COMPREHENSIVE ANNUAL FINANCIAL REPORT

COUNTY OF ORANGEBURG, SOUTH CAROLINA

FOR THE FISCAL YEAR ENDED

JUNE 30, 2010

Prepared by the Finance Office

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COUNTY OF ORANGEBURG, SOUTH CAROLINA
Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2010

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INTRODUCTORY SECTION

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COUNTY OF ORANGEBURG

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Orangeburg ★★★★★ All-America County

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 1, 2011

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, 2010. 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 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 approximately 1,106 square miles and is home to seventeen municipalities including the county seat, the City of Orangeburg. 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, air conditioning units, and numerous other items. The largest industrial facilities in Orangeburg County include the plants of Husqvarna (2,000 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.T. Hackney, a distributor of wholesale grocery products (100 employees); QM Plastics, a Canadian based manufacturer of plastic components (75 employees), and Monteferro USA, a manufacturer of elevator rail guides. 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 was completed in 2009 that added approximately 220 acres for industrial development.

Lake Marion Regional Water Authority – This joint municipal water system is a regional concept involving five counties along the I-95 Corridor in South Carolina. More than 50,000 citizens will be served with potable water as well as replacing individual well systems throughout this region. To date, the regional water authority has been awarded approximately $50 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 Highways 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 2011.

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 initial facility within the Park is scheduled to be completed during the first quarter of 2011.

On November 2, 2010, 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 66% to 34% margin. Collection of this one-cent sales tax will begin in May 2013 and is expected to generate approximately $84 million for the construction of more than 100 capital and infrastructure projects.

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 as 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, 2010. 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, 2009. This was the twenty-second Certificate of Achievement awarded to the County of Orangeburg. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements.

In addition, the County was selected to receive two prestigious civic awards for the fiscal year ended June 30, 2010. The County was honored by the National Association of Counties with a 2009 Achievement Award and was also recognized by the South Carolina Association of Counties with the 2010 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

J. William Clark
County Administrator

COUNTY OF ORANGEBURG, SOUTH CAROLINA

PRINCIPAL OFFICIALS
For the year ended June 30, 2010

MEMBERS OF COUNTY COUNCIL

Johnnie L. Wright, Sr., Chairman – County #1
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
Harry F. Wimberly, Councilman – County #3

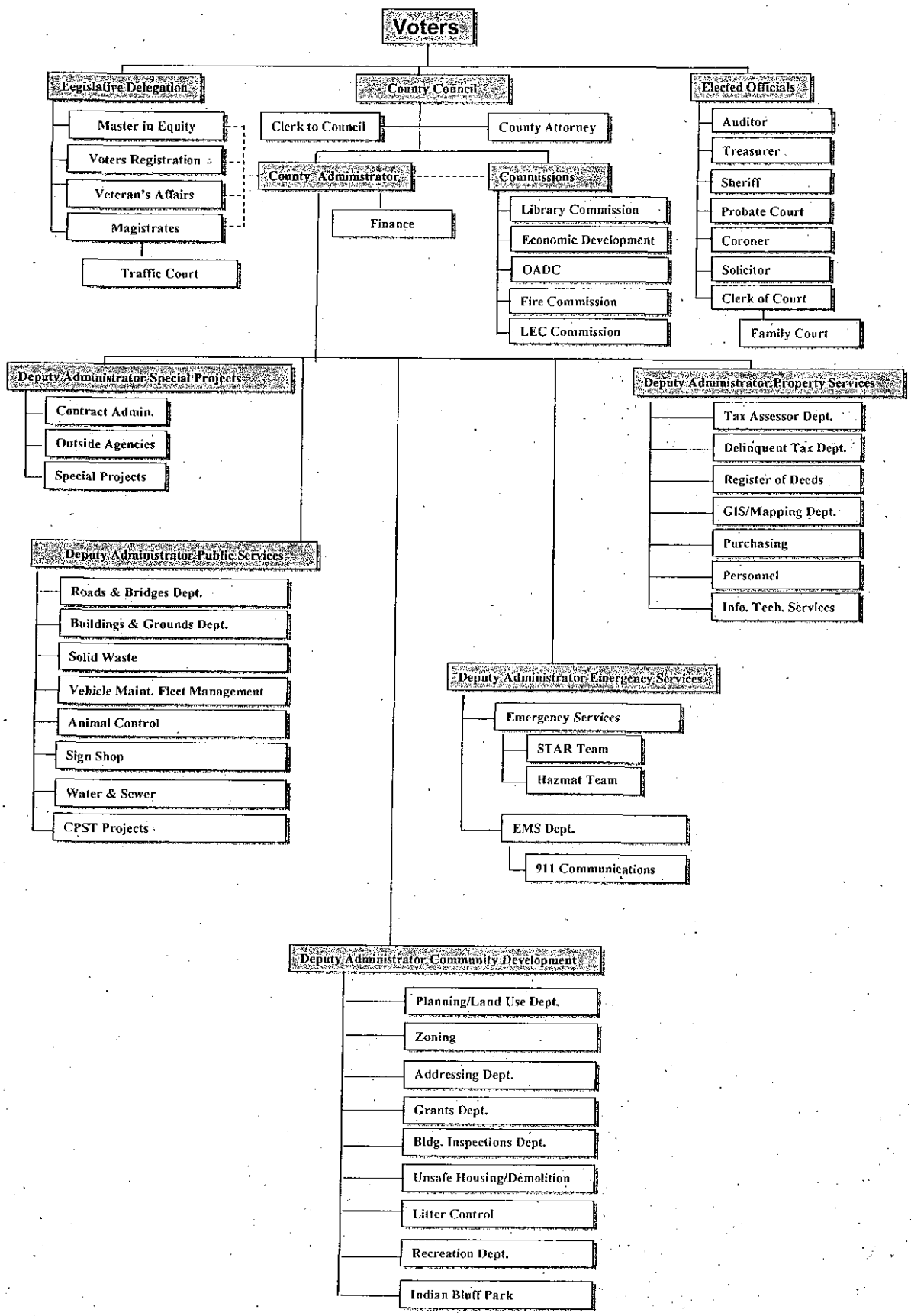
ELECTED OFFICIALS

Roger Cleckley, Auditor
Samuetta B. Marshall, Coroner
Winnifa Clark, 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
Marion Lloyd, Senior Deputy County Administrator
Timothy E. Maybank, 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

County of Orangeburg
Organization Chart



Revision Date: 03/25/2009

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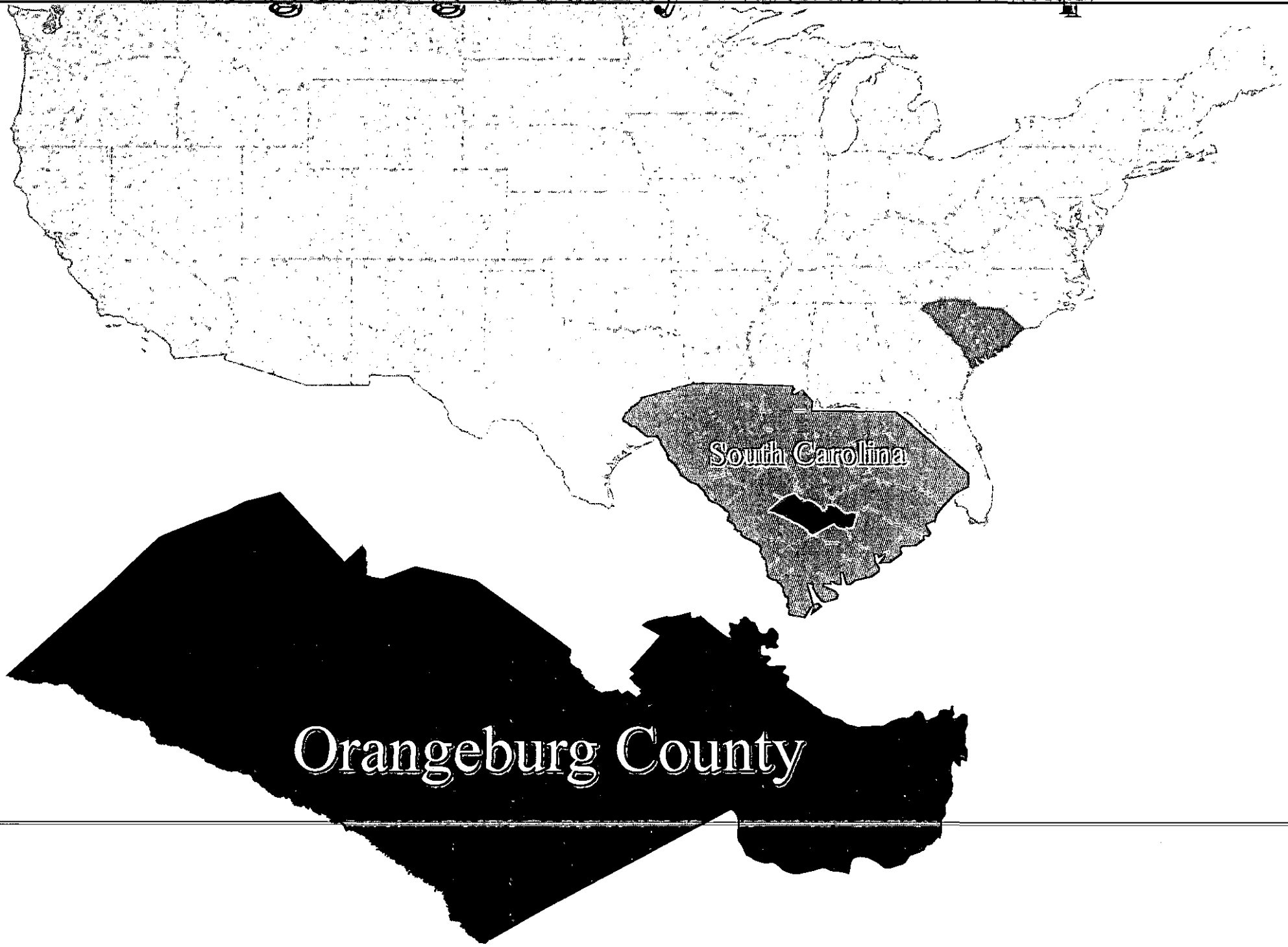
Orangeburg County Location Map



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, 2009

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

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FINANCIAL SECTION

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McGregor & COMPANY LLP

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C.C. McGregor, CPA
1906–1968

PARTNERS
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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, South Carolina, as of and for the year ended June 30, 2010, 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.

