

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
COUNTY OF ORANGEBURG, SOUTH CAROLINA
FOR THE FISCAL YEAR ENDED
JUNE 30, 2008**

Prepared by the Finance Office

COUNTY OF ORANGEBURG, SOUTH CAROLINA
Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2008

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COUNTY OF ORANGEBURG

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COUNTY ADMINISTRATOR

BILL CLARK

COUNCIL MEMBERS

JOHNNIE WRIGHT, SR., CHM.
JANIE COOPER, VICE CHAIR
CLYDE B. LIVINGSTON
HEYWARD H. LIVINGSTON
WILLIE B. OWENS
JOHNNY RAVENELL
HARRY WIMBERLY

April 30, 2009

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, 2008. State statutes require Orangeburg County government to issue annually a report on its financial position and activities, and that this report be audited by an independent firm of certified public accountants. 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, 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 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/Community Development
- 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
- Economic Development

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 Capitol. 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, dairy products, peaches, wheat and soybeans. The population of Orangeburg County is currently 91,509. Orangeburg County is beautifully landscaped with natural beauty, numerous historical buildings, churches, moderate climate and a coveted quality of life. Although once a largely rural and agricultural county, Orangeburg County's investments in infrastructure and strategic location near the Port of Charleston are bringing about significant levels of economic development and industrial growth.

Orangeburg County enjoys the availability of four institutions of higher education: Claflin University, Orangeburg-Calhoun Technical Education Center, South Carolina State University, 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 County's public services are provided by a Council-Administrator form of government, with seven Council members elected by district with a residency requirement. Council members serve four-year staggered terms of office. 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, heating 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 Husqvarna (2,300 employees), Koyo Corporation of America (600 employees), Sara Lee Bakery Group (550 employees), Food Lion Distribution Center #3 (518 employees), Zeus Industrial Products, Inc (450 employees), and Allied Air Enterprises, Inc. (450 employees)

The Town of Santee, located south of Lake Marion, has developed into a resort community. The 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 400 employees. Other additions to the Orangeburg County/City Industrial Park include the DANA Corporation (150 employees), a manufacturer of automobile parts; H.I. Hackney, a distributor of wholesale grocery products (100 employees); and QM Plastics, a Canadian based manufacturer of plastic components (75 employees). In 2007, Allied Air Enterprises completed a \$21,000,000 expansion that created an additional 250 jobs in Orangeburg County.

MAJOR INITIATIVES

Orangeburg County/City 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 US Highway 301 located adjacent to the park. This greatly augments the industrial park, will allow for commercial development along this busy interstate, and will also promote the economic development scheduled for the park. We are attracting many inquiries from businesses about locating in the park. As a result of the initial successes within the Park, a Phase II expansion will be completed in 2009 that will add approximately 220 acres for industrial development.

Lake Marion Regional Water Authority – This joint municipal water system is a regional concept with five counties in the eastern portion of the State of South Carolina where 50,000+ citizens will be served with potable 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 \$36 million in federal grants to assist in the development and construction of the water treatment plant and transmission lines. The water plant became operational on April 28, 2008.

Matthews Industrial Park – The Matthews Industrial Park is being developed on approximately 500 acres located at the intersection of US Highway 301 and 176. In addition, an adjacent property consisting of approximately 250 acres will be the site for a regional wastewater treatment facility that will serve the growing demand for wastewater service in this rapidly developing area. The park is expected to be completed in 2009.

Other Developments – In 2007, Jafza International, a subsidiary of Dubai World, acquired approximately 1,300 acres in Orangeburg County near the Town of Santee and the intersection of Interstate Highway 95 and US 301. Jafza International announced plans to develop a \$600 million regional logistics and distribution center that will serve the Southeastern United States. Construction on the facility is scheduled to begin in 2009 with the first phase of operation commencing in 2010.

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 a 68% to 32% margin. Collection of this one-cent sales tax began in May 2006 and is expected to generate approximately \$71 million for the construction of 108 capital and infrastructure projects. Construction activity is underway and is expected to be completed by 2010.

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 objective 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 McGregor & Company, LLP provided audit services for the County of Orangeburg for the fiscal year ended June 30, 2008. 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 General Accounting Office's *Governmental Auditing Standards* were used by the auditors in conducting the engagement. The auditor's reports on the basic 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 Financial 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, 2007. This was the twentieth 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 three prestigious civic awards for the fiscal year ended June 30, 2008. The County was honored by the National Association of Counties with a 2008 Achievement Award and was recognized by the S.C. Association of Counties with a J. Mitchell Graham award for excellence in governmental service. The County also received the prestigious All-American City designation from the The National Civic League in 2005. Only ten communities nationwide received this award.

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, McGregor & Company, LLP. We would like to express our appreciation to all staff members of those 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

COUNTY OF ORANGEBURG, SOUTH CAROLINA

PRINCIPAL OFFICIALS
For the year ended June 30, 2008

MEMBERS OF COUNTY COUNCIL

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

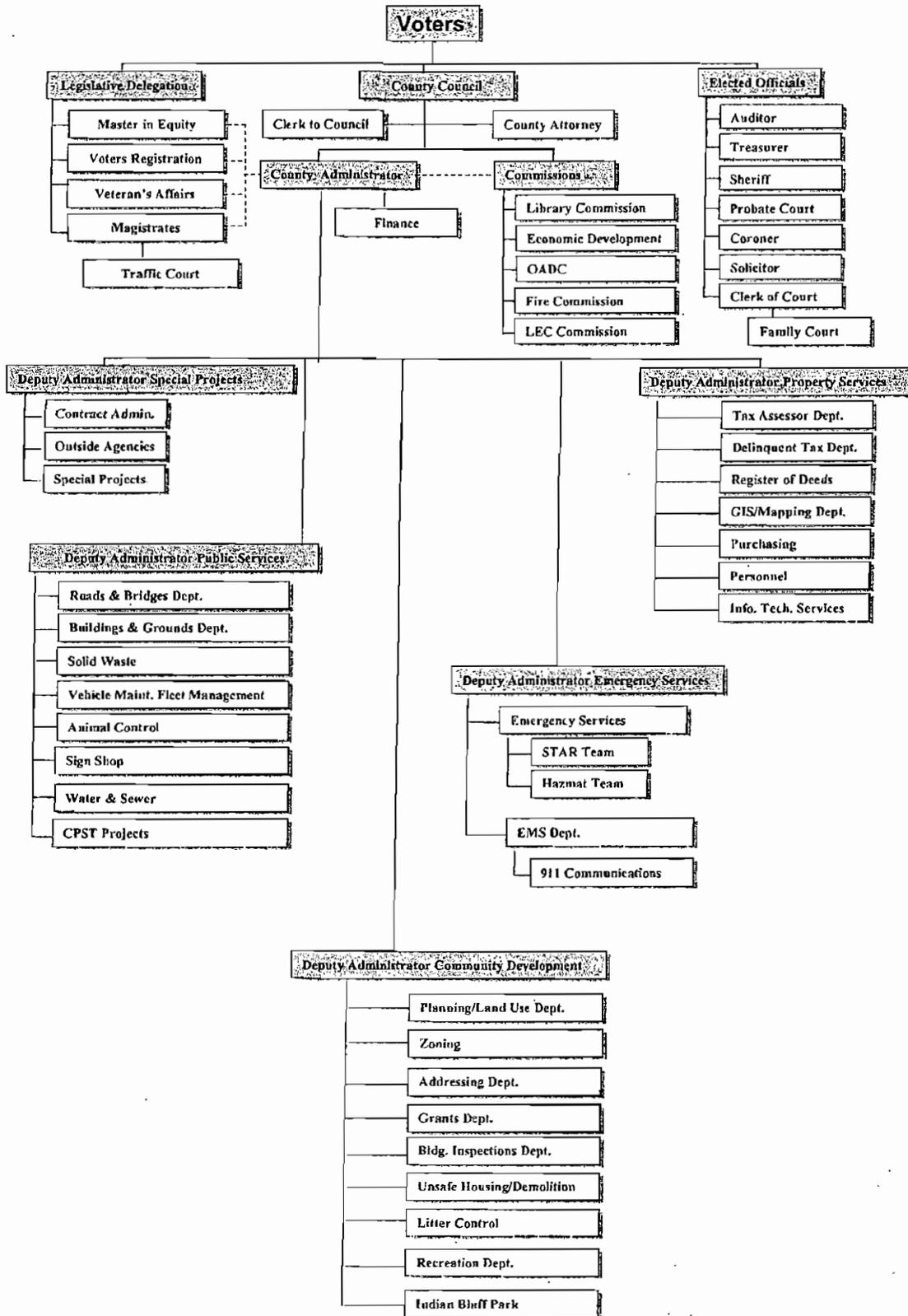
ELECTED OFFICIALS

Roger Cleckley, Auditor
Samuetta V. Marshall, Coroner
Lisa Mizell, Clerk of Court
Pandora Jones-Glover, Probate Judge
Larry Williams, Sheriff
David Pascoe, Solicitor
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
Harold Young, Deputy County Administrator
D'Anne Haydel, County Attorney
Gloria Breland, Finance Director
Deborah S. Cherry, Comptroller

County of Orangeburg Organization Chart



Orangeburg County Location Map



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, 2007

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.



President

Executive Director

Certificate of Achievement for Excellence in Financial Reporting

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President

Executive Director

FINANCIAL SECTION

McGregor & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS | SINCE 1930

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

C. C. McGregor CPA
1906-1968

PARTNERS

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T.M. McCall CPA
H.D. Brown Jr, CPA
L.B. Salley CPA

D.K. Strickland CPA
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V.K. Laroche CPA
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C.D. Hincee, CPA
J.R. Matthews, II CPA

INDEPENDENT AUDITOR'S REPORT

To the County Council
County of 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 the County of Orangeburg as of and for the year ended June 30, 2008 which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Orangeburg, South Carolina'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 the County of Orangeburg, South Carolina as of June 30, 2008, and the respective 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 April 30, 2009, on our consideration of the County of Orangeburg, South Carolina'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 important for assessing the results of our audit.

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The management's discussion and analysis and budgetary comparison information, on pages 12 through 18 and pages 56 through 57, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Orangeburg, South Carolina's basic financial statements. The introductory section, combining and individual nonmajor fund and major capital projects funds financial statements, and statistical section 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 accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of County of Orangeburg, South Carolina. The combining and individual nonmajor fund and major capital projects funds financial statements 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 and statistical section have not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGregor & Co. LLP

Orangeburg, South Carolina
April 30, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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, 2008. 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, 2008 by \$90 million (net assets). Of this amount \$12 million (unrestricted net assets) may be used to meet the government's ongoing obligations.
- The County's repaid \$11 million of bond, note and capital lease obligations during the year.
- The County's total net assets increased \$6.3 million over the course of this year's operations.
- During the year, the County's general fund balance was decreased \$1.7 million.
- The general fund actual revenues were \$296,000 more than budgeted. However, general fund expenditures were \$881,000 million more than budgeted.
- At the end of the current fiscal year, unreserved general fund balance was \$4.5 million or 13 percent of general fund expenditures and other uses for the financial 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>Government-wide Statements</u>	<u>Fund 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 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	Revenue 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 the 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 established 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 a 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 by \$6 million or 7.6% between fiscal years 2007 and 2008 ending at approximately \$90 million. (See Table A-1.)

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

	Governmental Activities		Total Percentage Change
	2008	2007 <i>(Restated)</i>	2007-2008
Current and other assets	\$ 131,213	\$ 124,090	5.7%
Capital assets	75,131	68,521	9.6%
Total assets	206,344	192,611	7.1%
Long-term debt	93,461	91,670	2.0%
Other liabilities	22,440	16,849	33.2%
Total liabilities	115,901	108,519	6.8%
Net Assets			
Invested in capital assets, net of related debt	40,347	43,572	(7.9)%
Restricted	37,810	33,190	13.9%
Unrestricted	12,286	7,330	67.6%
Total net assets	\$ 90,443	\$ 84,092	7.6%

Changes in net assets. The County's total revenues increased by 13.5 percent to \$68.8 million. (See Table A-2) Approximately 43 percent of the County's revenue comes from property taxes and 14 percent comes from capital projects sales tax. Approximately 14 percent comes from fees charged for services, and 21 percent is from state and federal aid.

The total cost of all programs, services and capital improvements increased approximately \$1.7 or 2.7 percent. The County's expenses cover a range of services, with about 22 percent related to public safety and 15 percent related to public works.

GOVERNMENTAL ACTIVITIES

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

	Governmental Activities		Total Percentage Change
	2008	2007	2007-2008
Revenues			
Program revenues			
Charges for services	\$ 9,656	\$ 10,769	(11.52)%
Grants and contributions	2,848	4,779	(40.4)%
Capital grants	5,434	177	3070.0%
General revenues			
Property taxes	29,585	27,591	7.2%
Other taxes	9,698	9,601	1.0%
Intergovernmental	6,445	5,528	16.5%
Other	<u>5,202</u>	<u>2,256</u>	130.5%
Total revenues	<u>68,868</u>	<u>60,701</u>	13.5%
Expenses			
General government	17,248	9,020	91.2%
Judicial	3,526	3,490	1.0%
Public works	9,658	14,888	(35.2)%
Public safety	13,552	20,071	(32.5)%
Social and health	1,486	2,483	(40.2)%
Sanitation	4,422	5,117	13.6%
Culture and recreation	8,380	3,986	110.0%
Interest and fiscal charges	3,256	1,797	81.1%
Allocation to library	<u>990</u>	<u>-</u>	100.0%
Total expenses	<u>62,518</u>	<u>60,852</u>	2.7%
Increase in net assets	<u>\$ 6,350</u>	<u>\$ (151)</u>	102.3%

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 \$107.9 million, an increase of \$1.5 million in comparison with the prior year. Approximately 11 percent of this total amount (\$12 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 (\$10 million) or to fund capital asset projects for County facilities or infrastructure improvements (\$85 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 \$4.5 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 12 percent of total general fund expenditures.

The fund balance of the County's general fund decreased by \$1.7 million during the current fiscal year. Key factors in this decrease are as follows:

- Restatement in fund balance of \$1.3 million – County's share of prior years' allocation to LEC due to actual expenditures exceeding budget
- Correction of \$487,228 in payroll liability accounts.

The debt service fund had a total fund balance of \$975,152, all of which is reserved for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$768,410.

The County's two capital projects sales tax funds had a total combined fund balance of \$80.5 million. Approximately \$8.2 million of this amount is reserved for the payment of debt service. The remaining \$72.3 million is reserved to improve, repair and construct infrastructure in the County. The net combined decrease in fund balances during the current year was \$12.1 million.

The County issued a \$9.7 million G.O. Bond in fiscal year 2008. Various capital projects were funded during the year.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were approximately \$2.1 million increase in appropriations:

Actual general fund expenditures were \$881 thousand more than budget amounts. This is primarily the result of capital lease financing not being budgeted for fiscal year 2008 which was approximately \$2.3 million.

Resources available for appropriation were \$296 thousand greater than budgeted amount as follows:

- Other revenues were \$597 thousand less than budgeted.
- Property taxes were \$606 thousand more than budgeted.
- Intergovernmental income was \$331 thousand greater than budgeted.
- Interest on investments were \$299 thousand less than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2008, the County had invested \$75.1 million (net of accumulated depreciation) in a broad range of capital assets. (See Table A-3.) This amount represents a net increase (including restatements, additions and deductions) of \$6.8 million, or 10 percent, over last year.

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

	Governmental Activities		Total Percentage Change
	2008	2007 <i>(Restated)</i>	2007-2008
Land	\$ 4,850	\$ 3,779	28.3%
Construction in progress	7,101	2,869	147.5%
Buildings and improvements	46,761	46,042	1.5%
Furniture, fixtures and equipment	42,372	40,031	5.8%
Infrastructure	37,225	33,870	9.9%
Accumulated depreciation	(63,179)	(58,070)	8.8%
	<u>\$ 75,130</u>	<u>\$ 68,521</u>	9.6%

This year's major capital asset additions included:

- \$3 million in additions of infrastructure
- \$3.9 million in net additions of equipment, buildings, and improvements.
- \$4.6 million 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 \$93.5 million in bonds, notes, and capital lease obligations outstanding – an increase of 6.7% over last year – as shown in Table A-4. This increase is due primarily to the County issuing approximately \$9.715 million in G O bonds during fiscal year 2008. 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 below this limit – which is currently \$20.2 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>2008</u>	<u>2007</u> <u>(Restated)</u>	<u>2007-2008</u>
General obligation bonds	\$ 18,385	\$ 9,645	90.6%
Revenue bonds	60,456	67,194	(10.0)%
Note payable	1,632	1,823	(11.0)%
Capital lease obligations	<u>9,149</u>	<u>9,097</u>	0.5%
Total	<u>\$ 89,622</u>	<u>\$ 87,759</u>	2.1%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Unemployment now stands at 10.6 percent, compared to 11 percent a year ago. This compares unfavorably with the state's rate of 6.2 percent and the national rate of 5.6 percent.
- Inflationary trends in the region compare favorably to national indices

These indicators were taken into account when adopting the general fund budget for 2009. Amounts available for appropriation in the general fund budget are at nearly \$34.2 million, a decrease of about 2 percent over the final 2008 budget of \$34.9 million.

Budgeted expenditures are expected to increase approximately 3.8 percent to \$37.4 million over the actual 2008 expenditures and other uses of \$36 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 2008.

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 Gloria Breland, 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, 2008

Exhibit A-1

	Primary Government	Component
	Governmental	Units
	Activities	
ASSETS		
Cash and cash equivalents	\$ 48,314,424	\$ 451,424
Cash and cash equivalents with fiscal agent	158,771	-
Investment with fiscal agent	72,771,364	-
Receivables, net of allowance for uncollectibles:		
Taxes	1,883,903	152,206
Other	2,640,821	-
Due from primary government	-	696,452
Due from other governments	4,258,858	411,533
Due from component unit	187,250	-
Inventories	38,856	-
Other assets	744,483	22,009
Due from fiduciary funds	214,607	-
Capital assets - net of accumulated depreciation	75,130,527	-
	<u>206,343,864</u>	<u>1,733,624</u>
LIABILITIES		
Accounts payable	8,231,885	206,352
Accrued salaries and benefits	879,206	82,603
Due to component units	696,452	-
Due to primary government	-	187,250
Due to fiduciary funds	11,783,869	-
Accrued interest payable	831,148	-
Other liabilities	17,711	-
Long-term liabilities:		
Due within one year	12,694,539	99,596
Due in more than one year	80,766,239	132,524
	<u>115,901,049</u>	<u>708,325</u>
NET ASSETS		
Invested in capital assets net of related debt	40,346,895	-
Restricted for:		
Debt service	10,019,169	-
Capital outlay	27,791,535	-
Unrestricted (deficit)	12,285,216	1,025,299
	<u>\$ 90,442,815</u>	<u>\$ 1,025,299</u>

The accompanying notes are an integral part of these financial statements

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
JUNE 30, 2008

Exhibit A-2

	PRIMARY GOVERNMENT		Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Component Units
Governmental activities						
General government	\$ 17,247,913	\$ 1,158,696	\$ 472,955	\$ -	\$ (15,616,262)	
Judicial	3,525,789	1,736,808	-	-	(1,788,981)	
Public works	9,657,666	3,091,362	1,272,851	1,884,386	(3,409,067)	
Public safety	13,551,619	1,931,837	747,703	239,105	(10,632,974)	
Social and health	1,485,980	-	245,757	-	(1,240,223)	
Sanitation	4,422,558	1,737,701	80,494	-	(2,604,363)	
Culture and recreation	8,380,192	-	27,813	3,009,984	(5,342,395)	
Allocation to Library	989,848	-	-	-	(989,848)	
Interest and fiscal charges	3,256,316	-	-	301,014	(2,955,302)	
Total governmental activities	\$ 62,517,881	\$ 9,656,404	\$ 2,847,573	\$ 5,434,489	\$ (44,579,415)	
Component units						
Orangeburg County Fire District	\$ 2,351,537	\$ -	\$ -	\$ -	\$ (2,351,537)	
Orangeburg County Public Library	1,339,332	19,956	228,599	-	(1,090,777)	
Orangeburg-Calhoun Regional Detention Center	5,430,319	110,989	5,304,594	-	(14,736)	
Total Component units	\$ 9,121,188	\$ 130,945	\$ 5,533,193	\$ -	\$ (3,457,050)	

GENERAL REVENUES:

Property taxes levied for:		
General purposes	\$ 21,192,681	\$ 2,376,321
Debt services	6,605,871	-
Special revenue projects	1,786,334	-
Sales tax	9,480,018	989,848
Payment from Primary Government	-	-
Accommodations tax	217,481	-
Interest and investment income	4,756,025	19,324
Intergovernmental not restricted to special programs	6,445,342	-
Gain on sale of capital assets	116,283	-
Miscellaneous	330,119	50,521
Total general revenues	50,930,154	3,436,014
Change in net assets	6,350,739	(21,036)
Net assets beginning of year, previously reported	85,388,395	(419,913)
Prior period adjustment	(1,296,319)	1,466,248
Net assets beginning of year, as restated	84,092,076	1,046,335
Net assets end of year	\$ 90,442,815	\$ 1,025,299

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

COUNTY OF ORANGEBURG, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	General	Capital Projects		Capital Projects		Nonmajor Governmental Funds	Total Governmental Funds
		Sales Tax I	Sales Tax II	2008 Bond Issue			
ASSETS							
Cash and cash equivalents	\$ 48,314,424	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,314,424
Cash and cash equivalents with fiscal agent investment with fiscal agent	-	-	158,771	-	-	-	158,771
Receivables, net of allowance for uncollectibles:							
Taxes	-	-	72,771,364	-	-	-	72,771,364
Intergovernmental	1,323,637	-	-	-	-	560,266	1,883,903
Other	1,492,088	-	2,416,344	-	-	350,426	4,258,858
Due from other funds	1,944,049	-	-	-	-	696,772	2,640,821
Due from agency funds	4,124,617	12,236,661	-	9,558,618	-	16,189,534	42,109,430
Due from component unit	202,253	-	-	-	-	12,354	214,607
Inventories	187,250	-	-	-	-	-	187,250
Prepaid expenditures	38,856	-	-	744,483	-	-	38,856
Total assets	\$ 57,627,174	\$ 12,236,661	\$ 75,346,479	\$ 10,303,101	\$ 17,809,352	\$ 173,322,767	

