DEFICIT), JUNE 30	\$ 704,348	\$ 187,911	\$ (875,915)	\$ 16,344

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF COURT FINES AND ASSESSMENTS ACTIVITY AND EXPENDITURES FOR VICTIMS' SERVICES
For the year ended June 30, 2006

Exhibit B-32

<u>Source</u>	<u>Fines and Assessments Collected</u>	<u>Fines and Assessments Remitted to State Treasurer</u>	<u>Fines Retained by County</u>	<u>Assessments Retained by County</u>	<u>Surcharges Collected</u>	<u>Surcharges Retained by County</u>
General Sessions Court	\$ 649,621	\$ 289,532	\$ 354,666	\$ 5,423	\$ 47,931	\$ 26,317
Magistrates Court	<u>1,106,452</u>	<u>505,393</u>	<u>549,469</u>	<u>51,590</u>	<u>252,462</u>	<u>23,700</u>
Total	<u>\$ 1,756,073</u>	<u>\$ 794,925</u>	<u>\$ 904,135</u>	<u>\$ 57,013</u>	<u>\$ 300,393</u>	<u>\$ 50,017</u>

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS

Table 1

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Governmental Activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,829,299	\$ 37,623,896	\$ 55,407,327	\$ 51,595,231
Restricted	-	-	-	-	-	-	18,730,803	29,205,675	23,017,688	21,554,403
Unrestricted	-	-	-	-	-	-	7,938,536	9,379,497	12,340,319	11,523,929
Total governmental activities net assets	\$ -	\$ 69,498,638	\$ 76,209,068	\$ 90,765,334	\$ 84,673,563					
Business-type activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	-	-	-	-	-	-	-
Total business-type activities net assets	\$ -	\$ -	\$ -	\$ -						
Total primary government net assets	\$ -	\$ 69,498,638	\$ 76,209,068	\$ 90,765,334	\$ 84,673,563					

COUNTY OF ORANGEBURG, SOUTH CAROLINA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS

Table 2

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Expenses										
Governmental activities:										
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,217,989	\$ 8,337,248	\$ 9,041,763	\$ 6,343,675
Judicial	-	-	-	-	-	-	2,961,226	3,011,160	3,130,374	3,233,742
Public works	-	-	-	-	-	-	11,885,655	6,047,481	4,303,582	11,647,075
Public safety	-	-	-	-	-	-	11,973,050	8,738,515	13,063,773	17,167,215
Social and health	-	-	-	-	-	-	3,136,727	2,377,287	2,476,718	4,217,784
Sanitation	-	-	-	-	-	-	11,440,663	4,069,879	4,419,044	5,009,300
Internal services	-	-	-	-	-	-	1,836,553	1,337,430	2,221,780	2,429,788
Allocation to others	-	-	-	-	-	-	2,141,657	6,410,470	6,935,742	-
Culture and recreation	-	-	-	-	-	-	340,340	1,368,492	564,662	4,055,473
Interest and fiscal charges	-	-	-	-	-	-	1,322,637	1,517,038	1,227,256	1,085,850
Depreciation expense	-	-	-	-	-	-	-	4,679,238	-	-
Total governmental activities expenses	-	-	-	-	-	-	55,256,497	47,894,238	47,384,694	55,189,902
Business-type activities	-	-	-	-						
Total business-type activities expense	-	-	-	-						
Total primary government expenses	\$ -	\$ 55,256,497	\$ 47,894,238	\$ 47,384,694	\$ 55,189,902					
Program Revenues										
Governmental activities										
Charges for services:										
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 790,521	\$ 1,075,723	\$ 646,720	\$ 670,587
Judicial	-	-	-	-	-	-	2,073,472	1,992,029	2,287,773	2,362,630
Public works	-	-	-	-	-	-	2,090,425	2,362,921	2,349,463	2,600,142
Public safety	-	-	-	-	-	-	2,143,313	2,144,137	2,505,752	1,245,173
Social and health	-	-	-	-	-	-	1,585,333	-	-	-
Sanitation	-	-	-	-	-	-	-	1,377,274	1,941,709	1,803,467
Internal services	-	-	-	-	-	-	581,384	-	-	-
Total governmental activities program revenues	-	-	-	-	-	-	9,264,448	8,952,084	9,731,417	8,681,999