Except as discussed in the following paragraph, 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.

Because of the unknown effect of the unrecorded prior years' activity of the Sheriff's office bank accounts and uninventoried capital assets thereof, we were unable to form an opinion regarding any potential unrecorded assets or liabilities of the Sheriff's sub-funds or the potential unrecorded capital assets of the Sheriff's office in the accompanying statements.

In our opinion, except for the effect of such adjustments, if any, as might be determined to be necessary had the Sheriff's office bank accounts been previously audited and its capital asset purchases thereof been inventoried, 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, 2010, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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INDEPENDENT AUDITOR'S REPORT

In accordance with *Government Auditing Standards,* we have also issued our report dated April 1, 2011, on our consideration of the County of Orangeburg, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 17 through 23, and the Required Supplemental Information on page 67 (Schedule of Funding Program for the Retiree Health Plan) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Orangeburg, South Carolina's financial statements as a whole. The introductory section, combining and individual fund statements and schedules, and statistical section are presented for the purpose of additional analysis and are not a required part of the financial statements. The combining and individual fund statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other addional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

McGregor + Company LLP

Orangeburg, South Carolina
April 1, 2011

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, 2010. 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, 2010 by $93 million (net assets). Of this amount $678,976 (unrestricted net assets) may be used to meet the government's ongoing obligations.
- The County's repaid $10.6 million of bond, note and capital lease obligations during the year.
- The County's total net assets increased $4.2 million over the course of this year's operations.
- During the year, the County's general fund balance decreased $133,698.
- The general fund actual revenues were $305,040 less than budgeted; however, general fund expenditures were $1.6 million less than budgeted.
- At the end of the current fiscal year, unreserved general fund balance was $1.9 million or 5.6 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

	Government-wide Statements	Fund Statements	
		Governmental Funds	Fiduciary Funds
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	• Statement of net assets • Statement of activities	• Balance sheet • Statement revenues, expenditures, and changes in fund balances	• 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 $4.5 million or 5.1% between fiscal years 2009 and 2010 ending at approximately $93 million. (See Table A-1.)

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

	Governmental Activities		Total Percentage Change
	2010	2009	2009-2010
Current and other assets	$ 84,889	$ 110,209	(23.0)%
Capital assets	90,037	80,416	12.0%
Total assets	174,925	190,625	(8.2)%
Long-term debt	64,553	83,835	(11.0)%
Other liabilities	16,626	17,600	(42.4)%
Total liabilities	81,179	101,435	(20.0)%
Net Assets			
Invested in capital assets, net of related debt	38,042	37,883	.4%
Restricted	55,026	46,931	17.2%
Unrestricted	679	4,376	(84.5)%
Total net assets	$ 93,747	$ 89,190	5.1%

Changes in net assets. The County's total revenues decreased by 1.3 percent to $62.8 million. (See Table A-2.) Approximately 49 percent of the County's revenue comes from property taxes and 14 percent comes from capital projects sales tax. Approximately 16 percent comes from fees charged for services, and 15 percent is from state and federal aid.

The total cost of all programs, services and capital improvements increased approximately $3 million or 4.8 percent. The County's expenses cover a range of services, with about 22 percent related to public safety and 19 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
	2010	2009	2009-2010
Revenues			
Program revenues			
Charges for services	$ 10,113	$ 10,026	.09%
Grants and contributions	1,632	1,345	21.3%
Capital grants	1,849	1,730	6.9%
General revenues			
Property taxes	30,675	29,716	3.2%
Other taxes	9,267	9,698	(4.4)%
Intergovernmental	5,910	5,701	(13.4)%
Other	3,393	4,308	(21.2)%
Total revenues	62,839	63,650	(1.3)%
Expenses			
General government	17,223	18,503	(6.9)%
Judicial	3,424	3,714	(7.8)%
Public works	8,763	12,502	(29.9)%
Public safety	15,218	14,701	3.5%
Social and health	1,945	2,131	(8.7)%
Sanitation	5,076	5,348	(5.1)%
Culture and recreation	3,422	4,174	(18.0)%
Interest and fiscal charges	2,703	3,270	(17.3)%
Allocation to library	901	1,103	(18.3)%
Total expenses	58,675	65,446	(10.3)%
Increase (decrease) in net assets	$ 4,164	$ (1,796)	(331.8)%

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 $79 million, a decrease of $12.8 million in comparison with the prior year. Approximately 10.9 percent of this total amount ($8.6 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 ($10.1 million) or to fund capital asset projects for County facilities or infrastructure improvements ($60.2 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 $1.8 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 5.4 percent of total general fund expenditures.

The fund balance of the County's general fund decreased by only $133,698 during the current fiscal year, primarily due to a decrease in revenue.

The debt service fund had a total fund balance of $1.1 million, 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 $87 thousand.

The County's two capital projects sales tax funds had a total combined fund balance of $70.4 million. Approximately $9 million of this amount is reserved for the payment of debt service. The remaining $54.4 million is reserved to improve, repair and construct infrastructure in the County. The net combined decrease in fund balances during the current year was $8.3 million.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were approximately $2 million increase in appropriations:

Actual general fund expenditures were $1.6 million less than budget amounts. This is primarily the result of prior year unspent project funds being carried forward as budget amendments.

Resources available for appropriation were $305,040 less than budgeted amounts as follows:

- Other revenues were $530 thousand less than budgeted.
- Property taxes were $567 thousand less than budgeted.
- Intergovernmental income was $839 thousand more than budgeted.
- Charges for services were $672 thousand more than budgeted.

Capital Assets

At the end of 2010, the County had invested $90 million (net of accumulated depreciation) in a broad range of capital assets. (See Table A-3.) This amount represents a net increase (including additions and deductions) of $9.6 million, or 112 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
	2010	2009	2009-2010
Land	$ 5,764	$ 5,471	5.4%
Construction in progress	8,357	11,074	(24.5%)
Buildings and improvements	62,246	47,813	30.2%
Furniture, fixtures and equipment	43,842	43,730	.3%
Infrastructure	43,511	41,266	5.4%
Accumulated depreciation	(73,683)	(68,938)	6.9%
	$ 90,037	$ 80,416	12.0%

This year's major capital asset additions included:

- $10.5 million in additions of buildings and improvements.
- $2.2 million in net additions related to infrastructure.

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 $65.7 million in bonds, notes, and capital lease obligations outstanding – a decrease of 13.9% over last year – as shown in Table A-4. More detailed information about the County's long-term liabilities is presented in Note 6 to the financial statements.

The state limits the amount of general obligation debt the County can issue to 8 percent of the assessed value of all taxable property within the County's legal limits. Our outstanding debt is below this limit – which is currently $20.9 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
	2010	2009	2009-2010
General obligation bonds	$ 15,510	$ 16,965	(8.6)%
Revenue bonds	44,048	52,252	(15.7)%
Note payable	534	569	(6.2)%
Capital lease obligations	5,637	6,556	(14.0)%
Total	$ 65,729	$ 76,342	(13.9)%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Unemployment now stands at 17.8 percent, compared to 14.5 percent a year ago. This compares unfavorably with the state's rate of 11 percent and the national rate of 9.5 percent.
- Inflationary trends in the region compare favorably to national indices.

These indicators were taken into account when adopting the general fund budget for 2011. Amounts available for appropriation in the general fund budget are at nearly $31.6 million, a decrease of about 4 percent over the final 2010 budget of $32.8 million.

Budgeted expenditures are expected to decrease approximately 3 percent to $32.1 million over the actual 2010 expenditures and other uses of $33.1 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 2011.

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.

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BASIC FINANCIAL STATEMENTS

COUNTY OF ORANGEBURG, SOUTH CAROLINA **Exhibit A-1**

STATEMENT OF NET ASSETS

JUNE 30, 2010

	Primary Government	
	Governmental Activities	Component Units
ASSETS		
Cash and cash equivalents	$ 17,526,294	$ 218,447
Cash and cash equivalents with fiscal agent	1,120,169	-
Investment with fiscal agent	55,559,588	-
Receivables, net of allowance for uncollectibles:		
Taxes	2,388,215	177,870
Other	2,976,990	22,174
Due from primary government	-	530,430
Due from other governments	4,655,973	507,612
Due from component unit	330,906	-
Inventories	32,233	-
Other assets	82,019	-
Due from fiduciary funds	216,815	-
Capital assets:		-
Land and construction in progress	14,121,174	-
Other capital assets, net of accumulated depreciation	75,915,428	-
Total assets	174,925,804	1,456,533
LIABILITIES		
Accounts payable	1,772,401	106,677
Accrued salaries and benefits	1,120,235	117,553
Due to component units	530,430	-
Due to primary government	-	330,906
Accrued interest payable	696,198	-
Revenue received in advance	280,212	-
Noncurrent liabilities:		
Due within one year	12,226,282	115,333
Due in more than one year	56,556,635	154,109
Net OPEB obligation	7,996,716	1,240,649
Total liabilities	81,179,109	2,065,227
NET ASSETS		
Invested in capital assets net of related debt	38,042,095	-
Restricted for:		
Debt service	10,145,647	-
Capital outlay	44,879,977	-
Unrestricted	678,976	(608,694)
Total net assets	$ 93,746,695	$ (608,694)

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

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Exhibit A-2

PRIMARY GOVERNMENT	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets, Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets, Primary Government: Component Units
Governmental activities						
General government	$ 17,223,230	$ 937,819	$ 99,962	$ -	$ (16,185,449)	
Judicial	3,423,793	1,602,448	589,435	-	(1,231,910)	
Public works	8,763,395	2,888,394	17,164	1,261,994	(4,595,843)	
Public safety	15,218,276	3,034,328	796,839	573,979	(10,813,130)	
Social and health	1,944,793	-	24,830	3,034	(1,916,929)	
Sanitation	5,075,490	1,649,652	41,359	-	(3,384,479)	
Culture and recreation	3,421,964	-	22,813	9,600	(3,389,551)	
Allocation to Library	900,931	-	-	-	(900,931)	
Interest and fiscal charges	2,703,176	-	39,977	-	(2,663,199)	
Total governmental activities	$ 58,675,048	$ 10,112,641	$ 1,632,379	$ 1,848,607	$ (45,081,421)	
Component units						
Orangeburg County Fire District	$ 2,610,262	$ -	$ -	$ -		$ (2,610,262)
Orangeburg County Public Library	1,388,735	63,440	159,352	-		(1,165,943)
Orangeburg-Calhoun Regional Detention Center	5,776,957	244,620	-	-		(5,532,337)
Total Component units	$ 9,775,954	$ 308,060	$ 159,352	$ -		$ (9,308,542)