LIABILITIES AND FUND BALANCES

LIABILITIES							
Accounts payable	\$ 688,495	\$ 4,183,142	\$ 930,718	\$ 810,620	\$ 1,618,910	\$ 8,231,885	
Accrued salaries and benefits	771,553	9,047	-	-	98,606	879,206	
Due to other funds	37,984,813	-	1,889,114	-	2,235,503	42,109,430	
Due to agencies	11,783,869	-	-	-	-	11,783,869	
Due to component units	696,452	-	-	-	-	696,452	
Due to others	-	-	-	-	17,711	17,711	
Deferred revenue - property taxes	1,133,126	-	-	-	480,035	1,613,161	
Total liabilities	\$ 53,058,308	\$ 4,192,189	\$ 2,819,832	\$ 810,620	\$ 4,450,765	\$ 65,331,714	
FUND BALANCES							
Reserved for:							
Encumbrances	29,025	-	-	-	80,478	109,503	
Inventories	38,856	-	-	-	-	38,856	
Prepaid expenditures	-	-	-	744,483	-	744,483	
Debt service	-	-	8,200,000	840,000	979,169	10,019,169	
Capital outlay	-	-	64,326,647	7,907,998	4,724,691	85,003,808	
Unreserved							
Undesignated reported in:							
General fund	4,500,985	-	-	-	-	4,500,985	
Special revenue fund	-	-	-	-	7,574,249	7,574,249	
Total fund balances	\$ 4,568,866	\$ 8,044,472	\$ 72,526,647	\$ 9,492,481	\$ 13,358,587	\$ 107,991,053	
Total liabilities and fund balances	\$ 57,627,174	\$ 12,236,661	\$ 75,346,479	\$ 10,303,101	\$ 17,809,352	\$ 173,322,767	

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

COUNTY OF ORANGEBURG, SOUTH CAROLINA
RECONCILIATION OF GOVERNMENT FUNDS BALANCE SHEET
TO STATEMENT OF NET ASSETS
JUNE 30, 2008

Exhibit A-4

Total fund balances - Governmental funds	\$	107,991,053
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:</p>		
Land		4,850,479
Construction in progress		7,101,154
Infrastructure		37,225,468
Buildings and improvements		46,761,052
Furniture, Fixtures, and equipment		42,371,555
Accumulated depreciation		<u>(63,179,181)</u>
Total capital assets		<u>75,130,527</u>
<p>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</p>		
Deferred property taxes		<u>1,613,161</u>
<p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:</p>		
General obligation debt		(18,385,000)
Capital leases payable		(9,149,729)
Revenue bonds		(60,456,496)
Notes payable		(1,632,714)
Accrued interest		(831,148)
Landfill closure and post closure costs		(257,826)
Premium on revenue bonds		(2,371,965)
Compensated absences		<u>(1,207,048)</u>
Total long-term liabilities		<u>(94,291,926)</u>
Net assets of governmental activities	\$	<u><u>90,442,815</u></u>

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
 JUNE 30, 2008

	General	Capital Projects Sales Tax I	Capital Projects Sales Tax II	Capital Projects 2008 Bond Issue	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 21,312,478	\$ -	\$ -	\$ -	\$ 8,466,911	\$ 29,779,389
Sales tax	6,746,356	-	9,480,018	-	8,198,529	14,944,885
Intergovernmental	653,242	-	-	-	-	653,242
Licenses and permits	1,492,332	-	-	-	5,241,268	6,733,600
Charges for services	2,152,841	-	-	-	116,721	2,269,562
Fines, fees, and forfeitures	376,358	835,604	3,474,592	-	69,471	4,756,025
Investment income	294,093	-	-	-	155,750	449,843
Other						
Total revenues	33,027,700	835,604	12,954,610		22,248,650	69,066,564
EXPENDITURES						
General government	10,645,833	658,720	1,048,960	-	-	12,353,513
Judicial	3,447,793	-	-	-	-	3,447,793
Public works	1,152,852	1,614,534	4,691,214	-	7,324,469	14,783,069
Public safety	10,719,764	-	41,795	157,282	1,187,995	12,106,836
Social and health	1,315,949	-	-	-	314,859	1,630,808
Sanitation	-	-	-	-	4,971,449	4,971,449
Internal services	533,840	-	-	-	533,840	533,840
Culture and recreation	189,169	3,556,870	3,018,942	-	2,524,490	9,289,471
Allocation to Library	-	-	-	-	989,848	989,848
Allocation to others	5,469,666	-	-	-	-	5,469,666
Non-budgeted expenditures	2,256,689	-	-	-	-	2,256,689
Debt services:						
Principal retirement	195,000	2,635,000	4,100,000	-	942,277	7,872,277
Interest and fiscal charges	65,395	62,581	3,212,250	66,137	385,616	3,791,979
Total expenditures	35,991,950	8,527,705	16,113,161	223,419	18,641,003	79,497,238
Excess (deficiency) of revenues over (under) expenditures	(2,964,250)	(7,692,101)	(3,158,551)	(223,419)	3,607,647	(10,430,614)
OTHER FINANCING SOURCES (USES):						
Capital leases and bonds issued	2,256,689	-	-	9,715,000	-	11,971,689
Transfers in	581,232	-	-	900	1,844,570	2,426,702
Transfers out	(49,933)	(1,050,000)	-	-	(1,326,769)	(2,426,702)
Total other financing sources (uses)	2,787,988	(1,050,000)		9,715,900	517,801	11,971,689
Net change in fund balances	(176,262)	(8,742,101)	(3,158,551)	9,492,481	4,125,448	1,541,015
Fund balances, beginning of year	6,258,775	16,681,580	75,938,222	-	7,902,256	106,780,833
Prior period adjustment - Note 15	(1,513,647)	104,993	(253,024)	-	1,330,883	(330,795)
Fund balances, beginning of year as restated	4,745,128	16,786,573	75,685,198	-	9,233,139	106,450,038
Fund balances, end of year	\$ 4,568,866	\$ 8,044,472	\$ 72,526,647	\$ 9,492,481	\$ 13,358,587	\$ 107,991,053

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

COUNTY OF ORANGEBURG, SOUTH CAROLINA Exhibit A-6
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the year ended June 30, 2008

Net change in fund balances - Total government funds \$ 1,541,015

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	12,529,840
Capital disposals, net of accumulated depreciation	(3,441)
Depreciation expense	<u>(5,916,446)</u>
Excess of capital outlay over depreciation expense	<u>6,609,953</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

(194,503)

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:

General obligation bonds issued	(9,715,000)
Assets acquired through capital lease	<u>(2,256,689)</u>
	<u>(11,971,689)</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 period, these amounts consisted of:

Bond principal retirement	7,712,277
Note payable retirement	190,398
Capital lease payments	<u>2,204,075</u>
Total long-term debt repayment	<u>10,106,750</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	(286,705)
Postclosure care costs	10,255
Amortization on bond premium	379,515
Amortization on refunding difference	<u>(28,908)</u>
	<u>74,157</u>

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due

185,056

Change in net assets of governmental activities

\$ 6,350,739

The accompanying notes are an integral part of these financial statements

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
JUNE 30, 2008

Exhibit A-7

ASSETS

Cash	\$ 1,455,387
Investments	2,034,700
Property taxes receivable	3,699,232
Due from general fund	11,783,869
Due from others	<u>64,435</u>
 Total assets	 <u><u>\$ 19,037,623</u></u>

LIABILITIES

Due to General Fund	\$ 142,762
Due to General Fund - overage/(deficit)	59,491
Due to Special Revenue Fund	12,354
Due to taxing units	15,319,994
Due to others	<u>3,503,022</u>
 Total liabilities	 <u><u>\$ 19,037,623</u></u>

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

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC 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 (GASP) 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, 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 Joint Governmental Action Authority Corporation (the Corporation) was formed primarily to construct capital projects under the second penny sales tax referendum. The Corporation is governed by a board composed of the County Council Chairman and the Orangeburg County Administrator. The Corporation financed its projects by issuing revenue bonds 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 funds. The County also owns all of the Library's fixed 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.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

A. Reporting entity (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 capital 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 are 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.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS

I— SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

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.

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 *capital project 2008 bond issue* accounts for bond proceeds and interest revenues that are restricted for repayment of principal and interest on the bond and expenditure for equipment and facilities owned by the County.

The *capital project sales tax funds (I and II)* account for the sale tax revenues that are restricted to improve, repair and construct infrastructure for the County.

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 *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 *agency funds* account 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.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS

I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

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.

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 – exchanges 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.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS

I- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

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, 2008 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.

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

Encumbrances 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.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

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 funds”

All trade and property tax receivables are shown net of an allowance for uncollectible taxes. Taxes on real property are assessed as of January 1, levied the following September, due January 15, and become delinquent March 15. Liens attached 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, 2008 were as follows:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Property taxes receivable	\$ 1,470,708	\$ 622,518	\$ 2,093,226
Less: Allowance	(147,071)	(62,252)	(209,323)
Net	<u>\$ 1,323,637</u>	<u>\$ 560,266</u>	<u>\$ 1,883,903</u>

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.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

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.

Interfund transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers

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. The amounts reported include infrastructure acquired prior to the County implementing GASB Statement No. 34. 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 cost 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

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

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 County has no major special revenue funds that would require legally adopted budgets. 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 appropriate 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, 2008, Roads and Bridges Maintenance, New Brooklyn Lighting Tax District, Victims Assistance, Brookdale Lighting Tax District, Special Education, and Whitaker Lighting Tax District special revenue funds had deficit fund balances of \$46,170, \$12,135, \$125,619, \$9,907, \$1,006,158, and \$61,410, respectively. As of June 30, 2008, Economic Development Tobacco and Edisto Sewer Capital Projects funds had deficit fund balances of \$202,049 and \$465,485 respectively.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

III – DETAILED NOTES ON ALL FUNDS

NOTE 1 – DEPOSITS AND INVESTMENTS

At June 30, 2008, the carrying amount of the County's deposits was \$49,928,582 and the bank balance was \$52,463,472. State law requires that all of the County's deposits be covered by FDIC insurance or by collateral held in the pledging financial institutions' trust departments in the County's name. At June 30, 2008, approximately \$299,560 of the County's bank deposits were uncollateralized.

As of June 30, 2008, the County had the following investments:

	Fair value	Investment Maturities (in years)		
		Less than 1	1-5	More than 5
U.S. Treasuries	\$ 3,598,232	\$ 3,598,232	\$ -	\$ -
U. S. Agencies	6,476,000	6,476,000	-	-
Guaranteed investment contracts	64,731,832	-	49,837,173	14,894,659
	<u>\$ 74,806,064</u>	<u>\$ 10,074,232</u>	<u>\$ 49,837,173</u>	<u>\$ 14,894,659</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.

As of June 30, 2008, the County held \$64,731,832 in fixed rate guaranteed investment contracts with maturities ranging from one to approximately seven years. The long-term maturities of these investments may expose the County to significant interest rate risk arising from potential fair value losses in a period of 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 U.S. Treasuries and U.S. Agencies were rated AAA by Moody's Investors Services and AAA by Standard & Poor's. Of the County's investments in guaranteed investment contracts, underlying securities exceeding \$64,731,832 are held by the investment's counterparty, in the name of the County.

Concentration of credit risk

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

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 1 – DEPOSITS AND INVESTMENTS (Continued)

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

Reported value of deposits	\$ 49,928,582
Fair value of investments	<u>74,806,064</u>
	<u>\$ 124,734,646</u>
Primary Government:	
Cash and cash equivalents – Exhibit A-1	\$ 48,314,424
Cash and cash equivalents with fiscal agent – Exhibit A-1	158,771
Investments with fiscal agent – Exhibit A-1	72,771,364
Cash and cash equivalents – Exhibit A-7	1,455,387
Investments – Exhibit A-7	<u>2,034,700</u>
	<u>\$ 124,734,646</u>

NOTE 2 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008 was as follows:

	Balance June 30, 2007	Restatement	Balance As restated June 30, 2007	Additions	Reductions/ Transfers	Balance June 30, 2008
Governmental Activities						
Capital assets not being depreciated						
Land	\$ 3,778,753	\$ -	\$ 3,778,753	\$ 1,071,726	\$ -	\$ 4,850,479
Construction in progress	<u>2,868,981</u>	<u>-</u>	<u>2,868,981</u>	<u>4,560,597</u>	<u>(328,424)</u>	<u>7,101,154</u>
Total capital assets not being depreciated	<u>\$ 6,647,734</u>	<u>\$ -</u>	<u>\$ 6,647,734</u>	<u>\$ 5,632,323</u>	<u>\$ (328,424)</u>	<u>\$ 11,951,633</u>
Capital assets being depreciated						
Infrastructure	\$ 33,579,229	\$ 290,757	\$ 33,869,986	\$ 3,027,058	\$ 328,424	\$ 37,225,468
Building and improvements	45,810,864	231,410	46,042,274	718,778	-	46,761,052
Furniture, fixtures and equipment	<u>39,436,962</u>	<u>593,656</u>	<u>40,030,618</u>	<u>3,151,681</u>	<u>(810,744)</u>	<u>42,371,555</u>
Total capital assets at being depreciated	<u>118,827,055</u>	<u>1,115,823</u>	<u>119,942,878</u>	<u>6,897,517</u>	<u>(482,320)</u>	<u>126,358,075</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 2 – CAPITAL ASSETS (Continued)

	Balance June 30, 2007	Restatement	Balance As restated June 30, 2007	Additions	Reductions/ Transfers	Balance June 30, 2008
Less accumulated depreciation for:						
Infrastructure	(5,160,595)	(5)	(5,160,600)	(1,001,018)	-	(6,161,618)
Building and improvements	(25,955,739)	42,350	(25,913,389)	(1,065,212)	-	(26,978,601)
Furniture, fixtures and equipment	<u>(26,064,428)</u>	<u>(931,621)</u>	<u>(26,996,049)</u>	<u>(3,850,216)</u>	<u>807,303</u>	<u>(30,038,962)</u>
Total accumulated depreciation	<u>(57,180,762)</u>	<u>(889,276)</u>	<u>(58,070,038)</u>	<u>(5,916,446)</u>	<u>807,303</u>	<u>(63,179,181)</u>
Total capital assets being depreciated, net	<u>61,646,293</u>	<u>226,547</u>	<u>61,872,840</u>	<u>981,071</u>	<u>324,983</u>	<u>63,178,894</u>
Government activities capital assets net	<u>\$ 68,294,027</u>	<u>\$ 226,547</u>	<u>\$ 68,520,574</u>	<u>\$ 6,613,394</u>	<u>\$ (3,441)</u>	<u>\$ 75,130,527</u>

NOTE 3 – COMPONENT UNIT INFORMATION

Condensed Statement of Net Assets

	Fire Commission	Public Library	Regional Detention Center	Total Component Units
Assets:				
Cash, Investments, and other assets	\$ 850,783	\$ 361,760	\$ 521,081	\$ 1,733,624
Total assets	<u>850,783</u>	<u>361,760</u>	<u>521,081</u>	<u>1,733,624</u>
Liabilities:				
Accounts payable and other current liabilities	70,764	27,279	477,758	575,801
Other liabilities	13,435	25,165	93,924	132,524
Total liabilities	<u>84,199</u>	<u>52,444</u>	<u>571,682</u>	<u>708,325</u>
Net assets:				
Unrestricted (deficit)	<u>766,584</u>	<u>309,316</u>	<u>(50,601)</u>	<u>1,025,299</u>
Total net assets	<u>\$ 766,584</u>	<u>\$ 309,316</u>	<u>\$ (50,601)</u>	<u>\$ 1,025,299</u>

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

	Fire Commission	Public Library	Regional Detention Center	Total Component Units
Total Fund Balances – Component Units	\$ 666,607	\$ 354,253	\$ 108,592	\$ 1,129,452
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	127,967	-	-	127,967
Some other liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(27,990)</u>	<u>(44,937)</u>	<u>(159,193)</u>	<u>(232,120)</u>
Net assets of component units activities	<u>\$ 766,584</u>	<u>\$ 309,316</u>	<u>\$ (50,601)</u>	<u>\$ 1,025,299</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 3 – COMPONENT UNIT INFORMATION (Continued)

**Fire Commission
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	
Public Safety	<u>\$2,351,537</u>	\$ -	\$ -	\$ -	<u>\$ (2,351,537)</u>
		General revenues:			
					2,376,321
					19,324
					<u>6,813</u>
					<u>2,402,458</u>
					50,921
					<u>715,663</u>
					<u>\$ 766,584</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 balance – Component units \$ 81,162

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. (21,450)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures (8,791)

Changes in net assets of component unit activities \$ 50,921

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 3 – COMPONENT UNIT INFORMATION (Continued)

**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	\$ 5,316,759	\$ -	\$ 5,304,594	\$ -	\$ (12,165)
Business type activities	<u>113,560</u>	<u>110,989</u>	<u>-</u>	<u>-</u>	<u>(2,571)</u>
	<u>\$ 5,430,319</u>	<u>\$ 110,989</u>	<u>\$ 5,304,594</u>	<u>\$ -</u>	<u>(14,736)</u>
		General revenues:			
		Other general revenues			<u>1,948</u>
		Total general revenues			<u>1,948</u>
		Change in net assets			(12,788)
		Net assets – beginning – restated – Note 17			<u>(37,813)</u>
		Net assets – ending			<u>\$ (50,601)</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 balance – Component units	\$ (623)
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>(12,165)</u>
Changes in net assets of component unit activities	<u>\$ (12,788)</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 3 – COMPONENT UNIT INFORMATION (Continued)

**Public Library
Condensed Statement of Activities**

<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total</u>
Culture and recreation	\$ 1,339,332	\$ 19,956	\$ 228,599	\$ -
				\$ (1,090,777)
		General revenues:		
			Payment from Primary Government	989,848
			Miscellaneous	41,760
			Total general revenues	<u>1,031,608</u>
			Change in net assets	(59,169)
			Net assets – beginning – restated – Note 17	<u>368,485</u>
			Net assets – ending	<u>\$ 309,316</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 \$ (46,660)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures (12,509)

Changes in net assets of component unit activities \$ (59,169)

NOTE 4 – INTERFUND BALANCES AND TRANSFERS

The balances of interfund receivables and payables at June 30, 2008 were as follows:

<u>Receivable Fund</u>	<u>Pavable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental	\$ 2,235,503
General Fund	Capital Project Sales Tax II	1,889,114
Nonmajor Governmental	General Fund	16,189,534
Capital Project Sales Tax I	General Fund	12,236,661
Capital Project 2008 Bond Issue	General Fund	<u>9,558,618</u>
		<u>\$ 42,109,430</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 4 – INTERFUND BALANCES AND TRANSFERS (Continued)

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.

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, 2008 consisted of the following individual amounts:

<u>Transfer In Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Fund	\$ 581,232
Nonmajor Governmental Fund	General Fund	794,570
Capital Project 2008 Bond Fund	Nonmajor Governmental Fund	900
Nonmajor Governmental Fund	Capital Project Sales Tax I Fund	<u>1,050,000</u>
		<u>\$ 2,426,702</u>

Payments from Component Units

The Orangeburg County Fire District paid \$260,395 to the County for payment of principal and interest on a general obligation bond held by the County for Fire District related assets.

The Orangeburg-Calhoun Regional Detention Center paid \$40,619 to the County for lease payments on a capital lease held by the County on assets used by the Detention Center.

These transactions are included in intergovernmental revenue of the County.

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, 2008:

Furniture, fixtures and equipment	\$ 14,423,147
Less: accumulated depreciation	<u>(5,489,757)</u>
Carrying value	<u>\$ 8,933,390</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 5 – LEASES (Continued)

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2008 were as follows:

2009	\$ 2,466,596
2010	1,699,848
2011	1,179,318
2012	3,204,151
2013	312,417
Thereafter	<u>1,603,473</u>
 Total minimum lease payments	 10,465,803
 Less, amount representing interest	 <u>1,316,074</u>
 Present value of minimum lease payments	 <u>\$ 9,149,729</u>

Capital leases payable at June 30, 2008 are comprised of the following individual leases:

<i>Lease purchase agreement with a commercial credit corporation entered into October 2007 for \$2,256,689, collateralized by communication equipment. Monthly payments of \$20,000, including principal and interest at 5.17%. This agreement matures in September 2017.</i>	\$ 2,224,416
<i>Lease purchase agreement with a bank entered into January 2005 for \$1,529,820, collateralized by vehicles. Semi-annual payments of \$224,067, including principal and interest at 2.87%. The agreement matures in January 2009.</i>	242,432
<i>Lease purchase with a bank entered into June 2006 for \$2,400,000, collateralized by vehicles. Semi-annual payments of \$419,725, including principal and interest at 3.6%. The agreement matures in June 2009.</i>	1,221,133
<i>Lease purchase with a bank entered into June 2006 for \$561,256, collateralized by vehicles. Semi-annual payments of \$100,691, including principal and interest at 3.7%. The agreement matures in June 2009.</i>	284,265
<i>Lease purchase agreement with a commercial credit corporation entered into September 2006 for \$4,262,034, collateralized by heavy equipment. Monthly payments of \$52,145, including principal and interest ranging between 3.96% and 5.97%. The agreement matures in September 2011.</i>	3,487,033

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 5 – LEASES (Continued)

Lease purchase agreement with a commercial credit corporation entered into October 2006 for \$1,100,651, collateralized by heavy equipment. Monthly payments of \$12,157, including principal and interest ranging between 4.40% and 5.85%. The agreement matures in October 2011. 939,940

Lease purchase agreement with a bank entered into December 2006 for \$327,425, with a down payment of \$81,856, collateralized by communication equipment. Annual payments of \$57,207, including principal and interest at 5.31%. The agreement matures in December 2011. 201,402

Lease purchase agreement with a commercial credit corporation entered into January 2007 for \$667,516, collateralized by heavy equipment. Monthly payments of \$9,401, including principal and interest ranging between 4.32% and 5.08%. The agreement matures in January 2012. 549,108
\$ 9,149,729

NOTE 6 – LONG-TERM DEBT

General Obligation Bonds – The County has issued general obligation debt to provide funds for the acquisition and construction of major capital facilities. General obligation bonds payable at June 30, 2008 are composed of the following individual issues:

	<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2008</u>	<u>Amount due</u> <u>in one year</u>
General obligation bonds of 1999 due in annual installments ranging from \$165,000 to \$275,000 through January 1, 2014; interest at 4% to 6% - original issued was \$2,900,000. These bonds are excluded from the legal debt margin calculation by referendum	\$ 1,640,000	\$ -	\$ 195,000	\$ 1,445,000	\$ 210,000
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	7,585,000	-	360,000	7,225,000	370,000

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 6 – LONG-TERM DEBT (Continued)

	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2008</u>	<u>Amount due in one year</u>
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.	420,000	-	420,000	-	-
General obligation bonds of 2008 due in annual installments ranging from \$840,000 - \$1,145,000 through April 1, 2018; interest at 3 75% to 5 0% - original issue was \$9,715,000	-	9,715,000	-	9,715,000	840,000
Total	<u>\$ 9,645,000</u>	<u>\$ 9,715,000</u>	<u>\$ 975,000</u>	<u>\$ 18,385,000</u>	<u>\$ 1,420,000</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, 2008, 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>
2009	\$ 1,420,000	\$ 862,250	\$ 2,282,250
2010	1,455,000	689,603	2,144,603
2011	1,505,000	656,190	2,161,190
2012	1,560,000	579,385	2,139,385
2013	1,625,000	520,144	2,145,144
2014 - 2018	7,915,000	1,672,005	9,587,005
2019 - 2023	<u>2,905,000</u>	<u>448,750</u>	<u>3,353,750</u>
	<u>\$ 18,385,000</u>	<u>\$ 5,428,327</u>	<u>\$ 23,813,327</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 6 – LONG-TERM DEBT (Continued)

Revenue Bonds – The County and Orangeburg Joint Governmental Action Authority (a blended component unit) have issued revenue bonds to fund the construction of various infrastructure and large-scale building and improvement projects. Sales tax collections have been designated to re-pay the bonds. Revenue bonds payable at June 30, 2008 are composed of the following individual issues:

	<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2008</u>	<u>Amount due</u> <u>in one year</u>
County:					
Revenue bond, Series 2002, due in monthly installments of \$1,496 through November 15, 2042; interest at 4.5% - original issue was \$343,805	\$ 313,773	\$ -	\$ 2,277	\$ 311,496	\$ 4,017
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.	2,635,000	-	2,635,000	-	-
Orangeburg Joint Governmental Action Authority:					
Revenue bond, Series 2007, due in semiannual installments ranging from \$3,345,000 to \$5,600,000 through October 1, 2014; interest at 5% - original issue was \$64,245,000	<u>64,245,000</u>	<u>-</u>	<u>4,100,000</u>	<u>60,145,000</u>	<u>8,200,000</u>
Total	<u>\$ 67,193,773</u>	<u>\$ -</u>	<u>\$ 6,737,277</u>	<u>\$ 60,456,496</u>	<u>\$ 8,204,017</u>

On February 1, 2007, the Orangeburg Joint Governmental Action Authority (a blended component unit) issued \$64,245,000 in revenue bonds with an interest rate of 5%. The net proceeds were \$67,154,611 including a premium of \$2,909,611 after payment of \$1,077,049 in issuance costs. The premium will be amortized evenly over the life of the bond.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 6 – LONG-TERM DEBT (Continued)

Annual requirements to amortize revenue bond debt outstanding at June 30, 2008 are summarized as follows:

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2009	\$ 8,204,017	\$ 2,918,685	\$ 11,122,702
2010	8,204,202	2,508,501	10,712,703
2011	9,004,394	2,088,308	11,092,702
2012	9,004,596	1,638,106	10,642,702
2013	11,204,807	1,160,395	12,365,202
2014 - 2018	14,572,560	733,075	15,305,635
2019 - 2023	34,499	55,261	89,760
2024 - 2028	43,186	46,574	89,760
2029 - 2033	54,060	35,700	89,760
2034 - 2038	67,673	22,088	89,761
2039 - 2043	<u>62,502</u>	<u>5,504</u>	<u>68,006</u>
	<u>\$ 60,456,496</u>	<u>\$ 11,212,197</u>	<u>\$ 71,668,693</u>

Notes Payable – The note payable balance at June 30, 2007 is restated to include a note payable to individuals for \$1,192,071. See Note 15 for details on restatement.