(Continued)

COUNTY OF ORANGEBURG, SOUTH CAROLINA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS

Table 2

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Program Revenues, Continued										
Charges for services:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating grants and contributions	-	-	-	-	-	-	6,082,655	5,507,172	4,068,605	3,918,711
Capital grants and contributions	-	-	-	-	-	-	9,910,661	335,839	492,150	-
Total business-type activities and program revenues	-	-	-	-	-	-	15,993,316	5,843,011	4,560,755	3,918,711
Total primary government program revenues	\$ -	\$ 25,257,764	\$ 14,795,095	\$ 14,292,172	\$ 12,600,710					
Net (Expense)/Revenue										
Governmental activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (29,998,733)	\$ (33,099,143)	\$ (33,092,522)	\$ (42,589,192)
Business-type activities	-	-	-	-	-	-	-	-	-	-
Total primary government net expense	\$ -	\$ (29,998,733)	\$ (33,099,143)	\$ (33,092,522)	\$ (42,589,192)					
General Revenues and Other										
Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,711,284	\$ 25,835,100	\$ 26,975,355	\$ 26,843,615
Sales Tax	-	-	-	-	-	-	7,900,490	7,921,493	8,534,112	8,867,624
Accommodations Tax	-	-	-	-	-	-	206,234	194,721	196,884	204,268
Interest and investment income	-	-	-	-	-	-	883,020	1,319,363	2,328,922	2,904,383
Intergovernmental not restricted to specific programs	-	-	-	-	-	-	4,573,859	4,068,424	4,121,123	5,023,274
Contributions not restricted to specific programs	-	-	-	-	-	-	-	-	3,783,330	1,200,000
Miscellaneous	-	-	-	-	-	-	966,548	470,472	798,177	862,499
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	-	-	-	-	-	-	39,241,435	39,809,573	46,737,903	45,905,663
Business-type activities										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-						
Total primary government	\$ -	\$ 39,241,435	\$ 39,809,573	\$ 46,737,903	\$ 45,905,663					
Changes in Net Assets										
Governmental activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,242,702	\$ 6,710,430	\$ 13,645,381	\$ 3,316,471
Business activities	-	-	-	-	-	-	-	-	-	-
Total primary government	\$ -	\$ 9,242,702	\$ 6,710,430	\$ 13,645,381	\$ 3,316,471					

COUNTY OF ORANGEBURG, SOUTH CAROLINA
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Table 3

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Fund										
Reserved	\$ -	\$ -	\$ 153,888	\$ 130,203	\$ 194,280	\$ 101,657	\$ 128,635	\$ 409,898	\$ -	\$ -
Unreserved	-	-	3,763,031	3,728,407	2,846,585	4,461,691	5,570,655	6,691,172	9,771,489	8,739,027
Total general fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,916,919</u>	<u>\$ 3,858,610</u>	<u>\$ 3,040,865</u>	<u>\$ 4,563,348</u>	<u>\$ 5,699,290</u>	<u>\$ 7,101,070</u>	<u>\$ 9,771,489</u>	<u>\$ 8,739,027</u>
All Other Governmental Funds										
Reserved for:										
Debt service	\$ -	\$ -	\$ (183,498)	\$ (371,925)	\$ (298,780)	\$ (402,140)	\$ 10,072,741	\$ 8,780,501	\$ 10,104,204	\$ 9,664,741
Capital project funds	-	-	8,578,093	13,752,840	15,481,490	20,276,279	41,169,387	42,974,382	33,996,935	28,515,487
Unreserved, reported in:										
Special revenue funds	-	-	(1,586,604)	(2,108,608)	1,373,679	722,167	1,917,628	2,474,711	3,123,445	3,351,252
Capital project funds	-	-	-	-	-	-	1,147,711	197,533	-	(510)
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,807,991</u>	<u>\$ 11,272,307</u>	<u>\$ 16,556,389</u>	<u>\$ 20,596,306</u>	<u>\$ 54,307,467</u>	<u>\$ 54,427,127</u>	<u>\$ 47,224,584</u>	<u>\$ 41,530,970</u>
Total all governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,724,910</u>	<u>\$ 15,130,917</u>	<u>\$ 19,597,254</u>	<u>\$ 25,159,654</u>	<u>\$ 60,006,757</u>	<u>\$ 61,528,197</u>	<u>\$ 56,996,073</u>	<u>\$ 50,269,997</u>