GENERAL REVENUES:	Primary Government: Governmental Activities	Component Units
Property taxes levied for:		
General purposes	$ 22,093,056	$ 2,346,108
Debt services	5,798,372	-
Special revenue and capital projects	2,783,981	-
Sales tax	9,073,291	-
Payment from Primary Government	-	5,275,318
Payment from Other Government	-	725,155
Accommodations tax	194,123	-
Interest and investment income	2,663,505	4,811
Intergovernmental not restricted to special programs	5,909,632	-
Gain (loss) on sale of capital assets	(54,209)	-
Miscellaneous	783,873	7,401
Total general revenues	49,245,624	8,358,793
Change in net assets	4,164,203	(949,749)
Net assets beginning of year, previously reported	89,189,908	341,055
Prior period adjustment	392,584	-
Net assets beginning of year, as restated	89,582,492	341,055
Net assets end of year	$ 93,746,695	$ (608,694)

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

Exhibit A-3

COUNTY OF ORANGEBURG, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	General	Capital Projects Sales Tax II	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 17,257,251	$ -	$ 269,043	$ 17,526,294
Cash and cash equivalents with fiscal agent	-	1,120,169	-	1,120,169
Investment with fiscal agent	-	55,559,588	-	55,559,588
Receivables, net of allowance for uncollectibles:				
Taxes	1,694,339	-	693,876	2,388,215
Intergovernmental	1,114,587	2,298,622	1,242,764	4,655,973
Other	1,989,303	-	987,687	2,976,990
Due from other funds	5,689,687	-	22,995,887	28,685,574
Due from agency funds	207,072	-	9,743	216,815
Due from component unit	330,906	-	-	330,906
Prepaid expenditures	-	-	20,000	20,000
Inventories	32,233	-	-	32,233
Other assets	-	-	62,019	62,019
Total assets	$ 28,315,378	$ 58,978,379	$ 26,281,019	$ 113,574,776
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 439,606	$ 266,331	$ 1,066,464	$ 1,772,401
Accrued salaries and benefits	961,893	8,087	150,255	1,120,235
Due to other funds	22,995,887	1,692,833	3,996,854	28,685,574
Due to component units	530,430	-	-	530,430
Deferred revenues:				
Property taxes	1,521,666	-	624,594	2,146,260
Other	-	-	280,212	280,212
Total liabilities	26,449,482	1,967,251	6,118,379	34,535,112
FUND BALANCES				
Reserved for:				
Encumbrances	50,406	-	18,693	69,099
Inventories	32,233	-	-	32,233
Debt service	-	9,000,000	1,145,647	10,145,647
Capital outlay	-	48,011,128	12,207,251	60,218,379
Unreserved				
Undesignated reported in:				
General fund	1,783,257	-	-	1,783,257
Special revenue fund	-	-	6,791,049	6,791,049
Total fund balances	1,865,896	57,011,128	20,162,640	79,039,664
Total liabilities and fund balances	$ 28,315,378	$ 58,978,379	$ 26,281,019	$ 113,574,776

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

COUNTY OF ORANGEBURG, SOUTH CAROLINA **Exhibit A-4**

RECONCILIATION OF GOVERNMENT FUNDS BALANCE SHEET
TO STATEMENT OF NET ASSETS
JUNE 30, 2010

Total fund balances - Governmental funds	$	79,039,664
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Land		5,764,441
Construction in progress		8,356,733
Infrastructure		43,511,050
Buildings and improvements		62,246,078
Furniture, fixtures, and equipment		43,841,932
Accumulated depreciation		(73,683,632)
Total capital assets		90,036,602
Some revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.		
Deferred property taxes		2,146,260
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
General obligation debt		(15,510,000)
Capital leases payable		(5,637,037)
Revenue bonds		(44,048,257)
Notes payable		(534,101)
Accrued interest		(696,198)
Landfill closure and post closure costs		(230,418)
Premium on revenue bonds		(1,612,935)
Compensated absences		(1,210,169)
Net OPEB liability		(7,996,716)
Total long-term liabilities		(77,475,831)
Net assets of governmental activities	$	93,746,695

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

Exhibit A-5

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	General	Capital Projects Sales Tax II	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	$ 21,904,252	$ -	$ 8,537,862	$ 30,442,114
Sales tax		9,073,291	-	9,073,291
Intergovernmental	5,909,632	-	3,675,109	9,584,741
Licenses and permits	591,366	-	-	591,366
Charges for services	2,477,395	-	4,921,772	7,399,167
Fines, fees, and forfeitures	1,483,022	-	639,086	2,122,108
Investment income	29,476	2,603,178	30,851	2,663,505
Other	389,463	-	394,410	783,873
Total revenues	32,784,606	11,676,469	18,199,090	62,660,165
EXPENDITURES				
General government	10,173,401	993,340	4,809,867	15,976,608
Judicial	2,914,878	-	135,235	3,050,113
Public works	1,034,864	6,420,963	5,804,427	13,260,254
Public safety	10,190,057	1,325	2,062,878	12,254,260
Social and health	1,316,414	-	526,440	1,842,854
Sanitation	-	-	4,722,235	4,722,235
Internal services	532,236	-	-	532,236
Culture and recreation	224,639	793,148	2,786,814	3,804,601
Allocation to Library	-	-	900,931	900,931
Allocation to others	5,408,096	-	-	5,408,096
Non-budgeted expenditures	952,316	-	-	952,316
Debt services:				
Principal retirement	220,000	8,200,000	1,239,202	9,659,202
Interest and fiscal charges	48,265	2,494,750	653,240	3,196,255
Total expenditures	33,015,166	18,903,526	23,641,269	75,559,961
Excess (deficiency) of revenues over (under) expenditures	(230,560)	(7,227,057)	(5,442,179)	(12,899,796)
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	41,285	-	-	41,285
Transfers in	126,932	-	71,355	198,287
Transfers out	(71,355)	-	(126,932)	(198,287)
Total other financing sources (uses)	96,862	-	(55,577)	41,285
Net change in fund balances	(133,698)	(7,227,057)	(5,497,756)	(12,858,511)
Fund balances, beginning of year	1,999,594	64,351,579	25,154,418	91,505,591
Prior period adjustment - Note 15	-	(113,394)	505,978	392,584
Fund balances, beginning of year as restated	1,999,594	64,238,185	25,660,396	91,898,175
Fund balances, end of year	$ 1,865,896	$ 57,011,128	$ 20,162,640	$ 79,039,664

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, 2010

Net change in fund balances - Total government funds	$ (12,858,511)
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	15,822,404
Capital disposals, net of accumulated depreciation	(95,494)
Depreciation expense	(6,105,959)
Excess of capital outlay over depreciation expense	9,620,951
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.	233,295
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	9,659,202
Note payable retirement	34,559
Capital lease payments	919,401
Total long-term debt repayment	10,613,162
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	
Change in compensated absences	(2,071)
Change in postclosure care costs	17,101
Amortization on bond premium	379,515
Change in OPEB obligation	(3,952,803)
	(3,558,258)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.	113,564
Change in net assets of governmental activities	$ 4,164,203

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

Exhibit A-7

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, ANS CHANGES IN FUND BALANCES
GENERAL FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts GAAP Basis	GAAP to Budget Differences Over (Under)	Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
REVENUES						
Property taxes	$ 22,470,759	$ 22,470,759	$ 21,904,252	$ -	$ 21,904,252	$ (566,507)
Intergovernmental revenue	5,070,830	5,070,830	5,909,632	-	5,909,632	838,802
Licenses and permits	657,500	657,500	591,366	-	591,366	(66,134)
Charges for services	1,805,000	1,805,000	2,477,395	-	2,477,395	672,395
Fines, fees and forfeitures	1,665,930	1,665,930	1,483,022	-	1,483,022	(182,908)
Investment income	500,473	500,473	29,476	-	29,476	(470,997)
Other	919,154	919,154	389,463	-	389,463	(529,691)
Total revenues	33,089,646	33,089,646	32,784,606	-	32,784,606	(305,040)
EXPENDITURES						
General government	11,143,089	13,155,478	10,173,401	(81,328)	10,092,073	3,063,405
Judicial	3,062,428	3,061,675	2,914,878	-	2,914,878	146,797
Public works	1,092,771	1,095,140	1,034,864	10,796	1,045,660	49,480
Public safety	9,784,293	9,724,408	10,190,057	29,802	10,219,859	(495,451)
Social and health	1,398,573	1,389,802	1,316,414	(5,082)	1,311,332	78,470
Internal services	556,557	556,557	532,236	453	532,689	23,868
Culture and recreation	216,781	215,181	224,639	-	224,639	(9,458)
Allocations to others	5,315,419	5,420,039	5,408,096	-	5,408,096	11,943
Non-budgeted expenditures	-	-	952,316	-	952,316	(952,316)
Debt service						
Principal retirement	-	-	220,000	-	220,000	(220,000)
Interest and fiscal charges	-	-	48,265	-	48,265	(48,265)
Total expenditures	32,569,911	34,618,280	33,015,166	(45,359)	32,969,807	1,648,473
Excess (deficiency) of revenues over (under expenditures)	519,735	(1,528,634)	(230,560)	45,359	(185,201)	1,343,433
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets	-	-	41,285	-	41,285	41,285
Transfers in	-	2,048,369	126,932	-	126,932	(1,921,437)
Transfers out	(519,735)	(519,735)	(71,355)	-	(71,355)	448,380
Total other financing sources (uses)	(519,735)	1,528,634	96,862	-	96,862	(1,431,772)
Net change in fund balance	$ -	$ -	(133,698)	45,359	(88,339)	$ (88,339)
Fund balances, beginning of year			1,999,594	(95,765)	1,903,829	
Fund balances, end of year			$ 1,865,896	$ (50,406)	$ 1,815,490	

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

Prior year encumbrances as restated	$ 95,765
Current year encumbrances	(50,406)
Net decrease in fund balance - GAAP to budget	$ 45,359

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

Exhibit A-8

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
JUNE 30, 2010

ASSETS

Cash and cash equivalents	$	15,615,136
Property taxes receivable		4,874,167
Total assets	$	20,489,303

LIABILITIES

Due to General Fund	$	207,072
Due to Special Revenue Fund		9,743
Due to taxing units		16,558,472
Due to others		3,714,016
Total liabilities	$	20,489,303

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

I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting entity

Orangeburg County, South Carolina is governed by an elected seven-member council. As required by accounting principles generally accepted in the United States of America, the financial statements present the government and its component units, 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 capital assets. Accordingly, the Library is fiscally dependent on the County.