Notes payables at June 30, 2008 are composed of the following:

	<u>(Restated) Balance June 30, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2008</u>	<u>Amount due 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%	\$ 631,041	\$ -	\$ 30,397	\$ 600,644	\$ 33,052
Note payable to individuals for purchase of property. The note is to be repaid over 12 annual principal and interest payments and a final payment due at the end of the thirteenth year; interest at 3%	<u>1,192,071</u>	<u>-</u>	<u>160,000</u>	<u>1,032,071</u>	<u>100,000</u>
Total	<u>\$ 1,823,112</u>	<u>\$ -</u>	<u>\$ 190,397</u>	<u>\$ 1,632,715</u>	<u>\$ 133,052</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 6 – LONG-TERM DEBT (Continued)

Annual requirements to amortize notes payable debt at June 30, 2008 are summarized as follows:

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2009	\$ 133,053	\$ 47,101	\$ 180,154
2010	183,888	41,765	225,653
2011	184,745	36,408	221,153
2012	185,624	31,030	216,654
2013	<u>945,405</u>	<u>35,613</u>	<u>981,018</u>
	<u>\$ 1,632,715</u>	<u>\$ 191,917</u>	<u>\$ 1,824,632</u>

There are a number of limitations and restrictions contained in the various bond and certificate indentures, such as type 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, 2008:

	<u>(Restated) Balance June 30, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2008</u>	<u>Amount due in one year</u>
General obligation bonds	\$ 9,645,000	\$ 9,715,000	\$ 975,000	\$ 18,385,000	\$ 1,420,000
Deferred amount on refunding	(28,908)	-	(28,908)	-	-
Revenue bonds	67,193,773	-	6,737,277	60,456,496	8,204,017
Premium on revenue bonds	2,751,480	-	379,515	2,371,965	379,515
Notes payable	1,823,112	-	190,397	1,632,715	133,052
Capital leases	9,097,115	2,256,689	2,204,075	9,149,729	2,077,501
Landfill closure and post-closure costs	268,081	-	10,255	257,826	14,633
Compensated absences	<u>920,343</u>	<u>931,642</u>	<u>644,938</u>	<u>1,207,047</u>	<u>465,821</u>
	<u>\$ 91,669,996</u>	<u>\$ 12,903,331</u>	<u>\$ 11,112,549</u>	<u>\$ 93,460,778</u>	<u>\$ 12,694,539</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%.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

III – DETAILED NOTES ON ALL FUNDS (Continued)

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 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% capacity. The County paid to cover the landfill in fiscal 1996. Accordingly, long term liabilities reflect a \$257,826 liability for estimated postclosure care costs. This amount includes a reduction of \$10,255 during fiscal year 2008 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	\$ 75,130,527
Less: Revenue bonds	(60,456,496)
Premium on revenue bonds	(2,371,965)
General obligation bonds	(18,385,000)
Capital leases	(9,149,729)
Notes payable	(1,632,715)
Add: Unspent debt proceeds	<u>57,212,273</u>
	<u>40,346,895</u>
Restricted for capital activity and debt service:	
Restricted cash and receivables	
Debt service	10,019,169
Capital proceeds	85,003,808
Less: Unspent debt proceeds	<u>(57,212,273)</u>
	<u>37,810,704</u>
Unrestricted	<u>12,285,216</u>
Total net assets	<u>\$ 90,442,815</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

III – DETAILED NOTES ON ALL FUNDS (Continued)

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, 2008, the aggregate principal payable on these bonds was approximately \$17,705,000

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

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

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

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 11 – EMPLOYEE RETIREMENT PLANS (Continued)

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

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

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

Required employee contributions to the Plans for fiscal year 2007-2008 are as follows:

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

Required employer contributions for fiscal year 2007-2008 are as follows:

SCRS	
Class I	4.25% of earnable compensation
Class II	9.06% of earnable compensation
Group Life Insurance	.015% of earnable compensation
State ORP	4.06% of earnable compensation
PORS	
Class I	7.80% of earnable compensation
Class II	10.30% of earnable compensation
Group Life Insurance	0.20% of earnable compensation
Accidental Death Program	0.20% of earnable compensation

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

	2006		2007		2008	
	SCRS	PORS	SCRS	PORS	SCRS	PORS
Employer contributions	\$ 1,045,758	\$ 644,412	\$ 1,156,475	\$ 663,680	\$ 1,144,238	\$ 693,895

The County's 2007 – 2008 contributions represented less than one percent of total contributions required of all participating entities. All employers contribute at the actuarially required contribution rates

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 12 – POST RETIREMENT HEALTH INSURANCE BENEFITS

Under terms of the 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.

The County finances these benefits on a pay-as-you-go basis through annual appropriation. During the year ended June 30, 2008, the County paid \$119,181 to provide these benefits for the 48 retired employees who qualified.

NOTE 13 – RELATED PARTY TRANSACTION

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

NOTE 14 – 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, 2008, the County was the defendant in several lawsuits involving various types of claims. Although the outcome of most 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.

One lawsuit still pending involves seeking damages to property due to alleged County negligence. County’s legal counsel expects a 60% or greater chance of prevailing in the case due to the evidence. If the County should not prevail in the case, the estimated liability is in the range of \$73,500 to \$300,000. This case is being handled by the State’s Insurance Reserve Fund.

NOTE 15 – PRIOR PERIOD ADJUSTMENTS

	Net Assets	Fund Balance
Fund Balance as previously reported, June 30, 2007	\$ 85,388,395	\$ 106,780,833

**COUNTY OF ORANGEBURG; SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 15 – PRIOR PERIOD ADJUSTMENTS (Continued)

	Net Assets	Fund Balance
General Fund		
Unrecorded prior year receivable for reimbursement of DPU's share of industrial park expenditures	177,871	177,871
Correct payables from year 2006 posted as 2007 expenditures rather than against 2006 payables	35,954	35,954
Correct payroll liability accounts	(487,228)	(487,228)
Reclass prior year expenditures to proper fund	5,764	5,764
Correct prior years' rent receivables	13,266	13,266
Correct receivables	42,020	42,020
Correct for County's share of prior years' allocation to LEC due to actual expenditures exceeding budget	<u>(1,301,294)</u>	<u>(1,301,294)</u>
General Fund total	<u>(1,513,647)</u>	<u>(1,513,647)</u>
Capital Projects Sales Tax I		
Correct prior year accounts payable	110,757	110,757
Reclass prior year expenditures to proper fund	<u>(5,764)</u>	<u>(5,764)</u>
Capital Projects Sales Tax I total	<u>104,993</u>	<u>104,993</u>
Capital Projects Sales Tax II		
Reclass prior year expenditures to proper fund	<u>(253,024)</u>	<u>(253,024)</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 15 – PRIOR PERIOD ADJUSTMENTS (Continued)

	Net Assets	Fund Balance
Road and Bridges Maintenance		
Correct prior year accounts payable	<u>55,502</u>	<u>55,502</u>
Solid Waste		
Correct prior year accounts payable	<u>(46,443)</u>	<u>(46,443)</u>
Legislative Delegation Economic Development Projects		
Correct posting of principal and interest due on note payable to accounts payable – governmental funds do not record long-term liabilities and government-wide statements do not record interest portion of debt	<u>200,659</u>	<u>1,392,730</u>
Grant Subfunds		
Correct for prior year revenue recorded in receivable account when received but receivable never booked –unrecognized revenue	5,662	5,662
Correct for unrecorded prior year accounts payable	(2,702)	(2,702)
Correct for revenue not recorded against receivable when received in subsequent year	<u>(25,708)</u>	<u>(25,708)</u>
Grant Subfunds total	<u>(22,748)</u>	<u>(22,748)</u>
FEMA Winter Storm		
Correct for prior year receivable recorded in error	<u>(119,804)</u>	<u>(119,804)</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 15 – PRIOR PERIOD ADJUSTMENTS (Continued)

	Net Assets	Fund Balance
Certified Sites		
Correct for prior year receivable recorded in error	<u>(180,000)</u>	<u>(180,000)</u>
Pathways		
Correct for unrecorded receivables	<u>101,193</u>	<u>101,193</u>
Capital Improvements Fund		
Correct prior year accounts payable	11,070	11,070
Reclass prior year expenditures to proper fund	253,024	253,024
Remove land held for resale which was sold in 2005	<u>(134,229)</u>	<u>(134,229)</u>
Capital Improvements Fund total	<u>129,865</u>	<u>129,865</u>
2004 Vehicle Replacement		
Record cash held by fiscal agent	<u>20,588</u>	<u>20,588</u>
Capital Assets		
Correct for unrecorded Capital Assets	1,115,823	-
Correct prior year accumulated depreciation	<u>(889,276)</u>	<u>-</u>
Capital Assets total	<u>226,547</u>	<u>-</u>
Total prior period adjustments	<u>(1,296,319)</u>	<u>(330,795)</u>
Fund Balance, as restated, June 30, 2007	<u>\$ 84,092,076</u>	<u>\$ 106,450,038</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 15 – PRIOR PERIOD ADJUSTMENTS (Continued)

Agency Funds beginning balances were restated at July 1, 2007 as follows:

	As Previously Stated July 1, 2007	Restate- ment	As restated July 1, 2007
Clerk of Court Trust Fund			
Assets:			
Cash	\$ 845,497	\$ (5,101)	\$ 840,396
Total Assets	<u>\$ 845,497</u>	<u>\$ (5,101)</u>	<u>\$ 840,396</u>
Liabilities			
Due to General Fund	\$ -	\$ 17,418	\$ 17,418
Due to General Fund – overage/(deficit)	-	69,812	69,812
Due to others	845,497	(92,331)	753,166
Total Liabilities	<u>\$ 845,497</u>	<u>\$ (5,101)</u>	<u>\$ 840,396</u>
Family Court Trust Fund			
Assets:			
Cash	\$ 50,612	\$ -	\$ 50,612
Total Assets	<u>\$ 50,612</u>	<u>\$ -</u>	<u>\$ 50,612</u>
Liabilities			
Due to General Fund	\$ -	\$ 2,835	\$ 2,835
Due to General Fund – overage/(deficit)	-	(10,113)	(10,113)
Due to others	50,612	7,278	57,890
Total Liabilities	<u>\$ 50,612</u>	<u>\$ -</u>	<u>\$ 50,612</u>
Magistrate's Trust Fund			
Assets:			
Cash	\$ 212,833	\$ (4,873)	\$ 207,960
Total Assets	<u>\$ 212,833</u>	<u>\$ (4,873)</u>	<u>\$ 207,960</u>
Liabilities			
Due to General Fund	\$ -	\$ 156,047	\$ 156,047
Due to General Fund – overage/(deficit)	-	2,390	2,390
Due to others	212,833	(163,310)	49,523
Total Liabilities	<u>\$ 212,833</u>	<u>\$ (4,873)</u>	<u>\$ 207,960</u>

NOTE 16 – SUBSEQUENT EVENTS

The County paid the entire outstanding principal balance of \$1,032,071 and interest of \$30,962 on note payable to individual in the subsequent fiscal year. The note was scheduled to be repaid incrementally through August 2015.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS**

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 17 – COMPONENT UNIT PRIOR PERIOD ADJUSTMENTS

The restatement of fund balances at June 30, 2007 for the component units are as follows:

Orangeburg County Public Library:

	<u>Statement of Net Assets Governmental Activities Unrestricted Net Assets</u>	<u>Balance Sheet Governmental Funds Unreserved, Undesignated</u>
Beginning balance – as previously reported June 30, 2007	\$ 342,314	\$ 374,742
To remove liabilities and fund balance reported by Orangeburg County	<u>26,171</u>	<u>26,171</u>
Restated	<u>\$ 368,485</u>	<u>\$ 400,913</u>

Orangeburg-Calhoun Regional Detention Center:

Beginning of year – as originally reported	\$ (1,587,105)	\$ (1,440,077)
To correct for account payable errors in the beginning balance	10,487	10,487
To remove unsubstantiated liability which has been on ledger since prior to 2000	53,520	53,520
To record receivable from Calhoun County due to underfunding the budget – unrecorded portion applicable to prior years	74,776	74,776
To adjust payable to Orangeburg County due to underfunding the budget – unrecorded portion applicable to prior year	<u>1,301,294</u>	<u>1,301,294</u>
Beginning balance – as restated	<u>\$ (147,028)</u>	<u>\$ -</u>
Net assets of Business-type Activities at June 30, 2007 were not restated	<u>\$ 109,215</u>	

REQUIRED SUPPLEMENTARY INFORMATION

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2008**

Exhibit B-1

	Budgeted Amounts		Actual GAAP Basis	GAAP to Budget Differences Over (Under)	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
REVENUES						
Taxes						
Property taxes	\$ 20,706,524	\$ 20,706,524	\$ 21,312,478	\$ -	\$ 21,312,478	\$ 605,954
Intergovernmental revenue - Note 4	6,415,083	6,415,083	6,746,356	-	6,746,356	331,273
Licenses and permits	813,000	813,000	653,242	-	653,242	(159,758)
Charges for services						
Emergency Medical Services	1,110,000	1,110,000	1,379,430	-	1,379,430	269,430
Other	140,000	140,000	112,902	-	112,902	(27,098)
Fines, fees and forfeitures	1,979,831	1,979,831	2,152,841	-	2,152,841	173,010
Investment income	675,573	675,573	376,358	-	376,358	(299,215)
Other	891,880	891,880	294,093	-	294,093	(597,787)
Total revenues	32,731,891	32,731,891	33,027,700	-	33,027,700	295,809
EXPENDITURES						
General government						
Executive	304,190	304,190	314,541	-	314,541	(10,351)
Administrator	887,989	889,746	966,882	-	966,882	(77,136)
County attorney	136,100	136,100	193,218	-	193,218	(57,118)
Personnel	293,011	293,011	299,073	-	299,073	(6,062)
Voter registration	162,092	165,559	147,937	-	147,937	17,622
Election Commission	368,763	365,296	194,639	522	195,161	170,135
Delinquent tax collector	260,709	273,563	286,274	-	286,274	(12,711)
Treasurer	350,483	350,483	313,550	-	313,550	36,933
Finance	395,146	396,412	385,728	-	385,728	10,684
Auditor	235,333	235,333	236,995	-	236,995	(1,662)
Tax assessor	792,447	792,447	712,435	-	712,435	80,012
Data processing	1,025,680	1,145,680	999,371	3,424	1,002,795	142,885
Planning and building inspections	703,986	704,220	854,847	-	854,847	(150,627)
Orangeburg County Development Commission	718,103	718,103	735,063	-	735,063	(16,960)
Purchasing	158,998	158,998	177,026	-	177,026	(18,028)
Register of Deeds	278,421	278,421	258,391	962	259,353	19,068
Other	3,892,312	5,843,462	3,569,863	278	3,570,141	2,273,321
Total general government	10,963,763	13,051,024	10,645,833	5,186	10,651,019	2,400,005
Judicial						
Clerk of court	323,435	323,435	284,500	-	284,500	38,935
Family court	515,604	515,604	513,409	-	513,409	2,195
Master-in-equity	126,911	126,911	140,054	-	140,054	(13,143)
Probate Court	322,129	322,129	333,814	-	333,814	(11,685)
Magistrates	1,178,773	1,182,973	1,213,345	797	1,214,142	(31,169)
Public Defender	476,950	476,950	357,713	-	357,713	119,237
Solicitor	604,958	604,958	604,958	-	604,958	-
Total judicial	3,548,760	3,552,960	3,447,793	797	3,448,590	104,370
Public works						
Building and Grounds	1,027,171	1,044,691	1,099,373	-	1,099,373	(54,682)
Sign shop	51,930	51,930	53,479	-	53,479	(1,549)
Total public works	1,079,101	1,096,621	1,152,852	-	1,152,852	(56,231)
Public safety						
Sheriff	5,872,645	5,872,645	6,618,772	-	6,618,772	(746,127)
E-911 communications center	606,139	606,139	557,921	13,456	571,377	34,762
Emergency Medical Services	3,378,044	3,378,044	3,253,106	9,586	3,262,692	115,352
Coroner	260,832	295,611	249,346	-	249,346	46,265
Lease payment for Detention Center - Note	-	-	40,619	-	40,619	(40,619)
Total public safety	10,117,660	10,152,439	10,719,764	23,042	10,742,806	(590,367)
Social and health						
Health services	766,389	778,389	839,560	-	839,560	(61,171)
Animal control	292,472	284,172	202,322	-	202,322	81,850
Allocations to social agencies	204,300	204,300	274,067	-	274,067	(69,767)
Total social and health	1,263,161	1,266,861	1,315,949	-	1,315,949	(49,088)

(continued)

COUNTY OF ORANGEBURG, SOUTH CAROLINA
 REQUIRED SUPPLEMENTARY INFORMATION
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 JUNE 30, 2008

Exhibit B-1

	Budgeted Amounts		Actual GAAP Basis	GAAP to Budget Differences Over (Under)	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
EXPENDITURES, Continued						
Internal services						
Vehicle maintenance	608,199	608,199	533,840	-	533,840	74,359
Total internal services	608,199	608,199	533,840	-	533,840	74,359
Culture and recreation						
Recreation	194,335	194,335	189,169	-	189,169	5,166
Total culture and recreation	194,335	194,335	189,169	-	189,169	5,166
Allocations to others						
Law Enforcement Center	3,904,423	3,904,423	4,430,586	-	4,430,586	(526,163)
Others	1,052,489	1,052,489	1,039,080	-	1,039,080	13,409
Total allocations to others	4,956,912	4,956,912	5,469,666	-	5,469,666	(512,754)
Non-budgeted expenditures						
Capital lease financing	-	-	2,256,689	-	2,256,689	(2,256,689)
Total non-budgeted expenditures	-	-	2,256,689	-	2,256,689	(2,256,689)
Debt service						
Principal retirement	-	-	195,000	-	195,000	(195,000)
Interest and fiscal charges	-	-	65,395	-	65,395	(65,395)
Total debt service	-	-	260,395	-	260,395	(260,395)
Total expenditures	32,731,891	34,879,351	35,991,950	29,025	36,020,975	(881,229)
Excess (deficiency) of revenues over (under expenditures)	-	(2,147,460)	(2,964,250)	(29,025)	(2,993,275)	(585,420)
OTHER FINANCING SOURCES (USES)						
Capital lease financing	-	-	2,256,689	-	2,256,689	2,256,689
Transfers in	-	2,147,460	581,232	-	581,232	(1,566,228)
Transfers out	-	-	(49,933)	-	(49,933)	(49,933)
Total other financing sources (uses)	-	2,147,460	2,787,988	-	2,787,988	640,528
Net change in fund balance	\$ -	\$ -	(176,262)	(29,025)	(205,287)	\$ 55,108
Fund balances, beginning of year			6,258,775	-	6,258,775	
Prior period adjustment			(1,513,647)	-	(1,513,647)	
Fund balances, beginning of year as restated			4,745,128	-	4,745,128	
Fund balances, end of year			\$ 4,568,866	\$ (29,025)	\$ 4,539,841	
Encumbrance for capital outlay and supplies ordered but not received is reported in the year the orders are placed for budgetary purposes, but are reported in the year the capital items and supplies are received for GAAP purposes				\$ (29,025)		
Net decrease in fund balance - GAAP to budget				\$ (29,025)		

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTE 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 American for the general fund

The General Fund expenditures exceeded appropriations by \$205,287 for the year ended June 30, 2008.

**COMBINING AND INDIVIDUAL
FUND SCHEDULES**

MAJOR CAPITAL PROJECTS FUNDS

The *capital project sales tax funds (I and II)* account for the sale tax revenues that are restricted to improve, repair and construct infrastructure for the County.

The following Schedules of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual for the Capital Project Sales Tax I and II Funds are presented.

The Capital Project 2008 Bond Issue Fund is a major fund for the County but no budget was prepared for this fund by County Council. Therefore, no schedule is presented.