COUNTY OF ORANGEBURG, SOUTH CAROLINA
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Table 4

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenues										
Property taxes	\$ -	\$ -	\$ 17,030,554	\$ 25,244,800	\$ 27,600,191	\$ 29,348,061	\$ 24,857,395	\$ 25,572,338	\$ 28,009,759	\$ 26,833,876
Sales tax	-	-	-	-	-	-	7,900,490	7,921,493	8,534,112	8,867,624
Intergovernmental	-	-	6,305,474	10,756,036	6,828,204	6,894,381	20,773,410	9,242,413	8,750,100	9,146,253
Licenses and permits	-	-	558,243	568,563	762,113	562,124	564,977	619,798	646,720	670,587
Charges for services	-	-	3,995,725	4,207,200	5,361,195	5,180,209	6,139,946	6,860,395	7,729,450	7,357,320
Fines, fees, and forfeitures	-	-	985,937	1,561,609	1,218,943	1,060,609	1,032,694	676,892	719,247	654,092
Investment income	-	-	635,037	696,789	755,482	554,554	883,020	1,319,363	2,328,922	2,904,383
Other	-	-	219,051	2,561,605	1,974,526	1,528,658	2,039,031	1,265,472	1,562,839	862,499
Total revenues	-	-	29,730,021	45,596,602	44,500,654	45,128,596	64,190,963	53,478,164	58,281,149	57,296,634
Expenditures										
General Government	-	-	5,005,121	10,470,334	7,170,439	7,764,154	9,263,139	11,686,061	9,669,579	11,897,031
Judicial	-	-	2,349,934	2,198,122	2,796,561	2,533,065	2,914,643	3,011,160	3,073,783	3,167,867
Public Works	-	-	2,391,608	2,461,792	2,876,311	9,894,848	12,963,483	9,300,332	13,740,982	12,613,532
Public Safety	-	-	9,272,337	10,974,885	9,091,876	10,682,900	10,620,101	11,457,241	10,754,810	14,458,772
Social and health	-	-	1,960,606	1,782,110	1,368,575	2,140,397	3,089,450	2,377,287	2,462,570	4,201,315
Sanitation	-	-	3,456,211	3,888,182	3,315,876	4,752,061	13,904,347	4,069,879	4,419,044	5,009,300
Internal Services	-	-	1,542,319	1,717,830	1,125,333	1,109,785	1,257,931	1,337,430	1,468,408	1,552,818
Allocation to others	-	-	845,780	1,058,310	1,734,689	1,750,518	2,141,657	6,410,470	7,100,742	4,235,473
Culture and recreation	-	-	-	-	-	408,489	340,340	1,368,492	564,662	-
Tourism promotion	-	-	178,534	137,398	215,494	154,431	-	-	-	-
Capital projects	-	-	4,780,862	2,165,612	4,970,759	-	-	-	-	-
Debt service										
Interest	-	-	495,726	445,977	471,797	375,712	1,707,997	1,541,403	1,313,693	995,191
Principal	-	-	1,685,000	1,540,000	1,740,000	1,590,000	5,300,000	9,769,329	8,245,000	7,355,000
Total expenditures	-	-	33,964,038	38,840,552	36,877,710	43,156,360	63,503,088	62,329,084	62,813,273	65,486,299
Excess of revenues over (under) expenditures	-	-	(4,234,017)	6,756,050	7,622,944	1,972,236	687,875	(8,850,920)	(4,532,124)	(8,189,665)
Other Financing Sources (Uses)										
Bond proceeds	-	-	4,000,000	-	-	-	36,018,647	11,185,000	-	-
Note proceeds	-	-	-	-	-	-	750,000	-	-	-
Defeasance costs	-	-	-	-	-	-	-	(154,164)	-	-
Payments to escrow agent	-	-	-	-	-	-	-	(2,000,000)	-	-
Capital leases	-	-	-	797,815.00	-	6,871,452	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-	850,670	1,341,524	-	1,463,589
Sale of general fixed assets	-	-	120,301	-	-	-	-	-	-	-
Transfers in	-	-	1,067,670	-	3,241,725	526,651	17,245,069	8,425,389	9,070,101	8,111,377
Transfers out	-	-	(4,141,091)	(3,147,858)	(6,258,878)	(3,453,749)	(20,705,158)	(8,425,389)	(9,070,101)	(8,111,377)
Total other financing sources (uses)	-	-	1,046,880	(2,350,043)	(3,017,153)	3,944,354	34,159,228	10,372,360	-	1,463,589
Net change in fund balances	\$ -	\$ -	\$ (3,187,137)	\$ 4,406,007	\$ 4,605,791	\$ 5,916,590	\$ 34,847,103	\$ 1,521,440	\$ (4,532,124)	\$ (6,726,076)
Debt service as a percentage of noncapital expenditures*	0%	0%	7%	0%	7%	5%	11%	18%	15%	13%