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

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-three 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 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.

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 sales tax fund*** accounts 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 that are collected on behalf of the other governments.

Measurement Focus

Government-wide financial statements

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

I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 generally are reported using the economic resources measurement focus, except agency funds, in which assets equal liabilities and there are no "operations" to report. All of the County's fiduciary funds are considered agency funds.

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.

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, 2010 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.

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 are 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, 2010 were as follows:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Property taxes receivable	$ 1,882,599	$ 770,973	$ 2,653,572
Less: Allowance	(188,260)	(77,097)	(265,357)
Net	$ 1,694,339	$ 693,876	$ 2,388,215

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 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.

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

Interfund services provided and used 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 interfund services provided and used, 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

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, and the two sales tax funds 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, 2010, Roads and Bridges Maintenance, New Brooklyn Lighting Tax District, Victims' Assistance, Brookdale Lighting Tax District, and Special Education special revenue funds had deficit fund balances of $365,245, $24,939, $53,402, $18,574, and $1,466,740, respectively. As of June 30, 2010, Economic Development Tobacco and Edisto Sewer Capital Projects funds had deficit fund balances of $79,820 and $628,591 respectively.

II – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Excess of expenditures over appropriations – For the year ended June 30, 2010, expenditures in the following general fund divisions exceeded appropriations:

Public Safety	
Sheriff	$ 243,888
E-911 Communication Center	21,869
Emergency Medical Service	266,877
Social and Health	
Allocations to social agencies	20,283
Culture and recreation	9,458
Capital assets purchased through	
Library	9,149
Law Enforcement Center	5,598
Fire District	937,569
Debt Service	
Principal retirement	220,000
Interest and fiscal charges	48,265

Available fund balance was sufficient to provide for the excess expenditures.

III – DETAILED NOTES ON ALL FUNDS

NOTE 1 – DEPOSITS AND INVESTMENTS

At June 30, 2010, the carrying amount of the County's deposits was $34,259,991 and the bank balance was $34,896,835. 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, 2010, the County's bank deposits were either fully insured or collateralized.

As of June 30, 2010, the County had the following investments:

		Investment Maturities (in years)		
	Fair value	Less than 1	1-5	More than 5
U.S. Treasuries	$ 6,601,946	$ 6,601,946	$ -	$ -
U.S. Agencies	6,780,378	6,780,378	-	-
Guaranteed investment contracts	42,177,264	-	42,177,264	-
	$ 55,559,588	$ 13,382,324	$ 42,177,264	$ -

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, 2010, the County held $42,177,264 in fixed rate guaranteed investment contracts with maturities ranging from one to approximately four 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.

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 1 – DEPOSITS AND INVESTMENTS (Continued)

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 $42,177,264 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.

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	$ 34,259,991
Cash on hand	1,608
Fair value of investments	55,559,588
	$ 89,821,187
Primary Government:	
Cash and cash equivalents – Exhibit A-1	$ 17,526,294
Cash and cash equivalents with fiscal agent – Exhibit A-1	1,120,169
Investments with fiscal agent – Exhibit A-1	55,559,588
Cash and cash equivalents – Exhibit A-8	15,615,136
	$ 89,821,187

NOTE 2 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

	Balance June 30, 2009	Additions	Reductions/ Transfers	Balance June 30, 2010
Governmental Activities				
Capital assets not being depreciated				
Land	$ 5,471,440	$ 293,001	$ -	$ 5,764,441
Construction in progress	11,073,499	1,255,427	(3,972,193)	8,356,733
Total capital assets not being depreciated	$ 16,544,939	$ 1,548,428	$ (3,972,193)	$ 14,121,174

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 2 – CAPITAL ASSETS (Continued)

	Balance June 30, 2009	Additions	Reductions/ Transfers	Balance June 30, 2010
Capital assets being depreciated				
Infrastructure	$ 41,265,792	$ 2,245,258	$ -	$ 43,511,050
Building and improvements	47,813,327	10,460,558	3,972,193	62,246,078
Furniture and equipment	43,729,486	1,568,160	(1,455,714)	43,841,932
Total capital assets being depreciated	132,808,605	14,273,976	2,516,479	149,599,060
Less accumulated depreciation for:				
Infrastructure	(7,253,077)	(1,274,634)	-	(8,527,711)
Building and improvements	(28,074,520)	(1,208,146)	-	(29,282,666)
Furniture and equipment	(33,610,296)	(3,623,179)	1,360,220	(35,873,255)
Total accumulated depreciation	(68,937,893)	(6,105,959)	1,360,220	(73,683,632)
Total capital assets being depreciated, net	63,870,712	8,168,017	3,876,699	75,915,428
Governmental activities capital assets net	$ 80,415,651	$ 9,716,445	$ (95,494)	$ 90,036,602

Depreciation was charged to governmental functions as follows:

General government	$ 734,367
Judicial	60,449
Public works	2,502,591
Public safety	2,621,461
Social and health	29,422
Sanitation	39,822
Culture and recreation	117,847
Total	$ 6,105,959

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 3 – COMPONENT UNIT INFORMATION

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	$ 453,860	$ 204,463	$ 84,694	$ 743,017
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	158,380	-	-	158,380
Some other liabilities are not due and payable in the current period and therefore are not reported in the funds	(87,789)	(349,911)	(1,072,391)	(1,510,091)
Net assets of component units' activities	$ 524,451	$ (145,448)	$ (987,697)	$ (608,694)

Reconciliation of the Combining Statement of Revenues, Expenditures and Changes in Fund Balances of Component Units to the Combining Statement of Activities.

	Fire Commission	Public Library	Regional Detention Center	Total Component Units
Net change in fund balance – Component units	$ (242,348)	$ (118,817)	$ 21,270	$ (339,895)
Because some revenues 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.	9,752	-	-	9,752
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures	(26,925)	(146,017)	(446,664)	(619,606)
Changes in net assets of component units' activities	$ (259,521)	$ (264,834)	$ (425,394)	$ (949,749)

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 3 – COMPONENT UNIT INFORMATION (Continued)

The County maintains all capital assets of the three component units on its capital asset listing. Also, the related general obligation bond for the purchase of Fire District capital assets is in the name of and reported by the County. Therefore, as the three component units acquire capital assets or pay debt obligations, these transactions are reflected in the operating activity of their respective financial statements as payments to reimburse the County. The County includes these reimbursements as intergovernmental revenue and then the capital asset purchase or debt principal and interest expenditures. The following transactions occurred during the fiscal year 2010:

The Orangeburg County Fire District reimbursed $268,265 to the County for payment of principal and interest on a general obligation bond held by the County for Fire District related assets and $937,569 for capital asset acquisitions maintained by the County on its capital asset listing.

The Orangeburg-Calhoun Regional Detention Center reimbursed $5,598 to the County for capital asset acquisitions maintained by the County on its capital asset listing.

The Orangeburg County Public Library reimbursed $9,149 to the County for capital asset acquisitions maintained by the County on its capital asset listing.

NOTE 4 – INTERFUND BALANCES AND TRANSFERS

The balances of interfund receivables and payables at June 30, 2010 were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental	$ 3,996,854
General Fund	Capital Project Sales Tax II	1,692,833
Nonmajor Governmental	General Fund	22,995,887
		$ 28,685,574

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, 2010 consisted of the following individual amounts:

Transfer In Fund	Transfer Out Fund	Amount
Nonmajor Governmental Fund	General Fund	$ 198,287

III – DETAILED NOTES ON ALL FUNDS (Continued)

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, 2010:

Furniture, fixtures and equipment	$ 8,629,316
Less: accumulated depreciation	(6,017,142)
Carrying value	$ 2,612,174

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2010 were as follows:

2010	$ 1,181,641
2011	3,148,358
2012	300,347
2013	384,834
2014	384,834
Thereafter	865,875
Total minimum lease payments	6,265,889
Less, amount representing interest	628,852
Present value of minimum lease payments	$ 5,637,037

Capital leases payable at June 30, 2010 are comprised of the following individual leases:

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.	$ 1,973,134
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.	2,474,624

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.	717,062
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.	105,906
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.	366,311
	$ 5,637,037

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, 2010 are composed of the following individual issues:

	Balance June 30, 2009	Additions	Retirements	Balance June 30, 2010	Amount due in one year
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.	$ 1,235,000	$ -	$ 220,000	$ 1,015,000	$ 235,000

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 6 – LONG-TERM DEBT (Continued)

	Balance June 30, 2009	Additions	Retirements	Balance June 30, 2010	Amount due in one year
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.	6,855,000	-	380,000	6,475,000	390,000
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.	8,875,000	-	855,000	8,020,000	880,000
Total	$ 16,965,000	$ -	$ 1,455,000	$ 15,510,000	$ 1,505,000

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, 2010, excluding arbitrage rebate liabilities, if any, are summarized as follows:

Year ended June 30,	Principal	Interest	Totals
2011	$ 1,505,000	$ 638,913	$ 2,143,913
2012	1,560,000	579,957	2,139,957
2013	1,625,000	520,717	2,145,717
2014	1,690,000	457,300	2,147,300
2015	1,465,000	391,325	1,856,325
2016 - 2020	5,845,000	1,089,670	6,934,670
2021 - 2023	1,820,000	184,750	2,004,750
	$ 15,510,000	$ 3,862,632	$ 19,372,632

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, 2010 are composed of the following individual issues:

	Balance June 30, 2009	Additions	Retirements	Balance June 30, 2010	Amount due in one year
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.	$ 307,459	$ -	$ 4,202	$ 303,257	$ 4,394
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.	51,945,000	-	8,200,000	43,745,000	9,000,000
Total	$ 52,252,459	$ -	$ 8,204,202	$ 44,048,257	$ 9,004,394

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.