**ORANGEBURG COUNTY, SOUTH CAROLINA
MAJOR CAPITAL PROJECTS FUND
CAPITAL PROJECTS SALES TAX I**

Exhibit B-2

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

From inception and for the year ended June 30, 2008

	Project Authorization	Prior Years As Restated	Current Year	Total to Date
REVENUES				
Sales tax	\$ 52,704,200	\$ 53,914,066	\$ -	\$ 53,914,066
Investment income	-	5,065,119	835,604	5,900,723
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	52,704,200	58,979,185	835,604	59,814,789
 EXPENDITURES				
General government	3,044,058	2,922,566	658,720	3,581,286
Public works	37,833,221	30,082,813	1,614,534	31,697,347
Public safety	2,422,000	2,413,398	-	2,413,398
Culture and recreation	9,404,921	5,646,190	3,556,870	9,203,060
Principal retirement	-	5,800,000	2,635,000	8,435,000
Interest and fiscal charges	-	325,663	62,581	388,244
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	52,704,200	47,190,630	8,527,705	55,718,335
Excess of revenues over expenditures	-	11,788,555	(7,692,101)	4,096,454
 OTHER FINANCING SOURCES (USES)				
Capital project sales tax revenue bonds issued	-	35,689,347	-	35,689,347
Transfers in	-	7,660,201	-	7,660,201
Transfers Out	-	(38,351,530)	(1,050,000)	(39,401,530)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	4,998,018	(1,050,000)	3,948,018
Excess of revenues and other financing sources over expenditures and other financing uses	<hr/> <u>\$ -</u>	<hr/> <u>\$ 16,786,573</u>	<hr/> <u>(8,742,101)</u>	<hr/> <u>\$ 8,044,472</u>
Fund balances, beginning of year			16,681,580	
Prior period adjustment			104,993	
Fund balances, beginning of year as restated			<hr/> <u>16,786,573</u>	
Fund balances, end of year			<hr/> <u>\$ 8,044,472</u>	

ORANGEBURG COUNTY, SOUTH CAROLINA
 MAJOR CAPITAL PROJECTS FUND
 CAPITAL PROJECTS SALES TAX II

Exhibit B-3

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

From inception and for the year ended June 30, 2008

	Project Authorization	Prior Years As Restated	Current Year	Total to Date
REVENUES				
Sales tax	\$ 71,088,020	\$ 10,958,469	\$ 9,480,018	\$ 20,438,487
Investment income	-	1,195,515	3,474,592	4,670,107
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	71,088,020	12,153,984	12,954,610	25,108,594
EXPENDITURES				
General government	11,034,512	1,832,807	1,048,960	2,881,767
Public works	45,007,208	617,010	4,691,214	5,308,224
Public safety	807,376	357,968	41,795	399,763
Culture and recreation	14,238,924	258,448	3,018,942	3,277,390
Principal retirement	-	-	4,100,000	4,100,000
Interest and fiscal charges	-	557,164	3,212,250	3,769,414
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	71,088,020	3,623,397	16,113,161	19,736,558
Excess of revenues over expenditures	-	8,530,587	(3,158,551)	5,372,036
OTHER FINANCING SOURCES (USES)				
Capital project sales tax revenue bonds issued	-	67,154,611	-	67,154,611
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	67,154,611	-	67,154,611
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ 75,685,198</u>	(3,158,551)	<u>\$ 72,526,647</u>
Fund balances, beginning of year			75,938,222	
Prior period adjustment			<u>(253,024)</u>	
Fund balances, beginning of year as restated			<u>75,685,198</u>	
Fund balances, end of year			<u>\$ 72,526,647</u>	

NONMAJOR FUNDS

The following nonmajor fund schedules include special revenue, capital projects, and debt service fund types.

Schedule of revenues, expenditures, and changes in fund balance – budget and actual have been prepared for those nonmajor funds with Council approved budgets.

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 *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

ORANGEBURG COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2008

Special Revenue Funds

	Roads & Bridges Maintenance	E911	New Brooklyn Lighting Tax District	Solid Waste	Victim's Assistance	Accommodation Tax	Brookdale Lighting Tax District
\$	-	\$ -	740	\$ 228,133	-	\$ -	\$ 492
	2,594	39,945	-	12,098	-	62,146	-
	-	44,010	-	270,925	-	-	-
	126,191	-	-	3,294,401	-	10,550	-
	-	-	-	-	12,354	-	-
\$	128,785	\$ 83,955	740	\$ 3,805,557	\$ 12,354	\$ 72,696	\$ 492

ASSETS
 Receivables, net of allowance for uncollectibles:
 Property taxes
 Intergovernmental
 Other
 Due from general fund
 Due from agency funds

Total assets

LIABILITIES AND FUND BALANCES

Liabilities							
Accounts payable	\$ 144,018	\$ 40,467	\$ 1,059	\$ 793,785	\$ 1,564	\$ 20,611	\$ 937
Accrued salaries	30,937	1,635	-	27,759	2,411	-	-
Due to general fund	-	27,932	11,187	-	133,998	-	9,086
Due to others	-	-	-	-	-	-	-
Deferred revenue - Property taxes	-	-	629	196,824	-	-	356
Total liabilities	174,955	70,034	12,875	1,018,368	137,973	20,611	10,399

Fund balances							
Reserved for:							
Encumbrances	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Unreserved:							
Undesignated	(46,170)	13,921	(12,135)	2,787,189	(125,619)	52,085	(9,907)
Total fund balances	(46,170)	13,921	(12,135)	2,787,189	(125,619)	52,085	(9,907)

Total liabilities and fund balances

(continued)

ORANGEBURG COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2008

	Special Revenue Funds						
Legislative Delegation Economic Development Projects	Special Education	Grant Subfunds	Tobacco Site	FEMA Winter Storm	Homeland Security Program	Electrolux Home Products	
\$ -	\$ 148,681	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
126,778	-	105,540	-	-	1,325	-	-
-	-	379,906	-	-	-	-	-
2,105,321	-	3,872,877	-	-	288	-	-
-	-	-	-	-	-	-	-
\$ 2,232,099	\$ 148,681	\$ 4,358,323	\$ -	\$ -	\$ 1,613	\$ -	\$ -
ASSETS							
Receivables, net of allowance for uncollectibles:							
Property taxes							
Intergovernmental							
Other							
Due from general fund							
Due from agency funds							
Total assets							
\$ -	\$ 3,144	\$ 244,460	\$ -	\$ -	\$ 890	\$ -	\$ -
-	17,897	17,967	-	-	-	-	-
-	1,007,290	328,554	-	-	-	-	-
-	-	17,711	-	-	-	-	-
-	126,508	-	-	-	-	-	-
-	1,154,839	608,692	-	-	890	-	-
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable							
Accrued salaries							
Due to general fund							
Due to others							
Deferred revenue - Property taxes							
-	-	-	-	-	-	-	-
Total liabilities							
-	(1,006,158)	3,749,631	-	-	723	-	-
2,232,099	(1,006,158)	3,749,631	-	-	723	-	-
Fund balances							
Reserved for:							
Encumbrances							
Capital outlay							
Debt service							
Unreserved:							
Undesignated							
-	-	-	-	-	-	-	-
Total fund balances							
2,232,099	(1,006,158)	3,749,631	-	-	723	-	-
\$ 2,232,099	\$ 148,681	\$ 4,358,323	\$ -	\$ -	\$ 1,613	\$ -	\$ -
Total liabilities and fund balances							

(continued)

ORANGEBURG COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2008

Exhibit B-4

	Special Revenue Funds				Capital Projects Funds			
	Certified Sites	Pathways	Whitaker Lighting Tax District	Capital Improvements Fund	Vehicle Replacement	Economic Development Tobacco	Edisto Sewer Capital Projects	
ASSETS								
Receivables, net of allowance for uncollectibles:								
Property taxes	\$ -	\$ -	1,227	\$ 54,426	\$ -	\$ -	\$ -	
Intergovernmental	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-1,931	
Due from general fund	-	-	-	5,822,056	-	-	-	
Due from agency funds	-	-	-	-	-	-	-	
Total assets	\$ -	\$ -	1,227	5,876,482	\$ -	\$ -	1,931	
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ -	\$ -	2,166	354,304	\$ -	\$ -	\$ 11,485	
Accrued salaries	-	-	-	-	-	-	-	
Due to general fund	-	-	59,476	-	-	202,049	455,931	
Due to others	-	-	-	-	-	-	-	
Deferred revenue - Property taxes	-	-	995	45,458	-	-	-	
Total liabilities	-	-	62,637	399,762	-	202,049	467,416	
Fund balances								
Reserved for:								
Encumbrances	-	-	-	80,478	-	-	-	
Capital outlay	-	-	-	5,396,242	-	(202,049)	(469,502)	
Debt service	-	-	-	-	-	-	4,017	
Unreserved:								
Undesignated	-	-	(61,410)	-	-	-	-	
Total fund balances	-	-	(61,410)	5,476,720	-	(202,049)	(465,485)	
Total liabilities and fund balances	\$ -	\$ -	1,227	5,876,482	\$ -	\$ -	1,931	

(continued)

ORANGEBURG COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2008

	Capital Projects Funds				Debt Service	Total
	Santee Industrial Park	2004 Vehicle Replacement	Holly Hill Watershed Project	2006 Vehicle Replacement		
ASSETS						
Receivables, net of allowance for uncollectibles:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 126,567	\$ 560,266
Intergovernmental	-	-	-	-	-	350,426
Other	-	-	-	-	-	696,772
Due from general fund	-	-	-	-	957,850	16,189,534
Due from agency funds	-	-	-	-	-	12,354
Total assets	\$ -	\$ -	\$ -	\$ -	\$ 1,084,417	\$ 17,809,352
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,618,910
Accrued salaries	-	-	-	-	-	98,606
Due to general fund	-	-	-	-	-	2,235,503
Due to others	-	-	-	-	-	17,711
Deferred revenue - Property taxes	-	-	-	-	109,265	480,035
Total liabilities	-	-	-	-	109,265	4,450,765
Fund balances						
Reserved for:						
Encumbrances	-	-	-	-	-	80,478
Capital outlay	-	-	-	-	-	4,724,691
Debt service	-	-	-	-	975,152	979,169
Unreserved:						
Undesignated	-	-	-	-	-	7,574,249
Total fund balances	-	-	-	-	975,152	13,358,587
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ -	\$ 1,084,417	\$ 17,809,352

ORANGEBURG COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2008

		Special Revenue Funds					
	Roads & Bridges Maintenance	E911	New Brooklyn Lighting Tax District	Solid Waste	Victim's Assistance	Accommodation Tax	Brookside Lighting Tax District
REVENUES							
Property taxes	\$ -	\$ -	\$ 6,702	\$ 3,215,600	\$ -	\$ -	\$ 6,586
Intergovernmental:							
Federal	-	-	-	-	-	-	-
State	-	155,538	-	80,494	-	217,481	-
Local	-	-	-	-	-	-	-
Charges for services	2,986,068	412,205	-	1,737,701	-	-	-
Fines, fees, and forfeitures	-	-	-	-	115,720	-	-
Investment income	-	-	-	-	-	449	-
Other	-	-	-	-	-	-	-
Total revenues	<u>2,986,068</u>	<u>567,743</u>	<u>6,702</u>	<u>5,033,795</u>	<u>115,720</u>	<u>217,930</u>	<u>6,586</u>
EXPENDITURES							
Current:							
Public works	3,535,510	-	12,703	-	-	-	11,481
Public safety	-	553,822	-	-	191,442	-	-
Social and Health	-	-	-	4,966,778	-	-	-
Sanitation	-	-	-	-	-	-	-
Allocation to Library	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	243,179	-
Debt service:							
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal changes	-	-	-	-	-	-	-
Total expenditures	<u>3,535,510</u>	<u>553,822</u>	<u>12,703</u>	<u>4,966,778</u>	<u>191,442</u>	<u>243,179</u>	<u>11,481</u>
Excess of revenues over (under) expenditures	<u>(549,442)</u>	<u>13,921</u>	<u>(6,001)</u>	<u>67,017</u>	<u>(75,722)</u>	<u>(25,249)</u>	<u>(4,895)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)							
Net change in fund balances	<u>(549,442)</u>	<u>13,921</u>	<u>(6,001)</u>	<u>67,017</u>	<u>(75,722)</u>	<u>(25,249)</u>	<u>(4,895)</u>
Fund balances, beginning of year	447,770	-	(6,134)	2,766,615	(49,897)	77,334	(5,012)
Prior period adjustment	55,502	-	-	(46,443)	-	-	-
Fund balances, beginning of year as restated	503,272	-	(6,134)	2,720,172	(49,897)	77,334	(5,012)
Fund balances, end of year	<u>(46,170)</u>	<u>13,921</u>	<u>(12,135)</u>	<u>2,787,189</u>	<u>(125,619)</u>	<u>52,085</u>	<u>(9,907)</u>

(continued)

ORANGEBURG COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2008

	Special Revenue Funds						
	Legislative	Special	Grant	Tobacco	FEMA	Homeland	Electrolux
	Delegation	Education	Subfunds	Site	Winter Storm	Security	Home
	Economic					Program	Products
	Development						
	Projects						
\$	\$	\$	\$	\$	\$	\$	\$
REVENUES							
Property taxes	-	2,535,737	-	-	-	-	-
Intergovernmental:							
Federal	-	-	665,975	-	-	1,325	-
State	1,174,242	22,813	3,628,367	-	-	-	-
Local	-	-	749,727	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines, fees, and forfeitures	-	-	1,001	-	-	-	-
Investment income	53,851	-	15,076	-	-	-	-
Other	54,950	-	100,000	-	-	-	-
Total revenues	1,283,043	2,558,550	5,160,146	-	-	1,325	-
EXPENDITURES							
Current:							
Public works	355,170	-	717,568	-	-	-	-
Public safety	-	-	441,841	-	-	890	-
Social and Health	-	-	240,815	-	-	-	-
Sanitation	-	-	4,671	-	-	-	-
Allocation to Library	-	989,848	-	-	-	-	-
Culture and recreation	-	1,819,794	461,517	-	-	-	-
Debt service:							
Principal retirement	160,000	-	-	-	-	-	-
Interest and fiscal charges	36,486	-	-	-	-	-	-
Total expenditures	551,656	2,809,642	1,866,412	-	-	890	-
Excess of revenues over (under) expenditures	731,387	(251,092)	3,293,734	-	-	435	-
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	170,266	-	-	-	521,759
Transfers out	-	-	(394,080)	(96,967)	(153,846)	-	-
Total other financing sources (uses)	-	-	(223,814)	(96,967)	(153,846)	-	521,759
Net change in fund balances	731,387	(251,092)	3,069,920	(96,967)	(153,846)	435	521,759
Fund balances, beginning of year	107,982	(755,066)	702,459	96,967	273,650	288	(521,759)
Prior period adjustment	1,392,750	-	(22,748)	-	(119,804)	-	-
Fund balances, beginning of year as restated	1,500,712	(755,066)	679,711	96,967	153,846	288	(521,759)
Fund balances, end of year	\$ 2,232,099	\$ (1,006,158)	\$ 3,749,631	\$ -	\$ -	\$ 723	\$ -

(continued)

ORANGEBURG COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2008

Exhibit B-5

	Special Revenue Funds				Capital Projects Funds			
	Certified Sites	Pathways	Whitaker Lighting Tax District	Capital Improvements Fund	Vehicle Replacement	Economic Development Tobacco	Edisto Sewer Capital Projects	
REVENUES								
Property taxes	\$ -	\$ -	\$ 53,695	\$ 806,703	\$ -	\$ -	\$ -	
Intergovernmental:								
Federal	-	74,044	-	-	-	-	-	
State	-	-	-	17,165	-	-	-	
Local	-	-	-	-	-	-	-	
Changes for services	-	-	-	-	-	-	105,294	
Fines, fees, and forfeitures	-	-	-	-	-	-	-	
Investment income	-	-	-	-	95	-	-	
Other	-	-	-	800	-	-	-	
Total revenues	-	<u>74,044</u>	<u>53,695</u>	<u>824,668</u>	<u>95</u>	-	<u>105,294</u>	
EXPENDITURES								
Current:								
Public works	-	-	28,158	2,469,863	-	-	142,442	
Public safety	-	-	-	-	-	-	-	
Social and Health	-	74,044	-	-	-	-	-	
Sanitation	-	-	-	-	-	-	-	
Allocation to Library	-	-	-	-	-	-	-	
Culture and recreation	-	-	-	-	-	-	-	
Debt service:								
Principal retirement	-	-	-	-	-	-	2,277	
Interest and fiscal charges	-	-	-	-	-	-	15,675	
Total expenditures	-	<u>74,044</u>	<u>28,158</u>	<u>2,469,863</u>	-	-	<u>160,394</u>	
Excess of revenues over (under) expenditures	-	-	25,537	(1,645,195)	95	-	(55,100)	
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	1,050,000	-	96,966	-	
Transfers out	-	-	-	(521,759)	(38,829)	-	-	
Total other financing sources (uses)	-	-	-	<u>528,241</u>	<u>(38,829)</u>	<u>96,966</u>	-	
Net change in fund balances	-	-	25,537	(1,116,954)	(38,734)	96,966	(55,100)	
Fund balances, beginning of year	180,000	(101,193)	(86,947)	6,463,809	38,734	(299,015)	(410,385)	
Prior period adjustment	(180,000)	101,193	-	129,865	-	-	-	
Fund balances, beginning of year as restated	-	-	(86,947)	6,593,674	38,734	(299,015)	(410,385)	
Fund balances, end of year	\$ -	\$ -	\$ (61,410)	\$ 5,476,720	\$ -	\$ (202,049)	\$ (465,485)	

(continued)

ORANGEBURG COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2008

	Capital Projects Funds				Debt Service	Total
	Santee Industrial Park	2004 Vehicle Replacement	Holly Hill Watershed Project	2006 Vehicle Replacement		
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,841,888	\$ 8,466,911
Intergovernmental:						
Federal	-	-	775,161	-	-	1,516,505
State	-	-	250,000	-	39,977	5,586,077
Local	-	-	346,220	-	-	1,095,947
Charges for services	-	-	-	-	-	5,241,268
Fines, fees, and forfeitures	-	-	-	-	-	116,721
Investment income	-	-	-	-	-	69,471
Other	-	-	-	-	-	155,750
Total revenues			1,371,381		1,881,865	22,248,650
EXPENDITURES						
Current:						
Public works	-	-	51,574	-	-	7,324,469
Public safety	-	-	-	-	-	1,187,995
Social and Health	-	-	-	-	-	314,859
Sanitation	-	-	-	-	-	4,971,449
Allocation to Library	-	-	-	-	-	989,848
Culture and recreation	-	-	-	-	-	2,524,490
Debt service:						
Principal retirement	-	-	-	-	780,000	942,277
Interest and fiscal charges	-	-	-	-	333,455	385,616
Total expenditures			51,574		1,113,455	18,641,003
Excess of revenues over (under) expenditures			1,319,807		768,410	3,607,647
OTHER FINANCING SOURCES (USES)						
Transfers in	-	3,179	-	2,400	-	1,844,570
Transfers out	(120,000)	(1,288)	-	-	-	(1,326,769)
Total other financing sources (uses)		1,891		2,400		517,801
Net change in fund balances	(120,000)	1,891	1,319,807	2,400	768,410	4,125,448
Fund balances, beginning of year	120,000	(22,479)	(1,319,807)	(2,400)	206,742	7,902,256
Prior period adjustment	-	20,588	-	-	-	1,330,883
Fund balances, beginning of year as restated	120,000	(1,891)	(1,319,807)	(2,400)	206,742	9,233,139
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ 975,152	\$ 13,358,587

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
ROADS AND BRIDGES MAINTENANCE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

Exhibit B-6

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>(Negative)</u>
REVENUES				
Charges for services	\$ 3,150,945	\$ 3,150,945	\$ 2,986,068	\$ (164,877)
EXPENDITURES				
Public works	3,150,945	3,150,945	3,535,510	(384,565)
Excess (deficiency) of revenues over (under) expenditures	-	-	(549,442)	(549,442)
Net change in fund balance	\$ -	\$ -	(549,442)	\$ (549,442)
Fund balances, beginning of year			447,770	
Prior period adjustment			55,502	
Fund balances, beginning of year as restated			503,272	
Fund balances, end of year			\$ (46,170)	

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
E911 SURCHARGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

Exhibit B-7

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Intergovernmental:				
State	\$ -	\$ -	\$ 155,538	\$ 155,538
Charges for services	520,000	520,000	412,205	(107,795)
Total revenue	<u>520,000</u>	<u>520,000</u>	<u>567,743</u>	<u>47,743</u>
EXPENDITURES				
Public safety	<u>520,000</u>	<u>520,000</u>	<u>553,822</u>	<u>(33,822)</u>
Total expenditures	<u>520,000</u>	<u>520,000</u>	<u>553,822</u>	<u>(33,822)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>13,921</u>	<u>13,921</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	13,921	<u>\$ 13,921</u>
Fund balances, beginning of year			<u>-</u>	
Fund balances, end of year			<u>\$ 13,921</u>	

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
NEW BROOKLYN LIGHTING TAX DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

Exhibit B-8

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 13,537	\$ 13,537	\$ 6,702	\$ (6,835)
EXPENDITURES				
Public works	13,537	13,537	12,703	834
Excess (deficiency) of revenues over (under) expenditures	-	-	(6,001)	(6,001)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(6,001)	<u>\$ (6,001)</u>
Fund balances, beginning of year			(6,134)	
Fund balances, end of year			<u>\$ (12,135)</u>	

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
SOLID WASTE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

Exhibit B-9.