COUNTY OF ORANGEBURG, SOUTH CAROLINA
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Table 5

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Agricultural Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
1997	\$ 39,010,070	\$ 33,507,035	\$ -	\$ 87,094,558	\$ 159,611,663	75	\$ 3,081,351,489	5.18%
1998	41,806,620	33,641,793	-	111,778,866	187,227,279	73	3,397,406,760	5.51%
1999	47,635,120	49,709,886	-	134,169,739	231,514,745	78	3,793,932,959	6.10%
2000	73,535,097	28,060,701	-	125,219,074	226,814,872	68	3,371,628,109	6.73%
2001	76,475,872	29,757,408	-	120,401,458	226,634,738	72	3,518,100,792	6.44%
2002	77,146,756	30,168,594	-	121,255,515	228,570,865	85	3,679,999,276	6.21%
2003	58,803,224	66,320,658	5,035,846	123,008,643	253,168,371	90	3,466,936,000	7.30%
2004	60,851,464	61,784,568	5,550,036	121,669,312	249,855,380	84	3,672,141,592	6.80%
2005	60,872,944	61,889,214	5,504,080	119,084,202	247,350,440	83	3,888,482,500	6.36%
2006	67,008,970	67,205,496	5,068,680	102,665,556	241,948,702	83	3,926,391,320	6.16%

Source: Deputy Administrator Property Services, Marion Lloyd, and County Tax Assessor, Jim McLean

Notes: 2003 New reporting data consistent with reassessment year. Property is reassessed every five years on the average.
 The County does not compile actual and assessed values for exempt property.
 Residential property at 4% assessment.
 Commercial property at 6% assessment.
 Agricultural property at 4% and 6% assessment.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO**

Table 6

Taxpayer	2006			1997		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
SCE&G	\$ 28,872,410	1	11.93%	\$ 5,973,090	1	3.74%
Albemarle	3,220,536	2	1.33%	2,512,159	5	1.57%
Bell South Telecommunications	2,893,878	3	1.20%	2,922,960	2	1.83%
American Koyo	2,116,658	4	0.87%	2,243,610	6	1.41%
Okonite	1,887,798	5	0.78%	-	-	-
Electrolux	1,535,720	6	0.63%	-	-	-
Delahaize	1,513,034	7	0.63%	-	-	-
Tri County Electric Co-Op	1,165,540	8	0.48%	-	-	-
CSX	885,940	9	0.37%	894,980	9	0.56%
Earth Grains	853,470	10	0.35%	-	-	-
Holcim Cement	-	-	-	2,817,260	3	1.77%
Georgia Pacific	-	-	-	2,651,830	4	1.66%
American Yard Products	-	-	-	2,134,990	7	1.34%
Food Lion	-	-	-	1,533,366	8	0.96%
Zeus	-	-	-	887,370	10	0.56%
Total	\$ 44,944,984		18.58%	\$ 24,571,615		15.39%