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 6 – LONG-TERM DEBT (Continued)

Annual requirements to amortize revenue bond debt outstanding at June 30, 2010 are summarized as follows:

Year ended June 30,	Principal	Interest	Totals
2011	$ 9,004,394	$ 2,088,307	$ 11,092,701
2012	9,004,596	1,638,106	10,642,702
2013	11,204,808	1,160,394	12,365,202
2014	11,205,028	600,174	11,805,202
2015	3,350,260	96,318	3,446,578
2016 - 2020	30,150	59,610	89,760
2021 - 2025	37,742	52,018	89,760
2026 - 2030	47,245	42,515	89,760
2031 - 2035	59,141	30,619	89,760
2036 - 2040	74,033	15,727	89,760
2041 - 2042	30,860	1,220	32,080
	$ 44,048,257	$ 5,785,008	$ 49,833,265

Notes Payable – Notes payable at June 30, 2010 are composed of the following:

	Balance June 30, 2009	Additions	Retirements	Balance June 30, 2010	Amount due in one year
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%.	$ 568,660	$ -	$ 34,559	$ 534,101	$ 35,836

Annual requirements to amortize notes payable debt at June 30, 2010 are summarized as follows:

Year ended June 30,	Principal	Interest	Totals
2011	$ 35,836	$ 11,855	$ 47,691
2012	35,641	12,050	47,691
2013	462,624	4,757	467,381
	$ 534,101	$ 28,662	$ 562,763

NOTE 6 – LONG-TERM DEBT (Continued)

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 not in compliance with the sewer rate covenant pertaining to the Revenue Bond, Series 2002 with USDA Rural Development.

The revenue bond has an outstanding balance of $303,257. The bond was issued to construct sewer infrastructure and the County was to assess user fees to cover the costs of operations and repayment of bond principal and interest. Per the bond covenant, these fees are to be adjusted to ensure the costs are covered. The fees are insufficient to cover current year costs by $98,335 and the total deficit fund balance of that account is $628,591 at June 30, 2010. The County is reviewing the current rate schedule and operational expenditures to determine a course of action to implement.

Changes in general long-term liabilities – The following is a summary of debt transactions of the County for the year ended June 30, 2010:

	Balance June 30, 2009	Additions	Retirements	Balance June 30, 2010	Amount due in one year
General obligation bonds	$ 16,965,000	$ -	$ 1,455,000	$ 15,510,000	$ 1,505,000
Revenue bonds	52,252,459	-	8,204,202	44,048,257	9,004,394
Premium on revenue bonds	1,992,450	-	379,514	1,612,936	379,514
Notes payable	568,660	-	34,559	534,101	35,836
Capital leases	6,556,438	-	919,401	5,637,037	927,675
Landfill closure and post-closure costs	247,519	-	17,102	230,417	14,633
Compensated absences	1,208,098	718,460	716,388	1,210,170	359,230
	$ 79,790,624	$ 718,459	$ 11,726,166	$ 68,782,918	$ 12,226,282

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

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

The County operated a solid waste landfill, which it closed in July 1995. On July 1, 1994, the County adopted GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Costs*, to account for closure and post closure costs associated with this landfill. The South Carolina Department of Health and Environmental Control (DHEC) requires landfill operators to provide for inspection and maintenance of the physical characteristics of the site, as well as monitoring and maintenance of the groundwater and gas monitoring systems and the leachate collection and treatment system, for a period of thirty years following the closing. DHEC also requires that operators cover the landfill with a minimum cover of 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 $230,417 liability for estimated postclosure care costs. This amount includes a reduction of $17,102 during fiscal year 2010 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	$ 90,036,602
Less: Revenue bonds	(44,048,257)
Premium on revenue bonds	(1,612,936)
General obligation bonds	(15,510,000)
Capital leases	(5,637,037)
Notes payable	(534,101)
Add: Unspent debt proceeds	15,347,824
	38,042,095
Restricted for capital activity and debt service:	
Restricted cash and receivables	
Debt service	10,145,647
Capital proceeds	60,227,801
Less: Unspent debt proceeds	(15,347,824)
	55,025,624
Unrestricted	678,976
Total net assets	$ 93,746,695

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, 2010, the aggregate principal payable on these bonds was approximately $16,155,000.

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 majority of employees of the County are members of the South Carolina Retirement System (SCRS) and Police Officers Retirement System (PORS), cost sharing, multi-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, disability, survivor and death benefits to eligible members or beneficiaries. Death benefits are also available to active State ORP participants. The Plans' provisions are established under Title 9 of the SC Code of Laws. Provided that the actuarial assumed rate of investment return adopted by the Budget and Control Board is at or above 8%, each July 1, eligible SCRS retirees should receive an automatic cost-of-living adjustment (COLA) equal to the percentage of the annual increase in the CPI-W as of the previous December 31, up to an increase of 2%. If the CPI-W is less than 2%, the COLA should equal the percentage of the actual increase in the CPI-W. COLAs are awarded only during times of inflation, so no COLA will be awarded if the CPI-W is negative.

NOTE 11 – EMPLOYEE RETIREMENT PLANS (Continued)

Employees are eligible for full service retirement upon reaching age 65 or completion of 28 years credited service under SCRS or upon reaching age 55 or completion of 25 years credited service under PORS. The benefit formula effective July 1, 1989 for the System is 1.82% of an employee's average final compensation multiplied by the number of years of creditable service under SCRS or 2.14% of an employee's average final compensation multiplied by the number of years of creditable service under PORS . An early retirement option with reduced benefits is available as early as age 60 or at age 55 with 25 years of service under the SCRS. Employees are vested for a deferred annuity after 5 years of service. Disability annuity benefits are payable to employees totally and permanently disabled provided they have a minimum of 5 years of earned service, unless the injury is job related. A death benefit equal to an employee's annual rate of compensation is payable upon the death of an employee with a minimum of one year of credited service.

Teacher and employee retention incentive (TERI) is a deferred retirement option program. Upon meeting normal retirement eligibility, a member can elect to retire and continue working under the TERI program for a maximum of five years, after which employment will cease. During the TERI participation, the retirement annuity is not paid to the TERI retirees, but monthly benefits are accumulated in TERI accounts and are distributed to the members upon termination of employment. For members retiring after June 30, 2005, a payment for annual leave is not included in calculating benefits. Upon termination, however, benefits are increased prospectively to include payment for up to 45 days annual leave paid at termination of employment. No interest is credited to the TERI account. TERI participants who entered the program after June 30, 2005, must continue to contribute at the same rate as active members. Those who entered prior to July 1, 2005, make no employee contributions while participating in TERI. No additional service credit is earned during this period and participants are ineligible for disability retirement benefits.

Both employees and employers are required to contribute to the Plan at rates established under authority of Title 9 of the SC Code of Laws. Employees are required to contribute 6.5% of all earnings under both Plans. The County's liability under the Plans is limited to the amount of contributions (stated as a percentage of covered payroll) established by the State Budget and Control Board. The County has contributed 100 percent of its required contribution for the current year and each of the preceding two years. Effective July 1, 2009, the employer contribution rate is 9.24% to SCRS and 10.65% to PORS. The contribution requirements by the County for the years ended June 30, 2008, 2009, and 2010 were as follows:

	2008		2009		2010	
	SCRS	PORS	SCRS	PORS	SCRS	PORS
Employer contributions	$ 1,122,442	$ 667,955	$ 1,373,790	$ 723,181	$ 1,382,324	$ 729,544
Group Life contributions	$ 21,796	$ 25,940	$ 22,302	$ 27,162	$ 22,440	$ 27,401

The County's 2009 – 2010 contributions represented less than one percent of total contributions required of all participating entities. All employers contribute at the actuarially required contribution rates.

NOTE 11 – EMPLOYEE RETIREMENT PLANS (Continued)

The amounts paid by the County for pension, group-life, and accidental death benefits are reported as employee benefits.

The System does not make separate measurements of assets and pension benefit obligations for individual employers. Accordingly, information regarding the excess, if any, applicable to the County of the actuarially computed value of vested benefits over the total of the pension fund and any balance sheet accruals, less any pension prepayments or deferred charges, is not available. By State law, the County's liability under the retirement plan is limited to contributions for the applicable year. Accordingly, the County recognizes no contingent liability for unfunded costs associated with participation in the Plan. All actuarially required contributions due to the Plan were paid.

Information concerning the authority under which benefit provisions and employee obligations to contribute are established, the significant actuarial assumptions for the Plan, an explanation of the pension benefit obligation, the pension benefit obligation for the System, the total net assets available for benefits, and ten-year historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 2010 separately issued report.

A Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the South Carolina Retirement System is publicly available on its website at www.retirement.sc.gov, or a copy may be obtained by submitting a request to the South Carolina Retirement Systems, P.O. Box 11960, Columbia, South Carolina 29211-1960.

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS

Background

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

Plan Description

The County of Orangeburg's postemployment benefit plan is a single employer defined plan that is self-funded. The three component units are included under this plan.

Other postemployment benefits provided under the plan include a retiree health and dental insurance premium contribution plan that covers retirees.

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (Continued)

An employee must meet the following criteria to be eligible for retiree health and dental insurance. The employee must have 15 years of service with the County and must qualify for retirement under the South Carolina Retirement System or Police Officer Retirement System guidelines. For any employee retiring with less than 15 years of service with the County, no health and dental retirement benefits will be provided.

The County will pay the full cost of single retiree medical and dental insurance premium costs. Coverage for the spouse is the responsibility of the retiree.

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

The annual cost of other postemployment benefits (OPEB) under GASB 45 is called the annual required contribution or ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year plus an amount to amortize any unfunded actuarial accrued liabilities (or funding excess) over a period not to exceed thirty years. The current employer contribution rate for the County is 3.3 percent.