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Property taxes	\$ 3,035,976	\$ 3,035,976	\$ 3,215,600	\$ 179,624
Intergovernmental:				
State	26,000	26,000	80,494	54,494
Charges for services	1,764,716	1,764,716	1,737,701	(27,015)
Total revenues	<u>4,826,692</u>	<u>4,826,692</u>	<u>5,033,795</u>	<u>207,103</u>
EXPENDITURES				
Sanitation	<u>6,601,351</u>	<u>6,601,351</u>	<u>4,966,778</u>	<u>1,634,573</u>
Total expenditures	<u>6,601,351</u>	<u>6,601,351</u>	<u>4,966,778</u>	<u>1,634,573</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,774,659)</u>	<u>(1,774,659)</u>	<u>67,017</u>	<u>1,841,676</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,774,659</u>	<u>1,774,659</u>	<u>-</u>	<u>(1,774,659)</u>
	<u>1,774,659</u>	<u>1,774,659</u>	<u>-</u>	<u>(1,774,659)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>67,017</u>	<u>\$ 67,017</u>
Fund balances, beginning of year			2,766,615	
Prior period adjustment			<u>(46,443)</u>	
Fund balances, beginning of year as restated			<u>2,720,172</u>	
Fund balances, end of year			<u>\$ 2,787,189</u>	

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
VICTIMS ASSISTANCE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

Exhibit B-10

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Fines, fees, and forfeitures	\$ 120,729	\$ 120,729	\$ 115,720	\$ (5,009)
EXPENDITURES				
Public safety	120,729	120,729	191,442	(70,713)
Excess (deficiency) of revenues over (under) expenditures	-	-	(75,722)	(75,722)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(75,722)	<u>\$ (75,722)</u>
Fund balances, beginning of year			(49,897)	
Fund balances, end of year			<u>\$ (125,619)</u>	

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
ACCOMMODATIONS TAX
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

Exhibit - 11

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental:				
State	\$ 184,710	\$ 184,710	\$ 217,481	\$ 32,771
Investment income	-	-	449	449
Total revenue	<u>184,710</u>	<u>184,710</u>	<u>217,930</u>	<u>33,220</u>
EXPENDITURES				
Culture and recreation	<u>184,710</u>	<u>184,710</u>	<u>243,179</u>	<u>(58,469)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(25,249)</u>	<u>(25,249)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(25,249)</u>	<u>\$ (25,249)</u>
Fund balances, beginning of year			<u>77,334</u>	
Fund balances, end of year			<u>\$ 52,085</u>	

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
BROOKDALE LIGHTING TAX DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

Exhibit B-12

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Property taxes	\$ 10,854	\$ 10,854	\$ 6,586	\$ (4,268)
Total revenue	<u>10,854</u>	<u>10,854</u>	<u>6,586</u>	<u>(4,268)</u>
EXPENDITURES				
Public works	<u>10,854</u>	<u>10,854</u>	<u>11,481</u>	<u>627</u>
	<u>10,854</u>	<u>10,854</u>	<u>11,481</u>	<u>627</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(4,895)</u>	<u>(4,895)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(4,895)</u>	<u>\$ (4,895)</u>
Fund balances, beginning of year			<u>(5,012)</u>	
Fund balances, end of year			<u>\$ (9,907)</u>	

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
SPECIAL EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

Exhibit B-13

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 2,797,339	\$ 2,797,339	\$ 2,535,737	\$ (261,602)
Intergovernmental:				
State	301,768	301,768	22,813	(278,955)
Charges for services	49,000	49,000	-	(49,000)
 Total revenue	 <u>3,148,107</u>	 <u>3,148,107</u>	 <u>2,558,550</u>	 <u>(589,557)</u>
EXPENDITURES				
Culture and recreation	1,982,199	1,952,199	1,819,794	132,405
Allocation to Library	1,165,908	1,195,908	989,848	206,060
 Total expenditures	 <u>3,148,107</u>	 <u>3,148,107</u>	 <u>2,809,642</u>	 <u>338,465</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>-</u>	 <u>-</u>	 <u>(251,092)</u>	 <u>(251,092)</u>
 Net change in fund balance	 <u>\$ -</u>	 <u>\$ -</u>	 <u>(251,092)</u>	 <u>\$ (251,092)</u>
 Fund balances, beginning of year			 <u>(755,066)</u>	
 Fund balances, end of year			 <u>\$ (1,006,158)</u>	

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
WHITAKER LIGHTING TAX DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

Exhibit B-14

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>(Negative)</u>
REVENUES				
Property taxes	\$ 51,660	\$ 51,660	\$ 53,695	\$ 2,035
EXPENDITURES				
Public works	51,660	51,660	28,158	23,502
Excess (deficiency) of revenues over (under) expenditures	-	-	25,537	25,537
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	25,537	<u>\$ 25,537</u>
Fund balances, beginning of year			<u>(86,947)</u>	
Fund balances, end of year			<u>\$ (61,410)</u>	

ORANGEBURG COUNTY, SOUTH CAROLINA
NONMAJOR CAPITAL PROJECTS FUND
CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

Exhibit B-15

	Budgeted Amounts		Actual GAAP Basis	GAAP to Budget Differences Over (Under)	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
REVENUES						
Property taxes	\$ 812,835	\$ 812,835	\$ 806,703	\$ -	\$ 806,703	\$ (6,132)
Intergovernmental	17,165	17,165	17,165	-	17,165	-
Other	1,050,000	1,050,000	800	-	800	(1,049,200)
Total revenues	<u>1,880,000</u>	<u>1,880,000</u>	<u>824,668</u>	<u>-</u>	<u>824,668</u>	<u>(1,055,332)</u>
EXPENDITURES						
Public works	1,880,000	6,840,911	2,469,863	80,478	2,550,341	4,290,570
Total expenditures	<u>1,880,000</u>	<u>6,840,911</u>	<u>2,469,863</u>	<u>80,478</u>	<u>2,550,341</u>	<u>4,290,570</u>
Deficiency of revenues over expenditures	-	(4,960,911)	(1,645,195)	(80,478)	(1,725,673)	3,235,238
OTHER FINANCING SOURCES (USES)						
Transfers in	-	4,960,911	1,050,000	-	1,050,000	(3,910,911)
Transfers out	-	-	(521,759)	-	(521,759)	(521,759)
Net other financing sources (uses)	<u>-</u>	<u>4,960,911</u>	<u>528,241</u>	<u>-</u>	<u>528,241</u>	<u>(4,432,670)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(1,116,954)</u>	<u>(80,478)</u>	<u>(1,197,432)</u>	<u>\$ (1,197,432)</u>
Fund balances, beginning of year			6,463,809	-	6,463,809	
Prior period adjustment			129,865	-	129,865	
Fund balances, beginning of year as restated			6,593,674	-	6,593,674	
Fund balances, end of year			<u>\$ 5,476,720</u>	<u>\$ (80,478)</u>	<u>\$ 5,396,242</u>	

Explanation of Differences:

Encumbrance for capital outlay ordered but not received is reported in the year the orders are placed for budgetary purposes, but are reported in the year the capital items are received for GAAP purposes

\$ (80,478)

Net decrease in fund balance - GAAP to budget

\$ (80,478)

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NONMAJOR DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

Exhibit B-16

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Property taxes	\$ 1,842,999	\$ 1,842,999	\$ 1,841,888	\$ (1,111)
Intergovernmental:				
State	40,000	40,000	39,977	(23)
Total revenue	<u>1,882,999</u>	<u>1,882,999</u>	<u>1,881,865</u>	<u>(1,134)</u>
EXPENDITURES				
Principal retirement	1,045,574	1,045,574	780,000	265,574
Interest and fiscal charges	837,425	837,425	333,455	503,970
Total expenditures	<u>1,882,999</u>	<u>1,882,999</u>	<u>1,113,455</u>	<u>769,544</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>768,410</u>	<u>768,410</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>768,410</u>	<u>\$ 768,410</u>
Fund balances, beginning of year			<u>206,742</u>	
Fund balances, end of year			<u>\$ 975,152</u>	

FIDUCIARY FUNDS

The *agency funds* account 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.

ORANGEBURG COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2008

Exhibit B-17

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
CONSOLIDATED SCHOOL DISTRICT 3				
Assets				
Property taxes receivable	\$ 3,564,172	\$ 744,549	\$ 3,564,172	\$ 744,549
Due from General Fund	<u>1,161,968</u>	<u>35,131,065</u>	<u>34,819,590</u>	<u>1,473,443</u>
Total Assets	<u>\$ 4,726,140</u>	<u>\$ 35,875,614</u>	<u>\$ 38,383,762</u>	<u>\$ 2,217,992</u>
Liabilities				
Due to taxing unit	<u>\$ 4,726,140</u>	<u>\$ 35,875,614</u>	<u>\$ 38,383,762</u>	<u>\$ 2,217,992</u>
Total Liabilities	<u>\$ 4,726,140</u>	<u>\$ 35,875,614</u>	<u>\$ 38,383,762</u>	<u>\$ 2,217,992</u>
 CONSOLIDATED SCHOOL DISTRICT 4				
Assets				
Property taxes receivable	\$ -	\$ 437,475	\$ -	\$ 437,475
Due from General Fund	<u>3,861,340</u>	<u>40,672,504</u>	<u>40,453,508</u>	<u>4,080,336</u>
Total Assets	<u>\$ 3,861,340</u>	<u>\$ 41,109,979</u>	<u>\$ 40,453,508</u>	<u>\$ 4,517,811</u>
Liabilities				
Due to taxing unit	<u>\$ 3,861,340</u>	<u>\$ 41,109,979</u>	<u>\$ 40,453,508</u>	<u>\$ 4,517,811</u>
Total Liabilities	<u>\$ 3,861,340</u>	<u>\$ 41,109,979</u>	<u>\$ 40,453,508</u>	<u>\$ 4,517,811</u>
 CONSOLIDATED SCHOOL DISTRICT 5				
Assets				
Property taxes receivable	\$ -	\$ 1,890,651	\$ -	\$ 1,890,651
Due from General Fund	<u>5,183,157</u>	<u>77,012,792</u>	<u>76,162,352</u>	<u>6,033,597</u>
Total Assets	<u>\$ 5,183,157</u>	<u>\$ 78,903,443</u>	<u>\$ 76,162,352</u>	<u>\$ 7,924,248</u>
Liabilities				
Due to taxing unit	<u>\$ 5,183,157</u>	<u>\$ 78,903,443</u>	<u>\$ 76,162,352</u>	<u>\$ 7,924,248</u>
Total Liabilities	<u>\$ 5,183,157</u>	<u>\$ 78,903,443</u>	<u>\$ 76,162,352</u>	<u>\$ 7,924,248</u>
 COUNTY BOARD OF EDUCATION				
Assets				
Property taxes receivable	\$ 525,120	\$ 461,478	\$ 525,120	\$ 461,478
Due from General Fund	<u>-</u>	<u>8,204,998</u>	<u>8,204,998</u>	<u>-</u>
Total Assets	<u>\$ 525,120</u>	<u>\$ 8,666,476</u>	<u>\$ 8,730,118</u>	<u>\$ 461,478</u>
Liabilities				
Due to taxing unit	<u>\$ 525,120</u>	<u>\$ 8,666,476</u>	<u>\$ 8,730,118</u>	<u>\$ 461,478</u>
Total Liabilities	<u>\$ 525,120</u>	<u>\$ 8,666,476</u>	<u>\$ 8,730,118</u>	<u>\$ 461,478</u>

ORANGEBURG COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2008

Exhibit B-17

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
TOWNS				
Assets				
Property taxes receivable	\$ 184,153	\$ 145,995	\$ 184,153	\$ 145,995
Due from General Fund	308	1,701,941	1,703,686	(1,437)
Total Assets	<u>\$ 184,461</u>	<u>\$ 1,847,936</u>	<u>\$ 1,887,839</u>	<u>\$ 144,558</u>
Liabilities				
Due to taxing unit	\$ 184,461	\$ 1,847,936	\$ 1,887,839	\$ 144,558
Total Liabilities	<u>\$ 184,461</u>	<u>\$ 1,847,936</u>	<u>\$ 1,887,839</u>	<u>\$ 144,558</u>
DELINQUENT TAX COLLECTOR				
Assets				
Cash	\$ 2,208,199	\$ -	\$ 2,290,541	\$ (82,342)
Investments	-	2,034,700	-	2,034,700
Total Assets	<u>\$ 2,208,199</u>	<u>\$ 2,034,700</u>	<u>\$ 2,290,541</u>	<u>\$ 1,952,358</u>
Liabilities				
Due to others	\$ 2,208,199	\$ 2,034,700	\$ 2,290,541	\$ 1,952,358
Total Liabilities	<u>\$ 2,208,199</u>	<u>\$ 2,034,700</u>	<u>\$ 2,290,541</u>	<u>\$ 1,952,358</u>
SANTEE FIRE FIRE DISTRICT				
Assets				
Property taxes receivable	\$ 16,036	\$ 16,351	\$ 16,036	\$ 16,351
Due from General Fund	8	-	8	-
Total Assets	<u>\$ 16,044</u>	<u>\$ 16,351</u>	<u>\$ 16,044</u>	<u>\$ 16,351</u>
Liabilities				
Due to taxing unit	\$ 16,044	\$ 237,039	\$ 255,440	\$ (2,357)
Due to General Fund	-	239,396	220,688	18,708
Total Liabilities	<u>\$ 16,044</u>	<u>\$ 476,435</u>	<u>\$ 476,128</u>	<u>\$ 16,351</u>

(continued)

ORANGEBURG COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 JUNE 30, 2008

Exhibit B-17

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
HOLLY HILL HEALTH AND DRAINAGE				
Assets				
Property taxes receivable	\$ 1,033	\$ 872	\$ 1,033	\$ 872
Total Assets	<u>\$ 1,033</u>	<u>\$ 872</u>	<u>\$ 1,033</u>	<u>\$ 872</u>
Liabilities				
Due to taxing unit	\$ 1,033	\$ 12,680	\$ 14,116	\$ (403)
Due to General Fund	-	11,808	10,533	1,275
Total Liabilities	<u>\$ 1,033</u>	<u>\$ 24,488</u>	<u>\$ 24,649</u>	<u>\$ 872</u>
HORSE RANGE WATER SHED				
Assets				
Property taxes receivable	\$ 1,671	\$ 1,861	\$ 1,671	\$ 1,861
Due from General Fund	11,085	17,581	6,980	21,686
Total Assets	<u>\$ 12,756</u>	<u>\$ 19,442</u>	<u>\$ 8,651</u>	<u>\$ 23,547</u>
Liabilities				
Due to taxing unit	\$ 12,756	\$ 19,442	\$ 8,651	\$ 23,547
Total Liabilities	<u>\$ 12,756</u>	<u>\$ 19,442</u>	<u>\$ 8,651</u>	<u>\$ 23,547</u>
COW CASTLE DRAINAGE DISTRICT				
Assets				
Due from General Fund	\$ 33,120	-	-	\$ 33,120
Liabilities				
Due to taxing unit	\$ 33,120	-	-	\$ 33,120
SOLICITOR'S FORFEITED BOND FUND				
Assets				
Due from General Fund	\$ 35,971	\$ 11,887	\$ 17,801	\$ 30,057
Liabilities				
Due to others	\$ 35,971	\$ 11,887	\$ 17,801	\$ 30,057
FIREMAN'S INSURANCE PREMIUM FUND				
Assets				
Cash	\$ -	\$ 164,537	\$ 164,537	\$ -
Liabilities				
Due to others	\$ -	\$ 164,537	\$ 164,537	\$ -

(continued)

ORANGEBURG COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2008

Exhibit B-17

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
CLERK OF COURT BAIL BONDS				
Assets				
Due from General Fund	\$ 41,120	\$ 3,760	\$ -	\$ 44,880
Liabilities				
Due to others	\$ 41,120	\$ 3,760	\$ -	\$ 44,880
COURT FINES AND ASSESSMENTS				
Assets				
Due from General Fund	\$ 132,388	\$ -	\$ 95,595	\$ 36,793
Total Assets	\$ 132,388	\$ -	\$ 95,595	\$ 36,793
Liabilities				
Due from (to) other Agency Funds	\$ -	\$ -	\$ 112,430	\$ (112,430)
Due to others	132,388	112,430	95,595	149,223
Total Liabilities	\$ 132,388	\$ 112,430	\$ 208,025	\$ 36,793
SOLICITOR'S DRUG FUND				
Assets				
Due from General Fund	\$ 16,372	\$ 2,869	\$ -	\$ 19,241
Liabilities				
Due to others	\$ 16,372	\$ 2,869	\$ -	\$ 19,241
CLERK OF COURT TRUST FUND				
Assets				
Cash	Restated \$ 840,396	\$ 263,540	\$ 212,585	\$ 891,351
Total Assets	\$ 840,396	\$ 263,540	\$ 212,585	\$ 891,351
Liabilities				
Due to General Fund	\$ 17,418	\$ 163,286	\$ 170,361	\$ 10,343
Due to General Fund - overage / (deficit)	69,812	387	-	70,199
Due to Special Revenue Fund	-	2,181	-	2,181
Due from (to) other Agency Funds	-	5,551	-	5,551
Due to others	753,166	82,096	32,185	803,077
Total Liabilities	\$ 840,396	\$ 253,501	\$ 202,546	\$ 891,351

ORANGEBURG COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2008

Exhibit B-17

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
MASTER IN EQUITY TRUST FUND				
Assets				
Cash	\$ 203,323	\$ 1,396,804	\$ 1,552,732	\$ 47,395
Due from others	-	64,435	-	64,435
Total Assets	<u>\$ 203,323</u>	<u>\$ 1,461,239</u>	<u>\$ 1,552,732</u>	<u>\$ 111,830</u>
Liabilities				
Due to others	\$ 203,323	\$ 1,461,239	\$ 1,552,732	\$ 111,830
Total Liabilities	<u>\$ 203,323</u>	<u>\$ 1,461,239</u>	<u>\$ 1,552,732</u>	<u>\$ 111,830</u>
PROBATE COURT TRUST FUND				
Assets				
Cash	\$ 355,242	\$ 30,284	\$ 109,713	\$ 275,813
Total Assets	<u>\$ 355,242</u>	<u>\$ 30,284</u>	<u>\$ 109,713</u>	<u>\$ 275,813</u>
Liabilities				
Due to General Fund - overage / (deficit)	\$ -	\$ -	\$ 2,433	\$ (2,433)
Due to others	355,242	32,717	109,713	278,246
Total Liabilities	<u>\$ 355,242</u>	<u>\$ 32,717</u>	<u>\$ 112,146</u>	<u>\$ 275,813</u>
FAMILY COURT TRUST FUND				
Assets				
Cash	\$ 50,612	\$ 12,582,279	\$ 12,583,353	\$ 49,538
Total Assets	<u>\$ 50,612</u>	<u>\$ 12,582,279</u>	<u>\$ 12,583,353</u>	<u>\$ 49,538</u>
Liabilities				
Due to General Fund	\$ 2,835	\$ 2,339,609	\$ 2,339,846	\$ 2,598
Due to General Fund - overage / (deficit)	(10,113)	2,425	-	(7,688)
Due to others	57,890	10,242,669	10,245,931	54,628
Total Liabilities	<u>\$ 50,612</u>	<u>\$ 12,584,703</u>	<u>\$ 12,585,777</u>	<u>\$ 49,538</u>

(continued)

ORANGEBURG COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2008

Exhibit B-17

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
MAGISTRATE'S TRUST FUND				
Assets				
Cash	\$ 207,960	\$ 2,029,190	\$ 1,977,058	\$ 260,092
Total Assets	<u>\$ 207,960</u>	<u>\$ 2,029,190</u>	<u>\$ 1,977,058</u>	<u>\$ 260,092</u>
Liabilities				
Due to General Fund	\$ 156,047	\$ -	\$ 51,732	\$ 104,315
Due to General Fund - overage / (deficit)	2,390	-	2,977	(587)
Due to Special Revenue Fund	-	10,173	-	10,173
Due from (to) other Agency Funds	-	98,862	-	98,862
Due to others	49,523	-	2,194	47,329
Total Liabilities	<u>\$ 207,960</u>	<u>\$ 109,035</u>	<u>\$ 56,903</u>	<u>\$ 260,092</u>
SHERIFF - FEDERAL SEIZED PROPERTY				
Assets				
Due from General Fund	\$ 14,422	\$ 1,599	\$ 14,432	\$ 1,589
Liabilities				
Due to others	\$ 14,422	\$ 1,599	\$ 14,432	\$ 1,589
SHERIFF - STATE SEIZED PROPERTY				
Assets				
Due from General Fund	\$ 1,380	\$ 9	\$ -	\$ 1,389
Liabilities				
Due to others	\$ 1,380	\$ 9	\$ -	\$ 1,389
SHERIFF - ABANDONED PROPERTY				
Assets				
Due from General Fund	\$ 6,837	\$ 7,569	\$ 13,209	\$ 1,197
Liabilities				
Due to others	\$ 6,837	\$ 7,569	\$ 13,209	\$ 1,197

(continued)

ORANGEBURG COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2008

Exhibit B-17

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
Register of Deeds				
Assets				
Cash	\$ -	\$ 13,540	\$ -	\$ 13,540
Total Assets	<u>\$ -</u>	<u>\$ 13,540</u>	<u>\$ -</u>	<u>\$ 13,540</u>
Liabilities				
Due to General Fund	\$ -	\$ 5,523	\$ -	\$ 5,523
Due to other Agency Funds	-	8,017	-	8,017
Total Liabilities	<u>\$ -</u>	<u>\$ 13,540</u>	<u>\$ -</u>	<u>\$ 13,540</u>
SEX OFFENDER REGISTRY				
Assets				
Due from General Fund	\$ 3,152	\$ 10,230	\$ 5,404	\$ 7,978
Liabilities				
Due to others	\$ 3,152	\$ 10,230	\$ 5,404	\$ 7,978
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash	\$ 3,865,732	\$ 16,480,174	\$ 18,890,519	\$ 1,455,387
Investments	-	2,034,700	-	2,034,700
Property taxes receivable	4,292,185	3,699,232	4,292,185	3,699,232
Due from General Fund	10,502,628	162,778,804	161,497,563	11,783,869
Due from others	-	64,435	-	64,435
Total Assets	<u>\$ 18,660,545</u>	<u>\$ 185,057,345</u>	<u>\$ 184,680,267</u>	<u>\$ 19,037,623</u>
Liabilities				
Due to General Fund	\$ 176,300	\$ 2,759,622	\$ 2,793,160	\$ 142,762
Due to General Fund - overage / (deficit)	62,089	2,812	5,410	59,491
Due to Special Revenue Fund	-	12,354	-	12,354
Due from (to) other Agency Funds	-	112,430	112,430	-
Due to taxing units	14,543,171	166,672,609	165,895,786	15,319,994
Due to others	3,878,985	14,168,311	14,544,274	3,503,022
Total Liabilities	<u>\$ 18,660,545</u>	<u>\$ 183,728,138</u>	<u>\$ 183,351,060</u>	<u>\$ 19,037,623</u>

DISCRETELY PRESENTED COMPONENT UNITS

The County has three discretely presented component units.

The *Orangeburg County Fire Commission* – The Orangeburg County Fire Commission was created in 1997 to provide coordinated fire protection throughout Orangeburg County.

The *Orangeburg County Public Library* – The Orangeburg County Public Library provides library services to County residents.