Source: County Treasurer, J. Steve Summers

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Table 7

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$ 15,060,402	\$ 14,075,738	93.46%	\$ 843,828	\$ 14,919,566	99.06%
1998	16,507,731	15,818,958	95.83%	557,118	16,376,076	99.20%
1999	16,901,162	14,968,062	88.56%	1,371,297	16,339,359	96.68%
2000	16,943,925	15,227,186	89.87%	1,615,370	16,842,556	99.40%
2001	18,887,124	17,217,682	91.16%	1,486,208	18,703,890	99.03%
2002	18,531,151	17,640,012	95.19%	837,405	18,477,417	99.71%
2003	24,723,876	22,836,218	92.37%	1,826,032	24,662,250	99.75%
2004	26,315,791	23,693,032	90.03%	2,458,914	26,151,946	99.38%
2005	26,377,519	23,585,519	89.42%	2,761,502	26,347,021	99.88%
2006	27,447,919	26,245,151	95.62%	-	26,245,151	95.62%

Source: County Treasurer, J. Steve Summers, and County Auditor, Roger Cleckley

Note: Current tax collections are net of rebates and do not include fee in lieu.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS**

Table 8

	Year Taxes are Payable									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
County Direct Rates										
County Debt General	65	65	70	60	69	73	78	74	74	74
Bond Indebtedness	6	6	6	6	1	7	7	7	6	6
Capital Improvement Fund	4	2	2	2	2	5	5	3	3	3
Total direct rate	75	73	78	68	72	85	90	84	83	83
City and Town Rates										
City of Orangeburg	71	75	75	72	72	72	72	73	73	79
Town of Branchville	66	66	66	66	66	66	66	66	66	66
Town of Bowman	60	60	60	60	60	60	60	60	60	60
Town of Cope	25	25	25	25	25	25	25	25	25	25
Town of Cordova	15	15	11	11	11	11	11	11	11	11
Town of Elloree	40	40	40	40	40	40	40	40	60	65
Town of Eutawville	60	60	60	60	60	60	60	60	60	60
Town of Holly Hill	70	70	70	70	70	70	70	66	66	66
Town of Livingston	28	28	20	20	20	20	20	20	20	20
Town of Neeses	28	28	28	28	28	28	28	28	28	28
Town of Norway	42	42	42	42	42	42	42	42	42	50
Town of North	51	51	51	51	51	84	84	64	64	75
Town of Rowesville	20	20	20	20	20	20	30	30	40	40
Town of Santee	40	40	40	46	46	46	48	48	48	90
Town of Springfield	48	48	48	48	48	58	58	58	58	58
Town of Vance	40	40	40	40	50	50	50	50	50	50
Town of Woodford	15	15	15	15	15	7	7	7	7	7
Fire District	17	17	17	17	17	17	17	17	17	17
School District Rates										
District Three	184	177	169	167	170	173	179	175	188	198
District Four	168	138	136	153	163	166	175	175	178	178
District Five	193	186	181	179	183	183	192	191	193	196
Sewer District Rates										
Metro Sewer	3	3	3	3	3	3	3	3	3	3
Other Special District Rates										
Special Education	4	4	4	5	8	8	8	8	9	9
Solid Waste	16	16	15	15	14	14	14	13	13	13
Water Shed	23	23	10	10	10	10	10	10	10	9
Board of Education	n/a	31.0	30.5	30.5	30.5	30.5	30.5	30.2	30.2	30

Source: County Treasurer, J. Steve Summers

COUNTY OF ORANGEBURG, SOUTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Table 9