The County's annual OPEB cost and the net OPEB obligation is calculated using a 4.0% discount rate, which is based upon the anticipated long-term rate of return of the general funds of the employer used to pay the plan benefits and an annual healthcare cost trend rate of 10% reduced by decrements of .5% to an ultimate rate of 6% and amortizing the unfunded actuarial liability over 30 years using the level dollar method as follows:

		Component Units		
	Primary Government	Fire Commission	Library	Detention Center
Annual required contribution	$ 4,153,213	$ 29,372	$ 158,609	$ 452,330
Interest on net OPEB obligation	136,662	966	5,219	14,884
Adjustment to annual required contribution	(201,166)	(1,423)	(7,682)	(21,909)
Annual OPEB cost (expense)	4,088,709	28,915	156,146	445,305
Estimated pay-as-you-go annual employer contributions	(135,906)	-	(12,706)	(4,490)
Increase (decrease) in net OPEB obligation	3,952,803	28,915	143,440	440,815
Net OPEB obligation, beginning of year	4,043,913	29,191	153,232	445,056
Net OPEB obligation, end of year	$ 7,996,716	$ 58,106	$ 296,672	$ 885,871

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

Actuarial Methods and Assumptions

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

The Projected Unit Credit, Level Dollar actuarial cost method has been used to calculate the GASB ARC for this valuation. Using the plan benefits, the present health and dental premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability. The unfunded liability is amortized over thirty years using the level dollar method which divides the liability into equal dollar amounts over the selected number of years; each payment is part interest, part principal. This is both an accepted and reasonable cost method.

Trend Information:

The County's and its component units' annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended June 30, 2010 and June 30, 2009 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Primary Government			
June 30, 2009	$ 4,127,651	2.1%	$ 4,043,913
June 30, 2010	$ 4,088,709	3.3%	$ 7,996,716
Discretely presented Component units:			
Fire Commission			
June 30, 2009	$ 29,191	0%	$ 29,191
June 30, 2010	$ 28,915	0%	$ 58,106
Library			
June 30, 2009	$ 157,633	2.9%	$ 153,232
June 30, 2010	$ 156,146	8.1%	$ 296,672
Detention Center			
June 30, 2009	$ 449,546	1.0%	$ 445,056
June 30, 2010	$ 445,305	1.0%	$ 885,871

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

Funded Status and Funding Progress:

The funded status of the plan as of June 30, 2008, the most recent actuarial valuation date, was as follows:

		Component Units		
	Primary Government	Fire Commission	Library	Detention Center
Actuarial accrued liability (AAL)	$ 33,440,356	$ 236,495	$ 1,277,072	$ 3,642,019
Actuarial value of plan assets	-	-	-	-
Unfunded Actuarial accrued liability (UAAL)	$ 33,440,356	$ 236,495	$ 1,277,072	$ 3,642,019
Funded ratio (actuarial value of plan assets (AAL)	0%	0%	0%	0%
Covered payroll (active plan members)	$ 12,924,640	$ 91,405	$ 493,586	$ 1,407,634
UAAL as a percentage of covered payroll	258.7%	258.7%	258.7%	258.7%

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

NOTE 13 – 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, 2010, 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. The settlement on one case pending at year-end has been fully executed and was covered by the insurance carrier.

NOTE 14 – CONTINGENT LIABILITIES (continued)

There are several lawsuits against the LEC pending with each involving inmates at the Detention Center. In all cases, the legal proceedings are ongoing and are being handled by the Office of Insurance Reserve Fund whose position is to defend the LEC's case vigorously. It is too early in the proceedings to determine any potential outcome but all should be covered by the Insurance Reserve Fund.

Additionally, the County received notice that certain persons working at the Detention Center may be due compensation for what is commonly referred to as "Off the Clock" time under the Fair Labor Standards Act (FLSA). The County has assisted the LEC in reviewing the matter. At this time it appears that the FLSA claims are limited to two types and involve 13 employees over a period of two years. On March 22, 2011, the Detention Center Commission voted to pay out $28,225 on the first type of claim and to have counsel for the relevant parties review the calculations and work on a resolution of the second type of claim as well as attorneys fees. As these amounts are an estimate and subject to change, an amount has not been accrued or recorded on the financial statements as of June 30, 2010. The estimated range of loss as discussed above is $28,225 - $87,000.

NOTE 15 – PRIOR PERIOD ADJUSTMENTS

	Net Assets	Fund Balance
Fund Balance as previously reported, June 30, 2009	$ 89,189,908	$ 91,505,591
Capital Projects Sales Tax II		
Sales tax projects were charged to Capital Improvement Fund in prior year	(113,394)	(113,394)
Capital Improvement Fund		
Sales tax projects were charged to Capital Improvement Fund in prior year	113,394	113,394
Grant Subfunds		
Reclassed Multi Jurisdictional fund to Sheriff's Subfunds	(6,323)	(6,323)
Sheriff's Subfunds		
Reclassed Multi Jurisdictional fund from Grant Subfunds	6,323	6,323
Reclassed four funds previously recorded as agency funds	84,083	84,083
Unrecorded bank accounts of the Sheriff's office	308,501	308,501
Fund Balance, as restated, June 30, 2009	$ 89,582,492	$ 91,898,175

NOTE 15 – PRIOR PERIOD ADJUSTMENTS (continued)

Agency Funds' beginning balances were restated at June 30, 2009 as follows:

	As Previously Stated June 30, 2009	Restate-ment	As restated June 30, 2009
Clerk of Court Trust Fund			
Assets:			
Cash	$ 882,798	$ 25,643	$ 908,441
Total Assets	$ 882,798	$ 25,643	$ 908,441
Liabilities			
Due to General Fund	$ 19,530	$ -	$ 19,530
Due to General Fund – overage/(deficit)	115,605	-	115,605
Due to Special Revenue Fund	2,528	-	2,528
Due to (from) other Agency Funds	28,422	-	28,422
Due to others	716,713	25,643	742,356
Total Liabilities	$ 882,798	$ 25,643	$ 908,441
OADC Trust Fund			
Assets:			
Cash	$ -	$ 6,070	$ 6,070
Liabilities			
Due to others	$ -	$ 6,070	$ 6,070

The Clerk of Court Trust Fund and the OADC Trust Fund were restated by $25,643 and $6,070, respectively, to adjust for existing bank accounts being properly included in those funds.

Sheriff–Federal Seized Property			
Assets:			
Due from General Fund	$ 55,885	$ (55,885)	$ -
Liabilities			
Due to others	$ 55,885	$ (55,885)	$ -
Sheriff-State Seized Property			
Assets:			
Due from General Fund	$ 1,385	$ (1,385)	$ -
Liabilities			
Due to others	$ 1,385	$ (1,385)	$ -

NOTE 15 – PRIOR PERIOD ADJUSTMENTS (continued)

	As Previously Stated June 30, 2009	Restate-ment	As restated June 30, 2009
Sheriff-Abandoned Property			
Assets:			
Due from General Fund	$ 17,170	$ (17,170)	$ -
Liabilities			
Due to others	$ 17,170	$ (17,170)	$ -
Sex Offender Registry			
Assets:			
Due from General Fund	$ 9,643	$ (9,643)	$ -
Liabilities			
Due to others	$ 9,643	$ (9,643)	$ -

The three Sheriff Funds and the Sex Offender Registry Fund were restated to reclass from Agency Funds to Special Revenue Funds for a total of $84,083.

NOTE 16 - CONSTRUCTION COMMITMENTS

The County was committed under construction contracts at June 30, 2010 as follows:

	Contracted Price	Costs Incurred through June 30, 2010	Balance to Complete
Edisto Sewer Phase III	$ 414,343	$ 141,161	$ 273,182
Edisto Sewer Phase II	536,453	194,226	342,227
Transit Facility	3,500,000	-	3,500,000
Broadband Project	18,950,000	-	18,950,000
Neeses Storage Building	34,491	23,289	11,202
	$ 23,435,287	$ 358,676	$ 23,076,611

NOTE 17 - NEW GASB STANDARDS

In fiscal year 2010, the County implemented or considered qualifications of the following GASB statements:

Statement No. 51, *Accounting and Financial Reporting for Intangible Assets.* This statement established accounting and financial reporting requirements for intangible assets to reduce inconsistencies in reporting of these types of assets. This statement requires that all intangible assets not specifically excluded by its scope and provisions be classified as capital assets. There was no change in current practice as a result of implementing this Statement.

NOTE 17 - NEW GASB STANDARDS (continued)

Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments.* This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. The County had no investments in derivative instruments at the time of implementation. Therefore, there was no current effect on the financial statements as a result of implementing this statement.

Statement No. 57, *OPEB Measurement by Agent Employers and Agent Multiple Employer Plans.* This statement addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The County's OPEB plan is a single employer plan and the County's total plan members exceed the number to qualify for the alternative measurement method. Therefore, this statement does not apply to the County.

Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies.* This statement provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. It required governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms (that is, approves) a new payment plan. Since the County is not in bankruptcy status, this statement has no effect on the financial statements.

The GASB has issued the following statements which will become effective in future years as shown below:

Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions.* The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement will become effective for the County in fiscal year 2011. Management has not yet determined the impact of this statement on the financial statements.

Statement No. 59, *Financial Instruments Omnibus.* This statement updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. This statement will become effective for the County in fiscal year 2011. Management has not yet determined the impact of this statement on the financial statements.

NOTE 18 - SUBSEQUENT EVENTS

In June 2010, the County approved to extend sewer lines and service which will be partially funded through a USDA loan of $8,492,100 with an interest rate of 2.5%.

NOTE 18 - SUBSEQUENT EVENTS (continued)

In September 2010, the County entered into an agreement with JAFZA to act as a conduit to allow JAFZA access to favorable borrowing terms and grant funds from UDSA through a local electric cooperative company whereby, the County would be the grant subrecipient and incur the loan. The loan would be repaid by JAFZA who is leasing a building in the County's industrial park. The leased structure would guarantee the loan. USDA will fund the interest-free loan of $647,360 and the $300,000 grant.

A $4,000,000 line of credit from a local electric company has been accepted if needed for any project related to the economic development needs of the County.

In September 2010, the County was awarded and approved acceptance of a grant/loan from Rural Development for construction of water services in the County. The County would receive a $2,571,000 grant and incur a $2,830,000 loan with a match of $300,000 being funded through Capital Sales Tax funds for the project. User rates would be established sufficient to cover the costs of operations and debt service.

In September 2010, the County approved incurring a loan/grant agreement from USDA for water services for the Vance area. The County would receive grant funds of $820,000 from USDA and incur $632,400 in debt which would be repaid over 40 years at 2.375%. User rates would be established sufficient to cover the costs of operations and debt service.

In September 2010, the County accepted a grant/loan agreement from USDA Rural Utilities for a Broadband initiative program. The agency would provide a $13,987,499 grant and a low interest loan of $4,662,501 for the project. User rates would be established sufficient to cover the costs of operations and debt service.