The *Orangeburg-Calhoun Regional Detention Center* – The Orangeburg-Calhoun Regional Detention Center houses prisoners for Orangeburg and Calhoun Counties

COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING STATEMENT OF NET ASSETS
DISCREETELY PRESENTED COMPONENT UNITS
JUNE 30, 2008

Exhibit B-18

	Orangeburg County Fire Commission	Orangeburg County Public Library	Orangeburg- Calhoun Regional Detention Center	Totals
ASSETS				
Cash and cash equivalents	\$ 500	\$ 359,985	\$ 90,939	\$ 451,424
Property taxes receivable	152,206	-	-	152,206
Intergovernmental receivable	-	-	411,533	411,533
Due from primary government	694,677	1,775	-	696,452
Other assets	3,400	-	18,609	22,009
Total assets	850,783	361,760	521,081	1,733,624
LIABILITIES				
Accounts payable	50,098	7,507	148,747	206,352
Accrued salaries and benefits	6,111	-	76,492	82,603
Due to primary government	-	-	187,250	187,250
Long-term liabilities:				
Due within one year	14,555	19,772	65,269	99,596
Due in more than one year	13,435	25,165	93,924	132,524
Total liabilities	84,199	52,444	571,682	708,325
NET ASSETS				
Unrestricted (deficit)	766,584	309,316	(50,601)	1,025,299
	\$ 766,584	\$ 309,316	\$ (50,601)	\$ 1,025,299

**ORANGEBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2008**

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets				
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Orangeburg County Fire District	Orangeburg County Public Library	Orangeburg County Fire District	Orangeburg County Public Library	Orangeburg-Calhoun Regional Detention Center	Totals
Orangeburg County Fire District									
Governmental activities:									
Public safety	\$ -	\$ -	\$ -	\$ (2,351,537)					\$ (2,351,537)
Total Orangeburg County Fire District	<u>2,351,537</u>	<u>-</u>	<u>-</u>	<u>(2,351,537)</u>					<u>(2,351,537)</u>
Orangeburg County Public Library									
Governmental activities:									
Culture and recreation	1,339,332	19,956	228,599						(1,090,777)
Total Library Foundation	<u>1,339,332</u>	<u>19,956</u>	<u>228,599</u>				\$ (1,090,777)		<u>(1,090,777)</u>
Orangeburg-Calhoun Regional Detention Center									
Governmental activities:									
Public safety	5,316,759	-	5,304,594					\$ (12,165)	(12,165)
Total Fire Departments	<u>5,316,759</u>	<u>-</u>	<u>5,304,594</u>					<u>(12,165)</u>	<u>(12,165)</u>
Business-type activities:									
Orangeburg-Calhoun Regional Detention Center									
Regional Detention Center	113,560	110,989	-					(2,571)	(2,571)
Total Economic Development Corporation	<u>113,560</u>	<u>110,989</u>	<u>-</u>					<u>(2,571)</u>	<u>(2,571)</u>
Total component units	\$ 9,121,188	\$ 130,945	\$ 5,533,193	\$ (2,351,537)	\$ (1,090,777)	\$ (1,090,777)	\$ (14,736)	\$ (3,457,050)	
General Revenues:									
Payment from Primary Government					989,848				989,848
Property taxes				2,376,321					2,376,321
Interest earnings				19,324					19,324
Miscellaneous				6,813	41,760	1,948			50,521
Total general revenues				<u>2,402,458</u>	<u>1,031,608</u>	<u>1,948</u>			<u>3,436,014</u>
Change in net assets				50,921	(59,169)	(12,788)			(21,036)
Net assets - beginning				715,663	342,314	(1,477,890)			(419,913)
Prior period adjustment - Note 17				-	26,171	1,440,077			1,466,248
Net assets - beginning, as restated				<u>715,663</u>	<u>368,485</u>	<u>(37,813)</u>			<u>1,046,335</u>
Net assets - ending				<u>\$ 766,584</u>	<u>\$ 309,316</u>	<u>\$ (50,601)</u>			<u>\$ 1,025,299</u>

ORANGEBURG COUNTY, SOUTH CAROLINA
PROPRIETARY COMPONENT UNIT
ORANGEBURG-CALHOUN REGIONAL DETENTION CENTER
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2008

Exhibit B-20

Operating Revenues:	
Canteen sales	\$ 58,937
Telephone revenue	52,052
Miscellaneous revenue	<u>1,948</u>
Total operating revenues	<u>112,937</u>
 Operating Expenses:	
Work release	15,273
Administration	29,347
Benefit for inmates	<u>68,940</u>
Total operating expenses	<u>113,560</u>
 Change in net assets	 (623)
 Total net assets - beginning	 <u>109,215</u>
 Total net assets - ending	 <u><u>\$ 108,592</u></u>

ORANGEBURG COUNTY, SOUTH CAROLINA
PROPRIETARY COMPONENT UNIT
ORANGEBURG-CALHOUN REGIONAL DETENTION CENTER
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2008

Exhibit B-21

Cash Flows From Operating Activities:	
Cash received from customers	\$ 95,284
Cash paid to suppliers	<u>(113,560)</u>
Net Cash Provided (Used) by Operating Activities	<u>(18,276)</u>
Net Increase (Decrease) in Cash and Equivalents	(18,276)
Cash and Equivalents at Beginning of Year	<u>109,215</u>
Cash and Equivalents at End of Year	<u><u>\$ 90,939</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (623)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) decrease in accounts receivables	<u>(17,653)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (18,276)</u></u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING BALANCE SHEET
DISCREETELY PRESENTED COMPONENT UNITS
JUNE 30, 2008**

Exhibit B-22

	<u>Governmental Funds</u>			<u>Proprietary Fund</u>	<u>Totals</u>
	<u>Orangeburg County Fire Commission</u>	<u>Orangeburg County Public Library</u>	<u>Orangeburg- Calhoun Regional Detention Center</u>	<u>Orangeburg- Calhoun Regional Detention Center</u>	
ASSETS					
Cash and cash equivalents	\$ 500	\$ 359,985	\$ -	\$ 90,939	\$ 451,424
Property taxes receivable	152,206	-	-	-	152,206
Other receivables	-	-	-	17,653	17,653
Intergovernmental receivable	-	-	411,533	-	411,533
Due from primary government	694,677	1,775	-	-	696,452
Other assets	3,400	-	956	-	4,356
	<u>\$ 850,783</u>	<u>\$ 361,760</u>	<u>\$ 412,489</u>	<u>\$ 108,592</u>	<u>\$ 1,733,624</u>
Total assets					
	<u>\$ 850,783</u>	<u>\$ 361,760</u>	<u>\$ 412,489</u>	<u>\$ 108,592</u>	<u>\$ 1,733,624</u>
LIABILITIES AND FUND EQUITY					
Liabilities					
Accounts payable	\$ 50,098	\$ 7,507	\$ 148,747	\$ -	\$ 206,352
Accrued salaries and benefits	6,111	-	76,492	-	82,603
Deferred revenue - Property taxes	127,967	-	-	-	127,967
Due to primary government	-	-	187,250	-	187,250
	<u>184,176</u>	<u>7,507</u>	<u>412,489</u>	<u>-</u>	<u>604,172</u>
Total assets					
	<u>184,176</u>	<u>7,507</u>	<u>412,489</u>	<u>-</u>	<u>604,172</u>
Fund Equity					
Fund balances					
Unreserved, unrestricted (deficit)	666,607	354,253	-	108,592	1,129,452
	<u>666,607</u>	<u>354,253</u>	<u>-</u>	<u>108,592</u>	<u>1,129,452</u>
Total fund equity					
	<u>666,607</u>	<u>354,253</u>	<u>-</u>	<u>108,592</u>	<u>1,129,452</u>
Total liabilities and fund equity					
	<u>\$ 850,783</u>	<u>\$ 361,760</u>	<u>\$ 412,489</u>	<u>\$ 108,592</u>	<u>\$ 1,733,624</u>

COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
DISCREETELY PRESENTED COMPONENT UNITS
For the year ended June 30, 2008

Exhibit B-23

	Orangeburg County Fire Commission	Orangeburg County Public Library	Orangeburg- Calhoun Regional Detention Center	Totals
REVENUE				
Property taxes	\$ 2,397,771	\$ -	\$ -	\$ 2,397,771
Intergovernmental	-	1,217,647	5,304,594	6,522,241
Interest	19,324	685	-	20,009
Other	6,813	61,831	-	68,644
Total revenues	<u>2,423,908</u>	<u>1,280,163</u>	<u>5,304,594</u>	<u>9,008,665</u>
EXPENDITURES				
Current				
Public safety	2,082,351	-	5,263,975	7,346,326
Culture and recreation	-	1,326,823	-	1,326,823
Payments to other governments - Note 4	260,395	-	40,619	301,014
Total expenditures	<u>2,342,746</u>	<u>1,326,823</u>	<u>5,304,594</u>	<u>8,974,163</u>
Excess of revenues over (under) expenditures	<u>81,162</u>	<u>(46,660)</u>	<u>-</u>	<u>34,502</u>
Net change in fund balance	<u>81,162</u>	<u>(46,660)</u>	<u>-</u>	<u>34,502</u>
Fund balances, beginning of year	585,445	374,742	(1,440,077)	(479,890)
Prior period adjustment	-	26,171	1,440,077	1,466,248
Fund balances, beginning of year as restated	<u>585,445</u>	<u>400,913</u>	<u>-</u>	<u>986,358</u>
Fund balances, end of year	<u>\$ 666,607</u>	<u>\$ 354,253</u>	<u>\$ -</u>	<u>\$ 1,020,860</u>

SCHEDULE REQUIRED BY STATE LAW

The schedule of fines, assessments, and surcharges pertaining to court collections is presented as required by the State of South Carolina

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES
SPECIAL REVENUE FUND - VICTIMS' SERVICES FUND
JUNE 30, 2008

Exhibit B-24

	Clerk of Court	Magistrates	Total
Court Fines			
Court fines collected	\$ 224,460	\$ 1,419,520	\$ 1,643,980
Court fines retained by County	<u>23,159</u>	<u>907,900</u>	<u>931,059</u>
Court fines remitted to State Treasurer	<u>\$ 201,301</u>	<u>\$ 511,620</u>	<u>\$ 712,921</u>
Court Assessments			
Court assessments collected	\$ 21,768	\$ 421,259	\$ 443,027
Court assessments retained by County	<u>4,805</u>	<u>65,068</u>	<u>69,873</u>
Court assessments remitted to State Treasurer	<u>\$ 16,963</u>	<u>\$ 356,191</u>	<u>\$ 373,154</u>
Court Surcharges			
Court surcharges collected	<u>\$ 25,155</u>	<u>\$ 20,692</u>	<u>\$ 45,847</u>
Court surcharges retained by County	<u>\$ 25,155</u>	<u>\$ 20,692</u>	<u>\$ 45,847</u>
Victims Services			
Court assessments allocated to Victim Services	\$ 4,805	\$ 65,068	\$ 69,873
Court surcharges allocated to Victim Services	<u>25,155</u>	<u>20,692</u>	<u>45,847</u>
Funds allocated to Victim Services	<u>\$ 29,960</u>	<u>\$ 85,760</u>	115,720
Victim Services expenditures			<u>(191,442)</u>
			<u>\$ (75,722)</u>
Beginning balance - July 1, 2007		\$ (49,897)	
Excess of expenditures over revenue for current year		<u>(75,722)</u>	
Ending Balance - June 30, 2008		<u>\$ (125,619)</u>	

STATISTICAL SECTION (UNAUDITED)

This part of the County's comprehensive annual financial report represents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant revenue source.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1

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

	Fiscal Year										
	1999	2000	2001	2002	2003	2004	2005 As Previously Shown		2006	2007	2008
Governmental Activities											
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ 42,829,299	\$ 37,623,896	\$ 55,407,327	\$ 51,595,231	\$ 43,345,928	\$ 40,346,895	
Restricted	-	-	-	-	18,730,803	29,205,675	23,017,688	21,554,403	33,053,599	37,810,704	
Unrestricted	-	-	-	-	7,938,536	9,379,497	12,340,319	11,523,929	8,988,868	12,285,216	
Total governmental activities net assets	-	-	-	-	69,498,638	76,209,068	90,765,334	84,673,563	85,388,395	90,442,815	
Business-type activities	-	-	-	-	-	-	-	-	-	-	
Total primary government net assets	\$ -	\$ -	\$ -	\$ -	\$ 69,498,638	\$ 76,209,068	\$ 90,765,334	\$ 84,673,563	\$ 85,388,395	\$ 90,442,815	

94 *Comparable data is only available for fiscal years after 2002 due to the implementation of GASB 34.

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

Table 2

	Fiscal Year										
	1999*	2000*	2001*	2002*	2003	2004	2005		2006	2007	2008
							As Previously Shown				
Expenses											
Governmental Activities:											
General Government	\$ -	\$ -	\$ -	\$ -	\$ 8,337,248	\$ 8,337,248	\$ 9,041,763	\$ 6,343,675	\$ 9,020,416	\$ 17,247,913	
Judicial	-	-	-	-	2,961,226	3,011,160	3,130,374	3,233,742	3,490,272	3,525,789	
Public Works	-	-	-	-	11,885,655	6,047,481	4,303,582	11,647,075	14,887,839	9,657,666	
Public Safety	-	-	-	-	11,973,050	8,738,515	13,063,773	17,167,215	20,070,085	13,551,619	
Social and Health	-	-	-	-	3,136,727	2,377,287	2,476,718	4,217,784	2,482,747	1,485,980	
Sanitation	-	-	-	-	11,440,663	4,069,879	4,419,044	5,009,300	5,117,115	4,422,558	
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	-	-	989,848	
Culture and Recreation	-	-	-	-	340,340	1,368,492	564,662	4,055,473	3,986,393	8,380,192	
Interest and fiscal charges	-	-	-	-	1,322,637	1,517,038	1,227,256	1,085,850	1,797,321	3,256,316	
Depreciation Expense	-	-	-	-	4,679,238	-	-	-	-	-	
Total governmental activities expenses	-	-	-	-	55,256,497	47,894,238	47,384,694	55,189,902	60,852,188	62,517,881	
Business-type activities	-	-	-	-	-	-	-	-	-	-	
Total primary government expenses	\$ -	\$ -	\$ -	\$ -	\$ 55,256,497	\$ 47,894,238	\$ 47,384,694	\$ 55,189,902	\$ 60,852,188	\$ 62,517,881	
Program Revenues											
Governmental Activities											
Charges for services:											
General government	\$ -	\$ -	\$ -	\$ -	\$ 790,521	\$ 1,075,723	\$ 646,720	\$ 670,587	\$ 859,138	\$ 1,158,696	
Judicial	-	-	-	-	2,073,472	1,992,029	2,287,773	2,362,630	2,109,864	1,736,808	
Public works	-	-	-	-	2,090,425	2,362,921	2,349,463	2,600,142	3,197,384	3,091,362	
Public safety	-	-	-	-	2,143,313	2,144,137	2,505,752	1,245,173	2,461,582	1,931,837	
Social and health	-	-	-	-	1,585,333	-	-	-	-	-	
Sanitation	-	-	-	-	1,377,274	1,941,709	1,803,467	1,803,467	2,140,983	1,737,701	
Internal services	-	-	-	-	581,384	-	-	-	-	-	
Total charges for services	-	-	-	-	9,264,448	8,952,084	9,731,417	8,681,999	10,768,951	9,656,404	
Operating grants and contributions	-	-	-	-	6,082,655	5,507,172	4,068,605	3,918,711	4,779,292	2,847,573	
Capital grants and contributions	-	-	-	-	9,910,661	335,839	492,150	-	176,542	5,434,489	
Total governmental activities	-	-	-	-	25,257,764	14,795,095	14,292,172	12,600,710	15,724,785	17,938,466	
Business-type activities	-	-	-	-	-	-	-	-	-	-	
Total primary government program revenues	-	-	-	-	25,257,764	14,795,095	14,292,172	12,600,710	15,724,785	17,938,466	
Net(Expense)/Revenue											
Governmental activities	-	-	-	-	29,998,733	33,099,143	33,092,522	42,589,192	45,127,403	44,579,415	
Business-type activities	-	-	-	-	-	-	-	-	-	-	
Total primary government net expense	\$ -	\$ -	\$ -	\$ -	\$ 29,998,733	\$ 33,099,143	\$ 33,092,522	\$ 42,589,192	\$ 45,127,403	\$ 44,579,415	

(Continued)

Table 2

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

	Fiscal Year									
	1999*	2000*	2001*	2002*	2003	2004	As Previously Shown		2007	2008
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ -	\$ -	\$ -	\$ 24,711,284	\$ 24,711,284	\$ 25,835,100	\$ 26,975,355	\$ 26,843,615	\$ 27,590,905	\$ 29,584,886
Sales Tax	-	-	-	7,900,490	7,900,490	7,921,493	8,534,112	8,867,624	9,378,935	9,480,018
Accommodations Tax	-	-	-	206,234	206,234	194,721	196,884	204,268	221,736	217,481
Interest and Investment Income	-	-	-	883,020	883,020	1,319,363	2,328,922	2,904,383	1,973,647	4,756,025
Intergovernmental not restricted to specific programs	-	-	-	4,573,859	4,573,859	4,068,424	4,121,123	5,023,274	5,527,728	6,445,342
Contributions not restricted to specific programs	-	-	-	-	-	-	3,783,330	1,200,000	-	-
Miscellaneous	-	-	-	966,548	966,548	470,472	798,177	862,499	283,392	330,119
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	116,283
Total governmental activities	-	-	-	39,241,435	39,241,435	39,809,573	46,737,903	45,905,663	44,976,343	50,930,154
Business-type activities	-	-	-	-	-	-	-	-	-	-
Total primary government	\$ -	\$ -	\$ -	\$ 39,241,435	\$ 39,241,435	\$ 39,809,573	\$ 46,737,903	\$ 45,905,663	\$ 44,976,343	\$ 50,930,154
Changes in Net Assets										
Governmental activities	\$ -	\$ -	\$ -	\$ 9,242,702	\$ 9,242,702	\$ 6,710,430	\$ 13,645,381	\$ 3,316,471	\$ (151,060)	\$ 6,350,739
Business activities	-	-	-	-	-	-	-	-	-	-
Total primary government	\$ -	\$ -	\$ -	\$ 9,242,702	\$ 9,242,702	\$ 6,710,430	\$ 13,645,381	\$ 3,316,471	\$ (151,060)	\$ 6,350,739

*Comparable data is only available for fiscal years after 2002 due to the implementation of GASB 34.

Table 3

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

	Fiscal Year										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
General Fund					As Previously Shown						
Reserved	\$ 153,888	\$ 130,203	\$ 194,280	\$ 101,657	\$ 128,635	\$ 409,898	\$ -	\$ -	\$ -	\$ 67,881	
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	6,258,775	4,500,985	
Total general fund	\$ 3,916,919	\$ 3,858,610	\$ 3,040,865	\$ 4,563,348	\$ 5,699,290	\$ 7,101,070	\$ 9,771,489	\$ 8,739,027	\$ 6,258,775	\$ 4,568,866	
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	\$ 6,945,382	\$ 10,019,169	
Capital projects fund	8,578,093	13,752,840	15,481,490	20,276,279	41,169,387	42,974,382	33,996,935	28,515,487	90,449,619	85,828,769	
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	3,127,057	7,574,249	
Capital projects funds	-	-	-	-	1,147,711	197,533	-	(510)	-	-	
Total all other governmental funds	\$ 6,807,991	\$ 11,272,307	\$ 16,556,389	\$ 20,596,306	\$ 54,307,467	\$ 54,427,127	\$ 47,224,584	\$ 41,530,970	\$ 100,522,058	\$ 103,422,187	
Total all governmental funds	\$ 10,724,910	\$ 15,130,917	\$ 19,597,254	\$ 25,159,654	\$ 60,006,757	\$ 61,528,197	\$ 56,996,073	\$ 50,269,997	\$ 106,780,833	\$ 107,991,053	

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

Table 4

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues					As Previously Shown					
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	\$ 26,870,430	\$ 29,779,389
Sales tax	-	-	-	-	7,900,490	7,921,493	8,534,112	8,867,624	9,378,935	9,480,018
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	10,705,298	14,944,885
Licenses and permits	558,243	568,563	762,113	562,124	564,977	619,798	646,720	670,587	859,138	653,242
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	9,139,196	6,733,600
Fines, fees and forfeitures	985,937	1,561,609	1,218,943	1,060,609	1,032,694	676,892	719,247	654,092	770,617	2,269,562
Investment income	635,037	696,789	755,482	554,554	883,020	1,319,363	2,328,922	2,904,383	1,973,647	4,756,025
Other	219,051	2,561,605	1,974,526	1,528,658	2,039,031	1,265,472	1,562,839	862,499	283,392	449,843
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	\$ 59,980,653	\$ 69,066,564
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	\$ 15,975,269	\$ 12,353,513
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	3,422,208	3,447,793
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	18,938,696	14,783,069
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	17,273,151	12,106,836
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	2,465,731	1,630,808
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	5,117,115	4,971,449
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	1,791,703	533,840
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	936,326	5,469,666
Allocation to Library	-	-	-	408,489	340,340	1,368,492	564,662	-	3,986,393	989,848
Culture and recreation	-	-	-	-	-	-	-	-	-	9,289,471
Non-budgeted expenditures	-	-	-	154,431	-	-	-	-	-	2,256,689
Tourism promotion	178,534	137,398	215,494	-	-	-	-	-	-	-
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	1,233,356	3,791,979
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	6,565,000	7,872,277
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	\$ 77,704,948	\$ 79,497,238
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)	\$ (17,724,295)	\$ (10,430,674)
Other Financing Sources (Uses)										
Bond proceeds	4,000,000	-	-	-	36,018,647	11,185,000	-	-	67,154,611	9,715,000
Net proceeds	-	-	-	-	750,000	(154,164)	-	-	-	-
Defeasance costs	-	-	-	-	-	(2,000,000)	-	-	-	-
Payments to escrow agent	-	-	-	-	-	1,341,524	-	1,463,589	9,288,323	2,256,689
Capital leases	-	797,815	-	6,871,452	850,670	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-	-	-	-	-
Sale of general fixed assets	120,301	-	-	526,651	17,245,069	8,425,389	9,070,101	8,111,377	10,368,729	2,426,702
Transfers in	1,067,670	-	3,241,725	(3,453,749)	(20,705,158)	(8,425,389)	(9,070,101)	(8,111,377)	(10,368,729)	(2,426,702)
Transfers out	(4,141,091)	(3,147,858)	(6,238,878)	-	-	-	-	-	-	-
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	76,442,934	11,971,689
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)	\$ 58,718,639	\$ 1,541,015
Debt service as a percentage of noncapital expenditures*	6%	5%	6%	5%	11%	18%	15%	13%	10%	15%

Table 5

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

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	
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%								
2007	61,730,720	64,820,850	5,500,982	-	109,603,531	241,656,083	117	4,222,520,463	5.72%								
2008	63,769,868	64,358,610	5,697,771	-	116,499,455	250,325,704	125	3,864,107,744	6.48%								

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 TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Table 6

Taxpayer	2008			1999		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
SCE&G	\$ 28,625,730	1	12.31%	\$ 5,973,090	-	3.47%
Albemarle	2,547,620	2	1.10%	2,512,159	-	1.46%
Bell South Telecommunications	3,016,608	3	1.30%	2,922,960	-	1.70%
American Koyo	2,217,888	4	0.95%	2,243,610	-	1.30%
Okonite	1,886,388	5	0.81%	-	-	-
Electrolux	3,568,570	6	1.54%	-	-	-
Delahaize	1,378,504	7	0.59%	1,533,366	-	-
Tri County Electric Co-Op	1,381,688	8	0.59%	-	-	-
Roseburg Forest Products	1,045,152	9	0.45%	-	-	-
Holcim Cement	1,399,998	10	0.60%	2,817,260	-	1.64%
Georgia Pacific	-	-	0.00%	2,651,830	-	1.54%
American Yard Products	-	-	0.00%	2,134,990	-	1.24%
Food Lion	-	-	0.00%	894,980	-	0.52%
Total	\$ 47,068,146		20.25%	\$ 23,684,245		12.88%

Source: County Treasurer, J. Steve Summers

Table 7

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the			Total Collections to Date	
		Fiscal Year of the Levy		Collections in Subsequent Years	Amount	Percentage of Levy
		Amount	Percentage of Levy			
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%
2007	28,060,768	24,002,461	85.54%	2,332,088	26,334,549	93.85%
2008	27,990,241	25,584,477	91.41%	2,398,178	27,982,655	99.97%

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.