Fiscal Year	Governmental Activities				Certificates of Participation	Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Revenue Bonds	Capital Leases	Note Payable				
1997	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	-
1998	-	-	-	-	-	-	0.00%	-
1999	-	-	-	-	-	-	0.00%	-
2000	7,595,000	-	8,426,596	-	2,085,000	18,106,596	0.92%	206
2001	6,510,000	-	3,046,110	-	1,430,000	10,986,110	0.53%	120
2002	5,615,000	-	8,139,610	-	735,000	14,489,610	0.67%	158
2003	4,715,000	31,164,300	6,291,918	750,000	-	42,921,218	1.92%	469
2004	12,445,000	22,864,300	5,245,773	735,671	-	41,290,744	1.78%	448
2005	11,535,000	15,364,300	3,688,766	692,557	-	31,280,623	1.30%	338
2006	10,600,000	8,769,296	3,322,092	663,043	-	23,354,431	0.93%	252

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Table 10

<u>Fiscal Year</u>	<u>General Bonded Debt Outstanding</u>		<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Total</u>		
1997	\$ 3,500,000	\$ 3,500,000	2.01%	\$ 40
1998	2,850,000	2,850,000	1.42%	33
1999	8,650,000	8,650,000	3.77%	99
2000	7,595,000	7,595,000	3.21%	86
2001	6,510,000	6,510,000	2.72%	71
2002	5,615,000	5,615,000	2.33%	61
2003	4,715,000	4,715,000	1.96%	51
2004	12,445,000	12,445,000	5.03%	135
2005	11,535,000	11,535,000	4.66%	125
2006	10,600,000	10,600,000	4.38%	114

Source: County Treasurer, J. Steve Summers

COUNTY OF ORANGEBURG, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2006

Table 11

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Orangeburg County	\$ 10,600,000	100.00%	\$ 10,600,000
Orangeburg School District 3	41,165,000	100.00%	41,165,000
Orangeburg School District 4	40,445,000	100.00%	40,445,000
Orangeburg School District 5	42,135,000	100.00%	<u>42,135,000</u>
Total direct and overlapping debt			<u>\$ 134,345,000</u>

Source: County Treasurer, J. Steve Summers

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

Table 12

	Fiscal Year									
	1997	1998*	1999*	2000*	2001*	2002*	2003*	2004*	2005*	2006*
Debt Limit	\$ -	\$ -	\$ 13,753,958	\$ 13,974,370	\$ 14,641,858	\$ 14,974,667	\$ 17,007,522	\$ 18,258,847	\$ 18,531,448	\$ 18,147,384
Total net Debt applicable to limit	-	-	<u>8,650,000</u>	<u>7,595,000</u>	<u>6,510,000</u>	<u>5,615,000</u>	<u>2,375,000</u>	<u>10,270,000</u>	<u>11,535,000</u>	<u>10,600,000</u>
Legal debt margin	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,103,958</u>	<u>\$ 6,379,370</u>	<u>\$ 8,131,858</u>	<u>\$ 9,359,667</u>	<u>\$ 14,632,522</u>	<u>\$ 7,988,847</u>	<u>\$ 6,996,448</u>	<u>\$ 7,547,384</u>
Total net debt applicable to the limit as a percentage of debt limit										
Legal Debt Margin Calculation for Fiscal Year 2006										
Assessed Value - Net of exemptions		\$ 226,842,305								
Debt Limit (8 % of assessed value)		18,147,384								
Debt applicable to limit:										
General obligation bonds		10,600,000								
Less: Debt excluded by referendum		<u>-</u>								
Total net debt applicable to limit		<u>10,600,000</u>								
Legal debt margin		<u>\$ 7,547,384</u>								