REQUIRED SUPPLEMENTARY INFORMATION

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Exhibit B-1

ORANGEBURG COUNTY
ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
YEAR ENDED JUNE 30, 2010

	Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll ((2)-(1))/(5))
Orangeburg County	6/30/2008	$ -	$ 33,440,356	$ 33,440,356	0.00%	$ 12,924,640	258.7%
Component Units:							
Fire Commission	6/30/2008	-	236,495	236,495	0.00%	91,405	258.7%
Library	6/30/2008	-	1,277,072	1,277,072	0.00%	493,586	258.7%
Dentention Center	6/30/2008	-	3,642,019	3,642,019	0.00%	1,407,634	258.7%

The County and its component units implemented GASB 45 in Fiscal Year 2009 and performed its first actuarial evaluation at June 30, 2008. The required three acturial valuations data will be presented as accumulated over time. The valuation has been calculated using the Projected Unit Credit Actuarial Cost Method, discount rates of 4.0%, and the unfunded actuarial liability is amortized over 30 years using the level dollar method. It should be noted that an actuarial cost method determines a contribution or expense by assigning portions of the present value of projected benefits to various years with the general goal of accruing the cost of benefits over the working lifetime of the employees.

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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GENERAL FUND AND MAJOR CAPITAL PROJECTS FUND

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 sales tax fund*** accounts for the sales 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 General Fund and the Capital Project Sales Tax II Fund are presented.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

Exhibit B-2

	Budgeted Amounts		Actual Amounts GAAP Basis	GAAP to Budget Differences Over (Under)	Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
REVENUES						
Taxes						
Property taxes	$ 22,470,759	$ 22,470,759	$ 21,904,252	$ -	$ 21,904,252	$ (566,507)
Intergovernmental revenue - Note 4	5,070,830	5,070,830	5,909,632	-	5,909,632	838,802
Licenses and permits	657,500	657,500	591,366	-	591,366	(66,134)
Charges for services						
Emergency Medical Services	1,600,000	1,600,000	2,361,602	-	2,361,602	761,602
Other	205,000	205,000	115,793	-	115,793	(89,207)
Fines, fees and forfeitures	1,665,930	1,665,930	1,483,022	-	1,483,022	(182,908)
Investment income	500,473	500,473	29,476	-	29,476	(470,997)
Other	919,154	919,154	389,463	-	389,463	(529,691)
Total revenues	33,089,646	33,089,646	32,784,606	-	32,784,606	(305,040)
EXPENDITURES						
General government						
Executive	301,421	295,116	284,995	-	284,995	10,121
Administrator	955,843	950,749	852,739	-	852,739	98,010
County attorney	325,175	325,175	238,216	-	238,216	86,959
Personnel	313,573	313,573	262,221	-	262,221	51,352
Voter registration	172,032	173,136	149,706	-	149,706	23,430
Election Commission	175,411	203,533	143,134	-	143,134	60,399
Delinquent tax collector	306,028	306,078	266,653	(5,211)	261,442	44,636
Treasurer	353,624	350,306	328,148	-	328,148	22,158
Finance	400,724	398,685	324,532	246	324,778	73,907
Auditor	240,619	241,175	235,229	-	235,229	5,946
Tax assessor	706,467	705,367	621,822	-	621,822	83,545
Data processing	1,091,869	1,089,329	1,043,818	(54,265)	989,553	99,776
Planning and building inspections	700,448	693,118	622,892	947	623,839	69,279
Orangeburg County Development Commission	825,737	825,737	824,804	-	824,804	933
Purchasing	153,535	152,677	120,027	-	120,027	32,650
Register of deeds	297,542	297,463	294,806	-	294,806	2,657
Other	3,823,041	5,834,261	3,559,659	(23,045)	3,536,614	2,297,647
Total general government	11,143,089	13,155,478	10,173,401	(81,328)	10,092,073	3,063,405
Judicial						
Clerk of court	322,391	321,458	263,088	-	263,088	58,370
Master-in-equity	144,122	148,846	147,981	-	147,981	865
Probate Court	337,224	336,050	314,092	-	314,092	21,958
Magistrates	1,270,655	1,267,285	1,201,681	-	1,201,681	65,604
Public Defender	458,395	458,395	458,395	-	458,395	-
Solicitor	529,641	529,641	529,641	-	529,641	-
Total judicial	3,062,428	3,061,675	2,914,878	-	2,914,878	146,797
Public works						
Building and Grounds	1,029,307	1,032,445	983,339	13,204	996,543	35,902
Sign shop	63,464	62,695	51,525	(2,408)	49,117	13,578
Total public works	1,092,771	1,095,140	1,034,864	10,796	1,045,660	49,480
Public safety						
Sheriff	5,891,658	5,853,697	6,097,585	-	6,097,585	(243,888)
E-911 communications center	600,233	600,018	603,940	17,947	621,887	(21,869)
Emergency Medical Services	2,988,969	2,973,617	3,229,468	11,026	3,240,494	(266,877)
Coroner	303,433	297,076	259,064	829	259,893	37,183
Total public safety	9,784,293	9,724,408	10,190,057	29,802	10,219,859	(495,451)
Social and health						
Health services	841,610	841,059	831,433	(2,335)	829,098	11,961
Animal control	352,663	344,443	260,398	(2,747)	257,651	86,792
Allocations to social agencies	204,300	204,300	224,583	-	224,583	(20,283)
Total social and health	1,398,573	1,389,802	1,316,414	(5,082)	1,311,332	78,470

(continued)

COUNTY OF ORANGEBURG, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

Exhibit B-2

	Budgeted Amounts		Actual Amounts GAAP Basis	GAAP to Budget Differences Over (Under)	Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
EXPENDITURES, Continued						
Internal services						
Vehicle maintenance	556,557	556,557	532,236	453	532,689	23,868
Total internal services	556,557	556,557	532,236	453	532,689	23,868
Culture and recreation						
Recreation	216,781	215,181	224,639	-	224,639	(9,458)
Total culture and recreation	216,781	215,181	224,639	-	224,639	(9,458)
Allocations to others						
Law Enforcement Center	4,374,387	4,374,387	4,374,387	-	4,374,387	-
Others	941,032	1,045,652	1,033,709	-	1,033,709	11,943
Total allocations to others	5,315,419	5,420,039	5,408,096	-	5,408,096	11,943
Non-budgeted expenditures						
Capital assets purchased through:						
Library	-	-	9,149	-	9,149	(9,149)
Law Enforcement Center	-	-	5,598	-	5,598	(5,598)
Fire District	-	-	937,569	-	937,569	(937,569)
Total non-budgeted expenditures	-	-	952,316	-	952,316	(952,316)
Debt service						
Principal retirement	-	-	220,000	-	220,000	(220,000)
Interest and fiscal charges	-	-	48,265	-	48,265	(48,265)
Total debt service	-	-	268,265	-	268,265	(268,265)
Total expenditures	32,569,911	34,618,280	33,015,166	(45,359)	32,969,807	1,648,473
Excess (deficiency) of revenues over (under expenditures)	519,735	(1,528,634)	(230,560)	45,359	(185,201)	1,343,433
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets	-	-	41,285	-	41,285	41,285
Transfers in	-	2,048,369	126,932	-	126,932	(1,921,437)
Transfers out	(519,735)	(519,735)	(71,355)	-	(71,355)	448,380
Total other financing sources (uses)	(519,735)	1,528,634	96,862	-	96,862	(1,431,772)
Net change in fund balance	$ -	$ -	(133,698)	45,359	(88,339)	$ (88,339)
Fund balances, beginning of year			1,999,594	(95,765)	1,903,829	
Fund balances, end of year			$ 1,865,896	$ (50,406)	$ 1,815,490	

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

Prior year encumbrances as restated	$ 95,765
Current year encumbrances	(50,406)
Net decrease in fund balance - GAAP to budget	$ 45,359

ORANGEBURG COUNTY, SOUTH CAROLINA

Exhibit B-3

MAJOR CAPITAL PROJECTS FUND

CAPITAL PROJECTS SALES TAX II

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

From inception and for the year ended June 30, 2010

	Project Authorization	As Restated Prior Years	Current Year	Total to Date
REVENUES				
Sales tax	$ 71,088,020	$ 29,916,396	$ 9,073,291	$ 38,989,687
Investment income	-	8,203,012	2,603,178	10,806,190
Total revenues	71,088,020	38,119,408	11,676,469	49,795,877
EXPENDITURES				
General government	11,034,512	4,419,289	993,340	5,412,629
Public works	45,007,208	12,612,383	6,420,963	19,033,346
Public safety	807,376	639,866	1,325	641,191
Culture and recreation	14,238,924	4,390,132	793,148	5,183,280
Principal retirement	-	12,300,000	8,200,000	20,500,000
Interest and fiscal charges	-	6,674,164	2,494,750	9,168,914
Total expenditures	71,088,020	41,035,834	18,903,526	59,939,360
Excess (deficiency) of revenues over (under) expenditures	-	(2,916,426)	(7,227,057)	(10,143,483)
OTHER FINANCING SOURCES (USES)				
Capital project sales tax revenue bonds issued	-	67,154,611	-	67,154,611
Total other financing sources (uses)	-	67,154,611	-	67,154,611
Net change in fund balances	$ -	$ 64,238,185	(7,227,057)	$ 57,011,128
Fund balances, beginning of year			64,351,579	
Prior period adjustment			(113,394)	
Fund balances, beginning of year as restated			64,238,185	
Fund balances, end of year			$ 57,011,128	

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.