Table 8

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
County Direct Rates										
County Debt General	65	70	60	69	73	78	74	74	74	75
Bond Indebtedness	6	6	6	1	7	7	7	6	6	6
Capital Improvement Fund	2	2	2	2	5	5	3	3	3	3
Total direct rate	73	78	68	72	85	90	84	83	83	84
City and Town Rates										
City of Orangeburg	75	75	72	72	72	72	73	73	79	84
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	70
Town of Cope	25	25	25	25	25	25	25	25	25	25
Town of Cordova	15	11	11	11	11	11	11	11	11	11
Town of Ellore	40	40	40	40	40	40	40	60	65	67
Town of Eutawville	60	60	60	60	60	60	60	60	60	60
Town of Holly Hill	70	70	70	70	70	70	66	66	66	68
Town of Livingston	28	20	20	20	20	20	20	20	20	20
Town of Neeses	28	28	28	28	28	28	28	28	28	33
Town of Norway	42	42	42	42	42	42	42	42	50	50
Town of North	51	51	51	51	84	84	64	64	75	75
Town of Rowesville	20	20	20	20	20	30	30	40	40	40
Town of Santee	40	40	46	46	46	48	48	48	90	90
Town of Springfield	48	48	48	48	58	58	58	58	58	58
Town of Vance	40	40	40	50	50	50	50	50	50	50
Town of Woodford	15	15	15	15	7	7	7	7	7	7
Fire District	17	17	17	17	17	17	17	17	17	17
School District Rates										
District Three	177	169	167	170	173	179	175	188	198	203
District Four	138	136	153	163	166	175	175	178	178	185
District Five	186	181	179	183	183	192	191	193	196	209
Sewer District Rates										
Meiro Sewer	3	3	3	3	3	3	3	3	3	3
Other Special District Rates										
Special Education	4	4	5	8	8	8	8	9	9	9
Solid Waste	16	15	15	14	14	14	13	13	13	12
Water Shed	23	10	10	10	10	10	10	10	9	12
Board of Education	31.0	30.5	30.5	30.5	30.5	30.5	30.2	30.2	30	30

Table 9

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

Fiscal Year	Governmental Activities										Percentage of Personal Income	Per Capita	
	General Obligation Bonds	Revenue Bonds	Capital Leases	Note Payable	Certificates of Participation	Total Primary Government							
1999	-	-	-	-	-	-	-	-	-	-	-	0.00%	-
2000	7,595,000	-	8,426,596	-	2,085,000	18,106,596	-	-	-	18,106,596	-	0.92%	206
2001	6,510,000	-	3,046,110	-	1,430,000	10,986,110	-	-	-	10,986,110	-	0.53%	120
2002	5,615,000	-	8,139,610	-	735,000	14,489,610	-	-	-	14,489,610	-	0.67%	158
2003	4,715,000	31,164,300	6,291,918	750,000	-	42,921,218	-	-	-	42,921,218	-	1.92%	469
2004	12,445,000	22,864,300	5,245,773	735,671	-	41,290,744	-	-	-	41,290,744	-	1.78%	448
2005	11,535,000	15,364,300	3,688,766	692,557	-	31,280,623	-	-	-	31,280,623	-	1.30%	338
2006	10,600,000	8,769,296	3,322,092	663,043	-	23,354,431	-	-	-	23,354,431	-	0.93%	252
2007	9,645,000	67,193,773	9,097,115	631,215	-	86,567,103	-	-	-	86,567,103	-	3.46%	935
2008	18,385,000	60,456,496	9,149,729	1,632,715	-	89,623,940	-	-	-	89,623,940	-	3.80%	969

**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>		
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
2007	9,645,000	9,645,000	3.99%	104
2008	18,385,000	18,385,000	7.91%	199

Source: County Treasurer, J. Steve Summers

COUNTY OF ORANGEBURG, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2008

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	\$ 18,385,000	100.00%	\$ 18,385,000
Orangeburg School District 3	37,880,000	100.00%	37,880,000
Orangeburg School District 4	35,842,671	100.00%	35,842,671
Orangeburg School District 5	39,735,000	100.00%	<u>39,735,000</u>
Total direct and overlapping debt			<u>\$ 131,842,671</u>

Source: County Treasurer, J. Steve Summers

Table 12

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

	1999*	2000*	2001*	2002*	2003*	2004*	2005*	2006*	2007*	2008*
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	\$ 18,400,504	\$ 20,026,056
Total net Debt applicable to limit	8,650,000	7,595,000	6,510,000	5,615,000	2,375,000	10,270,000	11,535,000	10,600,000	8,005,000	16,940,000
Legal debt margin	\$ 5,103,958	\$ 6,379,370	\$ 8,131,858	\$ 9,359,667	\$ 14,632,522	\$ 7,988,847	\$ 6,996,448	\$ 7,547,384	\$ 10,395,504	\$ 3,086,056
Total net debt applicable to the limit as a percentage of debt limit	62.89%	54.35%	44.46%	37.50%	13.96%	56.25%	62.25%	58.41%	43.50%	84.90%
Legal Debt Margin Calculation for Fiscal Year 2008										
Assessed Value - Net of exemptions	\$ 250,325,704									
Debt Limit (8 % of assessed value)	20,026,056									
Debt applicable to limit:	18,385,000									
General obligation bonds										
Less: Debt excluded by referendum	1,445,000									
Total net debt applicable to limit	16,940,000									
Legal debt margin	\$ 3,086,056									

* Calculated at 8% of assessed value

Source: County Treasurer, J. Steve Summers

Table 13

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

Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2008	92,479	\$ 2,360,804	\$ 25,528	35	16,337	10.60%
2007	92,555	2,314,523	25,007	36	16,446	11.00%
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%

Source: Community Economic Alliance, Inc.

Table 14

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

Employer	2008			1999		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Husqvarna	2,000	1	2.16%	-	1	-
Koyo Corp of USA	574	2	0.62%	-	2	-
Sara Lee Bakery Group	536	3	0.58%	-	3	-
Food Lion Distribution Center #3	498	4	0.54%	-	4	-
Zeus Industrial Products Inc.	450	5	0.49%	-	5	-
Allied Air Enterprise, Inc.	400	6	0.43%	-	6	-
Federal Mogul Friction Products	400	7	0.43%	-	7	-
Albemarle Corporation	322	8	0.35%	-	8	-
The Okonite Company	237	9	0.26%	-	9	-
Holcim	200	10	0.22%	-	10	-
Total	5,617		6.07%			

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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government	-	-	-	-	-	-	-	161	178	182
Public Safety	-	-	-	-	-	-	-	242	225	193
Public Works	-	-	-	-	-	-	-	81	100	92
Public Health	-	-	-	-	-	-	-	52	46	42
Culture and Recreation	-	-	-	-	-	-	-	35	-	-
Total	-	-	-	-	-	-	-	571	549	509

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Table 16

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General										
Number of building permits	*	*	*	*	*	*	*	*	1,940	2,245
Public Safety										
Police	*	*	*	*	*	*	*	*		
Calls for Service	*	*	*	*	*	*	*	*	17,531	31,656
EMS										
Calls for Service	*	*	*	*	*	*	*	*	12,968	13,542
Fire										
Number of Calls Answered	*	*	*	*	*	*	*	*	5,910	3,981
Number of Inspections Conducted	*	*	*	*	*	*	*	*		
Number of Investigations Conducted	*	*	*	*	*	*	*	*		
Sanitation										
Number of Active Waste Accounts	*	*	*	*	*	*	*	*	432	439

*Information not available prior to fiscal year 2007

Source:

- Building permits provided by Orangeburg County Permitting Department
- Police information provided by Orangeburg County Sheriffs Department
- Fire information provided by Orangeburg County Fire Marshall
- Sanitation information provided by Orangeburg County Finance Department

Indicators are not available for the Public Works function, Social and Health function and Culture and Recreation function

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Table 17

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety										
Fire stations	*	*	*	*	*	*	*	*	35	38
EMS stations	*	*	*	*	*	*	*	*	4	4
Police vehicles	*	*	*	*	*	*	*	*	177	213
Police stations (including substations)	*	*	*	*	*	*	*	*	5	7
Public Works										
County and State maintained paved roads (miles)	*	*	*	*	*	*	*	*	1,807	1,895
County and State maintained unpaved roads (miles)	*	*	*	*	*	*	*	*	934	902
Culture & Recreation										
Parks acreage	*	*	*	*	*	*	*	*	35	35

*Information not available prior to fiscal year 2007

Source:

- Fire information provided by Orangeburg County Fire Marshall
- Police information provided by Orangeburg County Sheriff's Department
- Park information provided by Orangeburg County Park Ranger

Indicators are not available for General Government function and Social and Health function

SINGLE AUDIT SECTION

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2007

<u>Federal Grant/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			
SC Water and Sewer - GIS Mapping Project	14 228	4-ED-05-09	\$ 28,607
Community Development Block Grant			
Bowman Water Upgrade	14 228	4-CI-06-005	342,555
DEPARTMENT OF JUSTICE			
Edward Byrne Memorial Grant	16 710	2005DJBX1224	25,383
Edward Byrne Memorial Grant	16.738	2007-DJ-BX-1386	13,124
Violent Offender Incarceration and Truth in Sentencing Incentive Grant	16 586	V0104	39,443
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through S.C. Department of Social Services			
Pathways Substance Abuse Grant	93 243	5-UDI-II15977-04	74,044
DEPARTMENT OF HOMELAND SECURITY			
Homeland Security Grant	97 067	2005-GE-T5-0018	889
LEMPG	97 042	7EMPG01	33,321
Citizens Corps	97 067	6CCP01	8,383
DEPARTMENT OF AGRICULTURE			
Passed through S.C. Department of Social Services			
At Risk After School Program	10 558		17,056
NATIONAL OCEAN AND ATMOSPHERIC ADMINISTRATION			
Passed through S.C. Budget and Control Board			
Statewide Mapping and LIS Program	11 400	NAO4NOS4000162	46,000
Statewide Mapping and LIS Program	11 400	NAO6NOS4000006	24,000
			<u>\$ 652,805</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTE TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
YEAR END JUNE 30, 2008**

NOTE A- BASIS OF PRESENTATION

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

McGregor & COMPANY^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS | SINCE 1930

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1906-1968

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

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

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

To County Council
County of Orangeburg, South Carolina

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County of Orangeburg, South Carolina (the County) as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 30, 2009. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs 2008-1 through 2008-27 to be significant deficiencies in internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 2008-9 to 2008-27 to be material weaknesses

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, described in the accompanying schedule of findings and responses as Item 2008-2.

We noted certain matters that we reported to management of the County of Orangeburg, South Carolina in a separate letter dated April 30, 2009.

The County of Orangeburg, South Carolina's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County of Orangeburg, South Carolina's responses and, accordingly, we express no opinion on them

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

McHiger & Co. LLP

Orangeburg, South Carolina
April 30, 2009

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

To County Council
County of Orangeburg, South Carolina

COMPLIANCE

We have audited the compliance of the County of Orangeburg (the County) with the types of compliance requirements described in the *US 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, 2008. 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 type 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 the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the 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, 2008.

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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 but, not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

This report is intended 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.

McInerney & Co. LLP

Orangeburg, South Carolina
April 30, 2009

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

- | | |
|--|-------------|
| (a) Type of auditors' report: | Unqualified |
| (b) Internal control over financial reporting: | |
| 1) Material weaknesses identified: | Nineteen |
| 2) Significant deficiencies identified that are not
Considered to be material weaknesses: | Eight |
| (c) Noncompliance material to financial statements noted: | One |

Federal Awards

- | | |
|---|-------------|
| (a) Internal control over major programs: | |
| 1) Material weaknesses identified: | None |
| 2) Significant deficiencies identified that are not
Considered to be material weaknesses: | None |
| (b) Type of auditors' report issued on compliance for major programs: | Unqualified |
| (c) Audit findings that are required to be reported in
accordance with Section 510(a) of Circular A-133: | None |
| (d) Identification of major program: | |

<u>CFDA Numbers</u>	<u>Name of federal program or cluster</u>
14.228	CDBG Bowman Water Upgrade

- | | |
|---|-----------|
| (e) Dollar threshold used to distinguish between
type A and type B programs: | \$300,000 |
| (f) Auditee qualified as low risk auditee? | No |

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008

II. FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS:

2008-1 Fund Balance Deficits

Significant Deficiency

Conditions: During 2008 expenditures exceeded the revenues in six funds which increased the funds' fund balance deficits. All funds should be reviewed routinely to ensure funds are available prior to approval of expenditures. The County should consider means to fund these deficits and cease increasing them. The funds are listed below:

Fund	2008 Excess of Expenditures over Revenues	June 30, 2008 Fund Deficit
Road and Bridges Maintenance	\$ (549,442)	\$ (46,170)
New Brooklyn Lighting Tax District	(6,001)	(12,135)
Victims Assistance	(75,722)	(125,619)
Brookdale Lighting Tax District	(4,895)	(9,907)
Special Education	(251,092)	(1,006,158)
Edisto Sewer Capital Projects	(55,100)	(465,485)

In addition, the Whitaker Lighting Tax District has a fund deficit of \$61,410 and the Economic Development Tobacco Fund has a fund deficit of \$202,049 at June 30, 2008. The fund deficits in these two funds did decrease during the 2008 year, but a fund deficit still remains.

The Sheriff's Traffic Enforcement grant closed in 2007 but additional expenditures were charged in 2008 to this fund which increased the fund deficit. During our audit procedures, we noted the increasing deficit and the County decided to reclass these expenditures of \$2,885 to the Sheriff department of the General Fund and close the fund by recording a transfer from the General Fund of \$21,735.

Criteria: Funds should be reviewed before incurring expenditures to make sure funds are available.

Effect: When expenditures are incurred where revenues are not sufficient to cover, fund deficits occur.

Recommendation: We recommend all funds be reviewed before incurring expenditures. Means of funding these fund balance deficits need to be addressed.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008

II. FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS:

2008-1 Fund Balance Deficits (continued)

Significant Deficiency

Response: As to the Roads and Bridges Fund, on an annual basis vehicle fees are insufficient to cover operating costs and County supplements with a transfer from the general fund. Also equipment logs are not turned in to post revenue to said fund until after the completion of paving/road work on roads whereby penny funds are transferred in to offset expenditures. As to New Brooklyn Lightning Tax District and Brookdale Lighting Tax District, with millage caps authorized under Act 388, the County is limited in setting millage by the cost of living factor and the difference is covered via transfer from the general fund. As to the Victims Assistance Fund, revenues are in decline and consequentially budget and schedule of activities are being reduced in order to match with available revenue. As to the Edisto Sewer Capital Projects Fund, the County is reviewing user fees for systems on this project and rates will be adjusted to cover operating requirements of fund. As to the Whitaker Lighting Tax District, millage is sufficient to cover start up costs; however, expenditures began before revenues came in. As to the Sheriff's Traffic Enforcement grant, incident was noted last fiscal year and a correction was made at that time and will generate any remaining journal entry to close out said fund balance.

2008-2 Uncollateralized and Uninsured Deposits

Significant Deficiency

Conditions: The cash on deposit with one financial institution is uncollateralized and uninsured by \$299,560.

Criteria: Agreements should be in place with all financial institutions which hold County funds to collateralize its deposits at all times.

Effect: The County's deposits were uninsured and uncollateralized by \$299,560 at June 30, 2008.

Recommendation: We recommend the County review all agreements with financial institutions for collateral and the current value of the assets held as collateral to make sure the value pledged is sufficient to cover the deposits of the County.

Response: Per the County Treasurer: We will cover this matter. With regard to overall cash activity this is immaterial.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008

II. FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS:

2008-3 Preparation of Financial Statements

Significant Deficiency

Conditions: In May 2006, the AICPA issued Statement on Auditing Standards No. 112, *Communication Internal Control Related Matters Identified in an Audit*. This standard, emphasizes the need for the County to have internal controls over financial reporting in place that will provide reasonable assurance that the County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). In order for these controls to be effective, County personnel needs to receive adequate training to allow them to prepare the County's financial statements in accordance with GAAP.

Criteria: Internal controls over financial reporting should be in place to provide reasonable assurance that financial statements are prepared in accordance with GAAP.

Effect: Because County personnel have not received adequate training in preparing financial statements in accordance with GAAP, a material misstatement to the County's financial statements could occur and not be prevented or detected by the County's internal controls over financial reporting.

Recommendation: Appropriate County personnel should attend training courses that will enhance their ability to prepare the County's annual financial statements and footnote disclosures in accordance with GAAP. Assuming that this training is provided within the next six to eight months, County personnel should coordinate with the independent audit firm to prepare a substantial portion of the Comprehensive Annual Financial Report for the year ended June 30, 2009.

Response: The County's Finance Director and Accounting Manager have attended training by the GFOA in February 2009 for the purpose of meeting said GAAP requirements. They will also attend more training seminars this year as they become available.

2008-4 Register of Deeds Office - Receipts

Significant Deficiency

Conditions: In total, the funds collected in the Register of Deeds office agree to the amounts turned over to the Treasurer's office, but the allocation between cash and checks per the receipting system do not agree with the allocation turned over to the Treasurer's office. Also, collections are not being turned over daily to the Treasurer's office. Cases of several days lapse between collection and remittance occurred.

Criteria: Cash and checks should be turned over to the Treasurer's office daily intact and should agree with the breakdown of cash and checks in the receipting system.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008

**II. FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:**

2008-4 Register of Deeds Office – Receipts (continued)

Effect: Appears funds from one day's deposits may be used to make the deposit from a previous day with cash used to "make up" the difference.

Recommendation: We recommend each day's collections be reconciled with the receipt reports and turned over to the Treasurer's office daily

Response: Requirements for daily cash deposits have been implemented as of December 2008. An administrative directive was given to the Register of Deeds for daily deposits of receipted funds.

2008-5 Delinquent Tax – Bankruptcy Funds

Significant Deficiency

Conditions: We also noted that cards are kept on the bankruptcy cases in Delinquent Tax. A card is kept which has a balance of the moneys being held for payment of taxes for each property. When the balance due is collected, it is turned over as delinquent tax collections. A separate bank account is used to hold this money. However, according to the Delinquent Tax Collector, a reconciliation between the bank account reconciled balance and the total of the card balances is never done.

Criteria: Funds held in trust should be reconciled to the underlying data to ensure proper recording.

Effect: Entries on bankruptcy cards may not be updated properly or contain errors or funds may be deposited in incorrect bank account and procedures are not in place to detect such errors.

Recommendation: We recommend that monthly when the bank account is reconciled that the cards are totaled and the total is agreed to the reconciled bank balance. This procedure will ensure that entries on the cards are made correctly and that all moneys held for bankruptcies are placed in the proper account.

Response: County will implement procedure to reconcile monthly and County is exploring options with software vendors to convert reconciliation from a manual to an automated process.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008

II. FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:

2008-6 Magistrate – Segregation of Duties

Significant Deficiency

Conditions: During most of the year 2008, each Magistrate maintained a separate office and several had no staff. For these offices with no staff, the Magistrates receipted, recorded, deposited, and reconciled all deposits.

Criteria: Segregation of duties provides for checks and balances as a transaction is processed and completed

Effect: Lack of segregation of duties provides little assurance errors will be detected.

Recommendation: We recommend for the offices solely manned by the Magistrate, the Chief Magistrate review all monthly transactions and initial records to indicate they have been reviewed. During the last quarter of 2008, the County began restructuring the Magistrates into three regional offices. Each regional office will have at least one clerk to alleviate the segregation of duty issues.

Response: Two of the three offices are completed with the third region's anticipated completion during FY 2010. At that time, County will comply with said recommendation.

2008-7 Dawn Center Receivable

Significant Deficiency

Conditions: The County runs payroll of the Dawn Center through its payroll system and records the transactions in expenditure accounts. At year-end, the County closes these transactions to a receivable from the Dawn Center account. These accounts were not fully cleared out at year-end and County had to furnish the auditors with an entry to close these accounts. This has occurred in previous years and was not corrected, therefore the transactions were shown as County expenditures and subsequently closed to fund balance included in the County's general fund. This is an immaterial amount of \$3,463 from prior years. Also, the receivable from the Dawn Center has increased from \$599,579 at June 30, 2007 to \$801,157 at June 30, 2008.

Criteria: Only County expenditures should be reflected in the financial statements. Receivables should be reviewed monthly and non-collection should be pursued.

Effect: \$801,157 of the County's funds are being held by the Dawn Center which decreases the cash flow and possible investment earnings for the County.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008

II. FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:

2008-7 Dawn Center Receivable (continued)

Recommendation: The County should pursue the reason for non-payment by the Dawn Center and consider ceasing running the payroll through the County's system unless payment is received.

Response: County will bring matter to attention of Dawn Center with the intent of executing new agreement with strict reimbursement deadlines.

2008-8 Allocation to Orangeburg-Calhoun Regional Detention Center

Significant Deficiency

Conditions: Orangeburg and Calhoun Counties fund the Orangeburg-Calhoun Regional Detention Center (LEC) based on a split percentage of the budgeted expenditures of the LEC. The LEC's activity is recorded through the County's general ledger system in a separate fund and the County approves the budget. For the past three years, the expenditures have exceeded the budget resulting in a total fund balance deficit at June 30, 2008 of \$(1,949,103). Orangeburg County's share of this deficit based on established percentages of occupancy is \$(1,827,457).

Criteria: Budgets are a tool used to monitor actual activity. Excessive variances should be investigated and budgets amended if necessary to provide funding for excess expenditures.

Effect: The LEC's appropriations from the two counties are based on a budget which is insufficient compared to the past three years of actual expenditures. Therefore, the LEC has been incurring increasing fund deficits.

Recommendation: We recommend the County adopt a reasonable budget based on actual expenditures of the LEC and monitor budget variances monthly to control excessive spending. County appropriations should cover the actual expenditures of the LEC.

Response: Implemented billing actual expenditures instead of budgeted ones during the FY 2009. Corrective measures implemented prior to the close of FY 2009.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008

II. FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:

2008-9 Receivables

Material Weakness

Conditions: Receivables from the State were not recorded by the County for various funds as follows: Legislative Delegation \$126,778; Solid Waste \$12,098; PRI Grant \$9,984; Mapping Grant \$24,000; LEMPG \$21,208.