* Calculated at 8% of assessed value

Source: County Treasurer, J. Steve Summers

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Table 13

Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2006	92,617	\$ 2,314,499	\$24,990	-	12,277	9.30%
2005	92,617	2,229,106	24,068	-	13,414	9.20%
2004	92,115	2,135,318	23,181	-	14,657	10.90%
2003	91,582	2,044,568	22,325	33	14,983	10.30%
2002	91,582	1,973,317	21,547	-	15,100	8.80%
2001	91,582	1,902,616	20,775	-	15,370	13.30%
2000	87,865	1,731,907	19,711	-	-	7.90%
1999	87,625	1,651,994	18,853	-	-	10.50%
1998	87,477	1,595,231	18,236	31	-	-
1997	87,324	1,701,321	17,481	-	-	-

Source: Community Economic Alliance, Inc. and County Treasurer, J. Steve Summers

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Table 14

Employer	2006			1997		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Electrolux	2,200	1	2.38%	-	1	
Koyo Corp of USA	720	2	0.78%	-	2	
Zeus Industrial Products Inc.	709	3	0.77%	-	3	
Sara Lee Bakery Group	536	4	0.58%	-	4	
Ablemarle Corporation	517	5	0.56%	-	5	
Ambler Industries Inc.	490	6	0.53%	-	6	
North American Container Corp	400	7	0.43%	-	7	
Allied Air Enterprise, Inc.	300	8	0.32%	-	8	
Federal-Mogul Friction Products	262	9	0.28%	-	9	
The Okonite Company	220	10	0.24%	-	10	
Total	<u>6,354</u>		<u>6.86%</u>	<u>-</u>		

COUNTY OF ORANGEBURG, SOUTH CAROLINA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Table 15

Function/Program	Full Time Equivalent Employees as of June 30									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General government										161
Public Safety										242
Public Works										81
Public Health										52
Culture and Recreation										35
Total	-	-	-	-	-	-	-	-	-	571

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

Orangeburg County Council
Orangeburg County
Orangeburg, South Carolina

We have audited the financial statements the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Orangeburg County, South Carolina (the County) as of and for the year ended June 30, 2006, which collectively comprise Orangeburg County, South Carolina's basic financial statements and have issued our report thereon dated December 12, 2006. 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 the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Orangeburg County, South Carolina's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2006B.1 and 2006B.2.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider Items 2006B.1 and 2006B.2 to be material weaknesses.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the County's 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is disclosed in the accompanying schedule of findings and questioned costs as Item 2006B.3.

This report is intended for the information of the County Council of Orangeburg County management and federal and state awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

December 12, 2006

ELBERT DAUBS LLC

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

Orangeburg County Council
Orangeburg County
Orangeburg, South Carolina

COMPLIANCE

We have audited the compliance of Orangeburg County (the County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, Orangeburg County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

INTERNAL CONTROL OVER COMPLIANCE

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be a material weakness. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the County Council of Orangeburg County, management and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

December 12, 2006

ELWOOD DAVIS LLC

ORANGEBURG COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2006

A. SUMMARY OF AUDITORS' RESULTS

1. An unqualified opinion has been issued on the financial statements of Orangeburg County for the year ended June 30, 2006.
2. Two reportable conditions relating to the audit of the financial statements were reported. Both of the conditions are reported as material weaknesses.
3. The audit disclosed one instance of noncompliance which is material to the financial statements.
4. No reportable conditions in internal controls over major programs were identified.
5. The report on compliance for major programs expressed an unqualified opinion.
6. No audit findings relative to the major federal award programs are reported in this schedule.
7. For the year ended June 30, 2006, the following programs were considered to be major programs:

DSS Incentives	CFDA	93.563
Community Development Block Grant	CFDA	14.228
Pathways Substance Abuse Grant	CFDA	93.243
Edward Byrne Memorial Grant	CFDA	16.579
Edisto Sewer Capital Project Grant	CFDA	10.760
Detention Center Expansion Grant	CFDA	16.586

8. For purposes of determining major programs, a \$300,000 threshold of expenditures was used.
9. The County did qualify for reduced audit coverage, with respect to federal award programs, under the provisions of Section 530 of OMB Circular A-133.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

2006B.1

Cash with fiscal agent

Condition and Criteria

Transactions from two cash with fiscal agent accounts with significant dollar amounts are not currently being recorded on the County general ledger until year end.