A receivable of \$119,804 was booked in prior years in error and has remained on the books in the FEMA Winter Storm Fund. During our audit procedures, we noted the uncollected receivable and the County deemed it an error and subsequently requested it be corrected in the 2008 year.

Certified Sites Fund had a receivable of \$180,000 from 2006 still on the books and a fund balance of \$180,000. Our audit procedures noted the \$180,000 was received in 2007 and recorded as income again in that year. A restatement of fund balance and correction of the accounts receivable for \$180,000 was required which closed the fund.

Pathways Fund had a fund balance deficit at June 30, 2007 of \$101,194 due to an unrecorded receivable at June 30, 2007. The funds were received in 2008 and recorded as 2008 revenue. A correction of the prior year fund balance was required.

Solid Waste has two accounts receivable accounts on the ledger to separate tipping fees from other receivables. The collection of other receivables was posted against the tipping fees receivable account during the year resulting in an adjustment required of \$102,925 between the accounts. The tipping fees receivable account showed a negative balance on the County's books prior to the necessary adjustment.

Revenues were received during 2008 for the previous years in the DSS Incentive Fund and were posted by the County to the receivable account but the receivable was not reported in the previous year. The beginning fund balance was restated to correct this error of \$5,662.

The County has an Office of Justice Programs grant which they have filed quarterly status reports reflecting the expenditures for the 2008 year of \$13,124. No revenue has been received in this OJP Fund. During our audit procedures, we noted no copies of the request for payment were retained in the grant files. County personnel filed these reports online but failed to print a copy for the files. The quarterly status reports were filed in May and August of 2008. No County personnel had followed up on why the County has not received these requested funds.

Emergency Response Fund had a receivable of \$25,708 from 2006 still on the books and no current year activity. Our audit procedures noted the \$25,708 was received in 2007 and recorded as income again in that year. A restatement of fund balance and correction of the accounts receivable for \$25,708 was required which left a deficit fund balance of \$474. The County requested a transfer to be recorded from the General Fund to close the fund.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008

II. FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS:

2008-9 Receivables (continued)

The School Resource Officer Fund's accounts receivable was understated by \$42,020 since 2006 due to a journal entry recorded in error by the County to reclass excess expenditures to the General Fund. This also understated the fund balance of the General Fund.

A check was issued to the County for \$1,230 pertaining to grant funds from the State on June 30, 2008. It was received by the County in July, 2008 but was not turned over to the Finance Department for deposit until February, 2009. This check was found on a desk in a department of the County.

Criteria: The County should have controls in place to record all receivable of the County. When payment of the receivables are received, effective procedures would facilitate the proper recording of these revenues in the correct year.

Effect: Current year revenues in several funds along with the respective fund balance are misstated and incorrect accounts receivables balance are being carried on the County's books.

Recommendation: We recommend as receivables are identified by requesting grant reimbursement or by some other means, the receivable be recorded in the correct fund and year. As the revenue is received, these receivables should be reviewed to determine how to record the receipt properly. Accounts should be reviewed for reasonableness.

Response: There was a turnover in personnel in the Grants Department which resulted in untimely communication of receivables between Grants and Finance. County evaluating software solution that would create shared documents between Grants and Finance which will include the requests for reimbursement in order to book the receivable.

2008-10 Land Sold but Still on County's Books

Material Weakness

Conditions: Land held for resale of \$134,229 was still recorded on the County's books even though it had been sold in 2005 resulting in an overstatement of fund balance.

Criteria: Internal controls over assets of the County should be in place to ensure all assets reported in the financial statements exist and are owned by the County.

Effect: Assets of the County were overstated by \$134,229 for the past several years.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008

II. FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:

2008-10 Land Sold but Still on County's Books (continued)

Recommendation: The financial statements should be reviewed to make sure all assets owned by the County are properly recorded.

Response: Matter was brought to our attention in 2008 FY and corrective actions have been implemented.

2008-11 Improper Recording of Prior Year Correction

Material Weakness

Conditions: County attempted to move prior year expenditures between funds through recording a journal entry in the current year expenditures resulting in Capital Sales Tax Projects I Fund's current year expenditures being understated by \$253,024 and Capital Projects Fund's current year expenditures being overstated by \$253,024.

Criteria: By moving prior year expenditures between funds through recording of a journal entry in current year expenditure accounts, the current year activity is misstated.

Effect: The current year expenditures in these two funds are misstated

Recommendation: We recommend care be exercised as to the initial posting of expenditures to proper funds. By reviewing project subsidiary ledgers periodically and agreeing them to the funds, the need for corrections in subsequent years could be eliminated

Response: Journal entry was authorized by prior personnel who are no longer employed by County, and recommended procedures will be adhered for close of FY 2009.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008

II. FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:

2008-12 Accounts Payable

Material Weakness

Conditions: Accounts payable were booked in the 2006 year but subsequent payment of several of these payables in the 2007 year were recorded by the County in the 2007 year expenditures rather than offsetting the prior year payable resulting in understatement of fund balance in each of these funds. The funds effected and their respective understatement were Capital Projects Fund for \$11,069, Roads & Bridges Maintenance Fund for \$55,502, and Capital Sales Tax Projects I Fund for \$110,757.

An expenditure was properly recorded as a payable in various funds at June 30, 2005. In 2006, the entire payment was charged to an expenditure account in the General Fund. Therefore, the General Fund fund balance was understated and the accounts payable in the various funds have been carried forward as unpaid. The following funds were effected: General Fund \$(27,468), Special Education \$10,627, Roads & Bridges \$7,385, Solid Waste \$4,758.

Unrecorded outstanding invoices of \$25,131 were found by the client eight months after year-end that pertained to the 2008 year.

Errors in the recording of accounts payable in 2006 and posting the subsequent collection in 2007 resulted in the Solid Waste accounts payable being understated by \$46,443.

Criteria: Internal controls over recording of expenditures and accounts payable are lacking.

Effect: Accounts payable have been misstated in various funds since 2006 which resulted in double-recording of expenditures. Therefore, fund balances of these funds are understated. Unrecorded current year payables overstate fund balances

Recommendation: The accounts payable of each fund should be reviewed monthly to ensure all payables have been paid and properly recorded. All invoices are to be turned in for payment when received by departments.

Response: County will reconcile accounts payables monthly to prevent future findings.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008

II. FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:

2008-13 Improper recording of Bank Account Closing

Material Weakness

Conditions: A bank account in the Vehicle Replacement Capital Projects fund was closed in April 2008. The County recorded the cash received from the closing of \$38,829 in miscellaneous income of the General Fund rather than crediting the bank account on the books of the Vehicle Replacement Fund. Therefore, the bank account of \$38,829 was still shown on the County's books even though it was closed.

Criteria: Lack of communication between County offices resulted in the failure to reflect the closing of this a bank account on the books.

Effect: Cash that did not exist was still reflected on the books in one fund and revenue was incorrectly recorded in another fund.

Recommendation: We recommend the closing of a bank account be followed until the receipt of the funds is received and communication between offices be sufficient to enable the transaction be recorded properly.

Response: Acknowledge recommendation and will take preventative measures from reoccurrence

2008-14 Unrecorded Bank Account

Material Weakness

Conditions: Cash held by fiscal agent in the 2004 Vehicle Replacement Fund was not recorded on the County's general ledger. The balance at June 30, 2007 was \$20,588. During 2008, the account earned interest of \$267 and disbursed a check for \$20,200 to the County before being closed with a closing disbursement of \$655. The County did not record the interest earnings. The \$20,200 check received was recorded as a credit to an expenditure account in the Vehicle Replacement Fund and the closing receipt was recorded in the General Fund as miscellaneous revenue.

Criteria: Controls over recording of bank accounts is lacking. Receipts are being recorded as offset to expenditure accounts.

Effect: Cash held in the County's name has not been reflected on the books for the past several years causing the capital projects fund balance to be understated. The County is recording revenue in an expenditure account

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008

II. FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:

2008-14 Unrecorded Bank Account (continued)

Recommendation: We recommend all cash held in the County's name be properly recorded in the County's financial statement.

Response: Will properly record revenues not to offset expenditures.

2008-15 Capital Sales Tax Projects

Material Weakness

Conditions: The County maintains project reports for each project under the Capital Sales Tax I and II Funds through a module of the general ledger computer system. The individual project reports did not agree with the activities posted in the Capital Sales Tax Funds' general ledgers. Each entry in the general ledger system must be coded with a project number in order for them to be captured by the project reports. CPST I had \$462,729 of corrections to the project reports to capture activity from the general ledger. A correction to the general ledger of \$(5,764) was also required to agree the general ledger to actual corrected project reports. In addition, the prior years of CPST II fund had to be restated by function to agree with the actual projects' purpose.

Criteria: The control of reconciling capital sales tax project reports to the general ledger activity is not being performed by the County.

Effect: Capital sales tax activity by function has been misclassified on the financial statements. Payments to municipalities for capital sales tax projects are often based on project reports which have been misstated.

Recommendation: We recommend the capital project sales tax funds and related project reports be reconciled monthly to ensure all data is properly recorded.

Response: County feels confident that from 2003-2004 FY through present, they have been recorded properly with project numbers attached to invoices.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008

II. FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:

2008-16 Unrecorded Prior Year Audit Adjustments

Material Weakness

Conditions: Prior year audit adjustments were not recorded on the general ledger for the following amounts – E911 \$312,327, Special Education \$(15,854), General Fund \$(312,327)

Criteria: The financial statements are the responsibility of the County which includes ensuring the County's general ledger agrees to the financial statements issued.

Effect: The fund balances of three funds were misstated

Recommendation: We recommend the County reconcile the adjusted trial balance to the financial statements each year to ensure all adjustments have been posted properly.

Response: County will ensure that fund balances and issued financials agree within a reasonable period of time after completion of audit.

2008-17 Improper Reporting of Long-Term Debt

Material Weakness

Conditions: The County has a long-term note payable for the purchase of property from 2003. The entire amount of interest and principal payable was recorded as an accounts payable which is not in accordance with generally accepted accounting principles. The interest portion payable for the entire period should not be recorded and the principal portion should only be recorded in the government-wide statements. The County maintains its books on the fund basis. A restatement of prior year fund balance of \$1,392,730 was required as well as reclassing the current year payment of \$176,962 from accounts payable to the expenditures.

Criteria: Long-term debt should not be recorded in the fund basis general ledger.

Effect: The fund financial statements have been misstated for several years by the improper recording of long-term debt. The government-wide financial have also been misstated by the improper recording of the total interest portion of the note and the balance has been in accounts payable rather than long-term debt.

Recommendation: We recommend the County review generally accepted accounting principles. Liabilities for long-term debt should not be recorded in the fund financial statements

Response: Debt has been satisfied and condition no longer exists. In future, County will adopt recommended procedure by auditor.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008

II. FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:

2008-18 Reporting Related Revenue and Expenditures in Separate Funds

Material Weakness

Conditions: PRI Grant Fund expenditures were recorded in the General Fund and a capital projects fund when incurred rather than in the fund set up for these grant transactions while the revenue to reimburse these expenditures was being recorded in the grant fund. The result is an overstatement of the grant fund balance and understatement of General Funds and Capital Projects Fund's fund balances.

Decolam Fund expenditures were recorded in the General Fund when incurred rather than in the fund set up for these transactions while the revenue to reimburse these expenditures was being recorded in the Decolam Fund. The result is an overstatement of Decolam Fund fund balance and understatement of General Funds fund balance. The County requested the related expenditures be moved to the correct fund to match the revenue

LEMPG Fund expenditures of \$27,321 were recorded in the General Fund rather than in the fund set up for these grant transactions.

Criteria: Controls should be in place to ensure revenues received and expenditures incurred are recorded in the proper funds.

Effect: When revenues received as reimbursement are not reconciled to expenditures, all funds involved are incorrect

Recommendation: We recommend as grant reimbursement requests are filed, a receivable be booked in the appropriate fund and the grant revenues and expenditures in that fund be reconciled.

Response: County is evaluating software solution that would create shared documents between Grants and Finance which will include the requests for reimbursement so receivable can be booked.

2008-19 Netting Revenues against Expenditures

Material Weakness

Conditions: Revenue of \$282,978 received in the Granules Fund was recorded by the County in an expenditure account.

We noted revenue being recorded in expenditure accounts which netted the State funds received against the expenditures

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008

II. FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:

2008-19 Netting Revenues against Expenditures (continued)

Criteria: County should maintain proper controls over revenue recognition.

Effect: By recording revenues as offsets to expenditure accounts, both revenue and expenditures are misstated.

Recommendation: We recommend the County follow generally accepted accounting principals in the recording of revenues

Response: Additional staff training will be provided at FY 2009 close to ensure GAAP compliance.

2008-20 Improper Reporting of Special Revenue Fund

Material Weakness

Conditions: The Multi Juris Task Force Fund is a component of the Grant Sub Funds Special Revenue Fund which records transactions dealing with the Sheriff's office drug related enforcement. All the activity of the fund is being treated by the County as an agency fund by manually recording all transactions through journal entries through a "Due to others" account rather than posting revenues and expenditures. Therefore, the activity is not being reflected properly in the County's financial statements nor are any potential capital purchases being noted for inclusion in the County's capital asset records.

Criteria: Special revenue funds report revenues of specified sources and related expenditures which close each year to fund balance. The County's current procedures do not account for the current year activity properly.

Effect: Without the auditor's adjustment to correct, revenues and expenditures of this fund cannot be reflected in the financial statements.

Recommendation: We recommend all activity of special revenue funds be properly posted to revenue and expenditure accounts. No "closing" entry should be made since the general ledger system will automatically close to fund balance at year-end.

Response: Per County Treasurer: Have no problem with adjusting this procedure as may be directed. This application has been in place for over 10 years and prior audit firms have not had a problem with this. This is not a material weakness in our system.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008

II. FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:

2008-21 Capital Asset Restatements and Corrections

Material Weakness

Conditions: County purchased \$12,529,840 in capital asset in the fiscal year ended June 30, 2008. Only \$5,372,989 was recorded by the County leaving \$7,156,851 of corrections to the capital asset system to be recorded. There was \$1,115,823 of capital asset purchases in the prior years which were not recorded resulting in a prior period restatement. Several items from the Library and the Emergency Services radios under lease purchase were given to finance to enter in the system at incorrect amounts. The shipping, sales tax, and installation charges are part of the total cost of the asset. We recommend invoices be attached for verification of proper amount being recorded.

Numerous assets under the County's capitalization threshold of \$2,500 were being depreciated. The County only records these items for inventory purposes and only the items over the \$2,500 threshold should be marked for depreciating.

Assets not completed should be recorded in the "Construction in Process" category until completed and placed in service. At that time, these assets can be transferred to the proper permanent category and begin depreciating. The CIP category should be reviewed to ensure all assets are still "in process."

Numerous assets were sold or disposed but not disposed in the capital asset system. All sales information should be sent to Finance and matched with assets in the system for proper disposition

We tested the capital asset system's depreciation. The accumulated depreciation at June 30, 2007 and 2008 were both determined to be incorrect. There was no pattern to the errors noted. For some assets, the accumulated depreciation at June 30, 2008 was actually determined to be the balance for the year ended 2009, 2010, 2008 plus an additional 5 months, or 2008 plus an additional 3 months. The depreciation calculated by the system could not be used. The County had to create spreadsheets to recalculate depreciation for all assets at June 30, 2007 and 2008. A restatement of \$889,276 was required to adjust the 2007 accumulated depreciation amount to actual

Criteria: Controls over capital assets should be in place to ensure all capital assets owned by the County are recorded in the capital asset system. Assets qualifying as depreciable either by cost or type, should be depreciated in accordance with reasonable established asset lives.

Effect: The capital assets and accumulated depreciation of the County has been understated for several years.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008

II. FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:

2008-21 Capital Asset Restatements and Corrections (continued)

Recommendation: All capital assets acquired, including those capital project assets which the County maintains ownership, should be examined for inclusion in the capital asset system. As capital assets are disposed, they should be noted as such in the capital asset system. Accumulated depreciation should be verified on depreciable assets. It is recommended that annually the County's capital assets be printed by location and the department head for that location review for any unrecorded disposals or additions and reasonable remaining life.

Response: There are problems with the functionality of current software system and we are exploring other options. We will implement a quarterly reconciliation of all CIP projects to completed projects.

2008-22 Unreported Clerk of Court Bank Accounts

Material Weakness

Conditions: In the process of auditing the Clerk of Court's trust accounts, we noted seven accounts with a total value of \$52,636 which were not on the County's summary listing of trust accounts at June 30, 2008. The listing is based on the bank reconciliations received by the Finance Department from Clerk of Court personnel. Four of the seven accounts were dormant, so that the Clerk of Court had not received June 30, 2008 statements to reconcile. One of the accounts had not been reconciled at June 30, 2008, so the Finance Department had no reconciliation to add to its list. The reason that the other two accounts were not included on the list is not known.

Criteria: All bank accounts and activity should be recorded in the financial statements of the County.

Effect: Seven bank accounts of the Clerk of Court were not included in the trial balances used to prepare the financial statements

Recommendation: We recommend controls be in place to ensure all bank accounts in the County's name be included in the financial statements

Response: County has a new Clerk of Court and administration will meet to review procedures and implement recommended controls.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSIS
For the year ended June 30, 2008

II. FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

2008-23 Delinquent Tax Office Segregation of Duties

Material Weakness

Conditions: Presently, the Delinquent Tax Collector assists with collections, deposits money received in his office, writes checks, signs checks and reconciles bank statements

Criteria: Segregation of duties provides for checks and balances as a transaction is processed and completed.

Effect: Lack of segregation of duties provides little assurance errors will be detected.

Recommendation: We recommend that there be some segregation of duties between the four employees in the office. Because of an error noted in the payment to a bidder, we also recommend that the bidder payments be reviewed by another staff person.

Response: A clerical staff member will receive the request for payment on a form approved by the Delinquent Tax Collector. The Deputy Delinquent Tax Collector will process the request for payment and the Delinquent Tax Collector will approve the payment.

2008-24 Industrial Park Reimbursement

Material Weakness

Conditions: The County is involved in an industrial park with the City of Orangeburg. The County and City are to split the costs associated with this park. The County pays the expenditures and then requests reimbursement from the City for their half. During the 2008 year, the County billed the City for \$193,415 for several years of expenditures but recorded the entire amount against current year expenditures. Of this total, \$177,871 was for expenditures in prior years and \$15,544 was to reimburse current year expenditures. Therefore, the general fund's fund balance had to be restated for the \$177,871.

Criteria: The County has overstated expenditures for the past several years by not recording the City's portion of expenditures as a receivable.

Effect: As stated above, expenditures have been overstated and fund balances understated in the General Fund.

Recommendation: We recommend the reimbursements be requested at least annually and the City's portion of the expenditures be recorded as a receivable.

Response: County will commit to billing City annually for all reimbursements; furthermore, City is currently being billed for their portion by the vendor for most of the expenditures.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008

II. FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH GOVERNMENT

2008-25 Payroll Withholdings

Material Weakness

Conditions: The payroll liability accounts recorded on the County's general ledger at June 30, 2008 were incorrect. Many of these liability accounts carried large debt balances indicating the County was actually paying a large portion that should have been withheld from the employees. Many of the balances have been accumulating over several years. The payroll liabilities had to be adjusted by \$487,228 which was a restatement of prior year fund balance. A large portion of this pertains to the amount of health insurance premiums which were to be withheld on employees.

Criteria: Payroll withholding accounts should be reconciled to ensure proper amounts are withheld to cover the related costs for benefits.

Effect: For several years, the payroll withholdings have been insufficient to cover the actual costs of the benefits.

Recommendation: We recommend each month the payroll withholdings be reconciled with the actual costs paid to ensure withholdings are sufficient.

Response: County agrees to implement recommendation.

2008-26 Closing of General Ledger

Material Weakness

Conditions: The auditors were given a trial balance at the end of September, 2008, for the year ended June 30, 2008. During fieldwork three weeks later, the auditors noted that the general ledger balances had changed from the "closed" trial balance provided. Due to lack of communication between offices, some entries were still being made to the 2008-year system. Therefore, the auditors had to obtain a new trial balance.

Criteria: Controls over closing the general ledger system should be in place to ensure all access to the system is denied once the offices are notified the year is closed.

Effect: An audit is performed on a "closed" set of books. By continuing to record activity, the financial statements could be misstated if this new activity is not discovered.

Recommendation: The general ledger system should be locked at the end of the year with only limited access allowed for recording any necessary audit adjustments

Response: County will explore system prior to 2009 FY close for its capability of locking all entries out at year end to prevent reoccurrence of said finding

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008

II. FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT*

2008-27 Budget

Material Weakness

Conditions: The original budget passed by Council and all supplemental changes did not agree with the budget entered into the County's general ledger system nor was the County able to provide a complete final budget to the auditors. The auditors were given a copy of the original budget approved by Council and a list of all supplemental changes, and had to compile the final budget.

Criteria: The budget is a tool used to measure actual results against historically based expectations.

Effect: By not providing Council and all other departments with a correct "final" budget, the use of budget variance with actual results has a very limited value.

Recommendation: We recommend the budget be entered into the general ledger system properly to reflect the original approved budget and all supplemental changes.

Response: County will follow proper procedures to record all budget adjustments so financial reports are accurate and final budget can be reconciled to original budget.

III. FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS

None.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2008**

Findings – Financial Statements Audit

2007- 1 Preparation of Financial Statements

Significant Deficiency

Condition and Criteria: In May 2006, the AICPA issued Statement on Auditing Standards No. 112, *Communicating Internal Control Related Matters Identified in an Audit*. This standard, which became effective for the County's 2007 financial statement audit, emphasizes the need for the County to have internal controls over financial reporting in place that will provide reasonable assurances that the County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). In order for these controls to be effective, County personnel needs to receive adequate training to allow them to prepare the County's financial statements in accordance with GAAP. Internal controls over financial reporting should be in place to provide reasonable assurance that financial statements are prepared in accordance with GAAP.

Corrective Action Taken: The County's Finance Director and Accounting Manager have attended training and are working toward preparing the County's financial statements

2007- 2 Capital Assets – Restatement

Material Weakness

Condition and Criteria: During fiscal years ending prior to June 30, 2007, the County incurred approximately \$10.1 million in expenditures for buildings and infrastructure that were not included in capital assets. Expenditures for capital projects are not examined and classified as capital or non-capital as they are incurred.

Corrective Action Taken: The County is in the process of implementing a review procedure to ensure records related to County buildings are accurate and complete.

2007- 3

Significant Deficiency

Condition and Criteria: Deposits invested with two financial institutions were not in full compliance with South Carolina Code of Laws Section 12-45-220. Agreements should be in place with all of the County's financial institutions to adequately collateralize its deposits at all times.

Corrective Action Taken: The deposit accounts in question were subsequently 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.