Effect and Cause

Significant County transactions are occurring but not being recorded on a timely basis.

Auditor's Recommendation

We recommend transactions related to cash with fiscal agents be recorded on a monthly basis on the County general ledger.

(Continued)

ORANGEBURG COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2006

B. FINDINGS - FINANCIAL STATEMENT AUDIT, Continued

2006B.1, Continued

Management Response

The County will implement this process for the year ended June 30, 2007.

2006B.2

Capital Assets

Condition and Criteria

Acquisition dates of several county buildings were incorrect on the depreciation schedule. In addition, several buildings were not recorded on the County general ledger.

Effect and Cause

Based on incorrect building acquisition dates, accumulated depreciation was understated when the County implemented the new reporting model. In addition, buildings was understated at implementation because several buildings were omitted from the capital asset inventory listing. The net effect was an overstatement of County capital assets, net of accumulated depreciation of \$9.4 million.

Auditor's Recommendation

We recommend the County review its building capital asset inventory list and related depreciation schedule of buildings as to ownership and acquisition dates on an ongoing basis.

Management Response

The County is currently in the process of implementing a review procedure to ensure capital asset records are accurate and complete.

2006B.3

South Carolina Code of Laws, Section 12-45-220 collateral pledging requirement to secure deposits in excess of federal depository insurance coverage.

Condition and Criteria

Deposits invested with one financial institution were not in full compliance with SC Code of Laws Section 12-45-220.

Effect

The County had approximately \$7.1 million of uncollateralized deposits which were attributable to County bank accounts.

Cause

During the audit process it was determined that deposit accounts had not been adequately collateralized for deposits held in excess of federal depository insurance coverage amounts by the Financial Institution.

(Continued)

ORANGEBURG COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2006

B. FINDINGS - FINANCIAL STATEMENT AUDIT, Continued

2006B.3, Continued

Auditor's Recommendation

We recommend that the County fully comply with SC Code of Laws, Section 12-45-220 and periodic verifications of collateral pledged be obtained from financial institutions where the County deposits are invested which exceed the federal depository insurance coverage amounts.

Management Response

The deposit accounts in question have subsequently been collateralized and management has established procedures requiring the monthly reporting and verification of collateral to secure all deposits in excess of federal deposit insurance coverage.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

ORANGEBURG COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2006

FINDINGS - FINANCIAL STATEMENTS AUDIT

NONE

FINDINGS AND QUESTIONED COSTS RELATED TO THE AUDIT OF FEDERAL AWARDS

NONE

ORANGEBURG COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the fiscal year ended June 30, 2006

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Total Expenditures</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through S.C. Department of Commerce and S.C. Jobs-Economic Development Authority			
Community Development Block Grant	14.228	4-L-30-020	\$ 301,029
Community Development Block Grant	14.228	4-P-02-005	<u>50,000</u>
			<u>351,029</u>
DEPARTMENT OF JUSTICE			
Edward Byrne Memorial Grant	16.579	2005DJBX1224	64,501
Violent Offender Incarceration and Truth in Sentencing Incentive Grants	16.586	V0104	88,288
COPS Methamphetamine	16.710	2003CKWX0076	<u>86,261</u>
			<u>239,050</u>
DEPARTMENT OF AGRICULTURE			
Edisto Sewer Capital Project	10.760	SC980205	<u>164,458</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through S.C. Department of Social Services			
DSS Incentives Grant	93.563	C-200386-3	77,475
OADC Child and Adult Food Care Program	10.558	CC65104	12,860
Horizon Grant	93.243	H79T14383-0	95,155
Pathways Substance Abuse Grant	93.243	1H79TI16396-01	<u>473,593</u>
			<u>659,083</u>
DEPARTMENT OF HOMELAND SECURITY			
Citizens Corps.	97.004	4CC01	<u>20,214</u>
			<u>\$ 1,433,834</u>