Exhibit B-4

ORANGEBURG COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Special Revenue Funds						
	Roads & Bridges Maintenance	E911 Surcharge	New Brooklyn Lighting Tax District	Solid Waste	Victims' Assistance	Accommo-dations Tax	Brookdale Lighting Tax District
ASSETS							
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Receivables, net of allowance for uncollectibles:							
Property taxes	-	-	945	270,697	-	-	633
Intergovernmental	10,499	49,091	-	10,518	-	60,444	-
Other	-	30,985	-	257,338	-	-	-
Prepaid expenditures	-	20,000	-	-	-	-	-
Due from general fund	-	15,714	-	2,770,274	-	70,597	-
Due from agency funds	-	-	-	-	9,743	-	-
Other assets	-	-	-	-	-	-	-
Total assets	$ 10,499	$ 115,790	$ 945	$ 3,308,827	$ 9,743	$ 131,041	$ 633
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	$ 38,694	$ 18	$ 1,053	$ 204,284	$ -	$ 20,055	$ 956
Accrued salaries	46,034	1,243	-	41,595	3,340	-	-
Due to general fund	291,016	-	23,974	-	59,805	-	17,793
Deferred revenue	-	-	-	-	-	-	-
Deferred revenue - Property taxes	-	-	857	244,095	-	-	458
Total liabilities	375,744	1,261	25,884	489,974	63,145	20,055	19,207
Fund balances							
Reserved for:							
Encumbrances	139	-	-	9,132	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Unreserved:							
Undesignated	(365,384)	114,529	(24,939)	2,809,721	(53,402)	110,986	(18,574)
Total fund balances	(365,245)	114,529	(24,939)	2,818,853	(53,402)	110,986	(18,574)
Total liabilities and fund balances	$ 10,499	$ 115,790	$ 945	$ 3,308,827	$ 9,743	$ 131,041	$ 633

(continued)

ORANGEBURG COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

Exhibit B-4

	Special Revenue Funds						Capital Projects Funds	
	Legislative Delegation Economic Development Projects	Special Education	Grant Subfunds	Homeland Security Program	Whitaker Lighting Tax District	Sheriff's Subfunds	Sales Tax I	John Matthews Park Fund
ASSETS								
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ 269,043	$ -	$ -
Receivables, net of allowance for uncollectibles:								
Property taxes	-	194,935	-	-	2,287	-	-	-
Intergovernmental	-	-	1,034,734	-	-	-	-	-
Other	-	12,415	593,449	-	-	13,500	-	-
Prepaid expenditures	-	-	-	-	-	-	-	-
Due from general fund	2,172,570	-	4,089,416	-	14,646	-	6,205,589	216,475
Due from agency funds	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	62,019	-	-
Total assets	$ 2,172,570	$ 207,350	$ 5,717,599	$ -	$ 16,933	$ 344,562	$ 6,205,589	$ 216,475
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	$ 10,870	$ 1,646	$ 192,341	$ -	$ 2,167	$ 6,945	$ 26,502	$ -
Accrued salaries	-	25,292	32,751	-	-	-	-	-
Due to general fund	-	1,471,617	1,430,255	-	-	-	-	-
Deferred revenue	-	-	180,962	-	-	-	-	-
Deferred revenue - Property taxes	-	175,535	-	-	2,110	-	-	-
Total liabilities	10,870	1,674,090	1,836,309	-	4,277	6,945	26,502	-
Fund balances								
Reserved for:								
Encumbrances	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	6,174,693	216,475
Debt service	-	-	-	-	-	-	4,394	-
Unreserved:								
Undesignated	2,161,700	(1,466,740)	3,881,290	-	12,656	337,617	-	-
Total fund balances	2,161,700	(1,466,740)	3,881,290	-	12,656	337,617	6,179,087	216,475
Total liabilities and fund balances	$ 2,172,570	$ 207,350	$ 5,717,599	$ -	$ 16,933	$ 344,562	$ 6,205,589	$ 216,475

(continued)

Exhibit B-4

ORANGEBURG COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Capital Projects Funds						Debt Service	
	Capital Improvements Fund	Economic Development Tobacco	Edisto Sewer Capital Projects	OCCIP Fund	2008 Bond Issue	Western Orangeburg Industrial Park		Total
ASSETS								
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 269,043
Receivables, net of allowance for uncollectibles:								
Property taxes	69,609	-	-	-	-	-	154,770	693,876
Intergovernmental	-	-	77,478	-	-	-	-	1,242,764
Other	-	-	-	80,000	-	-	-	987,687
Prepaid expenditures	-	-	-	-	-	-	-	20,000
Due from general fund	4,261,814	-	-	16,699	1,886,301	150,000	1,125,792	22,995,887
Due from agency funds	-	-	-	-	-	-	-	9,743
Other assets	-	-	-	-	-	-	-	62,019
Total assets	$ 4,331,423	$ -	$ 77,478	$ 96,699	$ 1,886,301	$ 150,000	$ 1,280,562	$ 26,281,019
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	$ 464,407	$ -	$ 83,495	$ -	$ 13,031	$ -	$ -	$ 1,066,464
Accrued salaries	-	-	-	-	-	-	-	150,255
Due to general fund	-	79,820	622,574	-	-	-	-	3,996,854
Deferred revenue	99,250	-	-	-	-	-	-	280,212
Deferred revenue - Property taxes	62,230	-	-	-	-	-	139,309	624,594
Total liabilities	625,887	79,820	706,069	-	13,031	-	139,309	6,118,379
Fund balances								
Reserved for:								
Encumbrances	9,422	-	-	-	-	-	-	18,693
Capital outlay	3,696,114	-	-	96,699	1,873,270	150,000		12,207,251
Debt service	-	-	-	-	-	-	1,141,253	1,145,647
Unreserved:								
Undesignated	-	(79,820)	(628,591)	-	-	-	-	6,791,049
Total fund balances	3,705,536	(79,820)	(628,591)	96,699	1,873,270	150,000	1,141,253	20,162,640
Total liabilities and fund balances	$ 4,331,423	$ -	$ 77,478	$ 96,699	$ 1,886,301	$ 150,000	$ 1,280,562	$ 26,281,019

ORANGEBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

Exhibit B-5

	Special Revenue Funds						
	Roads & Bridges Maintenance	E911 Surcharge	New Brooklyn Lighting Tax District	Solid Waste	Victims' Assistance	Accommo-dations Tax	Brookdale Lighting Tax District
REVENUES							
Property taxes	$ -	$ -	$ 6,163	$ 3,188,932	$ -	$ -	$ 7,324
Intergovernmental:							
Federal	-	-	-	-	-	-	-
State	-	194,110	-	38,733	-	194,123	-
Local	-	-	-	-	-	-	-
Charges for services	2,787,365	383,726	-	1,649,652	-	-	-
Fines, fees, and forfeitures	-	-	-	-	122,439	-	-
Investment income	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total revenues	2,787,365	577,836	6,163	4,877,317	122,439	194,123	7,324
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-
Public works	3,048,804		12,419				11,480
Public safety	-	533,638	-	-	151,110	-	-
Social and Health	-	-	-	-	-	-	-
Sanitation				4,720,786			
Allocation to Library	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	148,425	-
Debt service:							
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	3,048,804	533,638	12,419	4,720,786	151,110	148,425	11,480
Excess of revenues over (under) expenditures	(261,439)	44,198	(6,256)	156,531	(28,671)	45,698	(4,156)
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Transfers from (to) General Fund	-	-	-	-	60,974	-	-
Transfers in (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	60,974	-	-
Net change in fund balances	(261,439)	44,198	(6,256)	156,531	32,303	45,698	(4,156)
Fund balances, beginning of year	(103,806)	70,331	(18,683)	2,662,322	(85,705)	65,288	(14,418)
Prior period adjustment - Note 15	-	-	-	-	-	-	-
Fund balances, beginning of year as restated	(103,806)	70,331	(18,683)	2,662,322	(85,705)	65,288	(14,418)
Fund balances, end of year	$ (365,245)	$ 114,529	$ (24,939)	$ 2,818,853	$ (53,402)	$ 110,986	$ (18,574)

(continued)

ORANGEBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

Exhibit B-5

	Special Revenue Funds						Captial Project Funds	
	Legislative Delegation Economic Dev Projects	Special Education	Grant Subfunds	Homeland Security Program	Whitaker Lighting Tax District	Sheriff's Subfunds	Sales Tax I	John Matthews Park Fund
REVENUES								
Property taxes	$ -	$ 2,504,592	$ -	$ -	$ 83,860	$ -	$ -	$ -
Intergovernmental:								
Federal	-	-	1,351,995	-	-	-	-	-
State	450,614	22,813	531,521	-	-	-	-	-
Local	-	-	470,439	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines, fees, and forfeitures	-	-	367,715	-	-	148,932	-	-
Investment income	21,593	-	7,968	-	-	535	755	-
Other	-	-	546	-	-	1,485	-	119,750
Total revenues	472,207	2,527,405	2,730,184	-	83,860	150,952	755	119,750
EXPENDITURES								
Current:								
General government	-	-	62,737	-	-	-	-	3,275
Judicial	-	-	135,235	-	-	-	-	-
Public works	61,629		467,925		28,158	-	174,125	-
Public safety	-	-	1,136,421	-	-	212,242	-	-
Social and Health	-	-	526,440	-	-	-	-	-
Sanitation			1,449				-	-
Allocation to Library	-	900,931	-	-	-	-	-	-
Culture and recreation	-	1,591,232	272,000	-	-	-	775,157	-
Debt service:							-	-
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	61,629	2,492,163	2,602,207	-	28,158	212,242	949,282	3,275
Excess of revenues over (under) expenditures	410,578	35,242	127,977	-	55,702	(61,290)	(948,527)	116,475
OTHER FINANCING SOURCES (USES)								
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Transfers from (to) General Fund	-	-	6,565	(723)	-	-	-	-
Transfers in (out)	-	-	(126,932)	-	-	-	-	-
Total other financing sources (uses)	-	-	(120,367)	(723)	-	-	-	-
Net change in fund balances	410,578	35,242	7,610	(723)	55,702	(61,290)	(948,527)	116,475
Fund balances, beginning of year	1,751,122	(1,501,982)	3,880,003	723	(43,046)	-	7,127,614	100,000
Prior period adjustment - Note 15	-	-	(6,323)	-	-	398,907	-	-
Fund balances, beginning of year as restated	1,751,122	(1,501,982)	3,873,680	723	(43,046)	398,907	7,127,614	100,000
Fund balances, end of year	$ 2,161,700	$ (1,466,740)	$ 3,881,290	$ -	$ 12,656	$ 337,617	$ 6,179,087	$ 216,475

(continued)

ORANGEBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

Exhibit B-5

	Capital Project Funds						Debt Service	
	Capital Improvements Fund	Economic Development Tobacco	Edisto Sewer Capital Projects	OCCIP Fund	2008 Bond Issue	Western Orangeburg Industrial Park		Total
REVENUES								
Property taxes	$ 825,786	$ -	$ -	$ -	$ -	$ -	$ 1,921,205	$ 8,537,862
Intergovernmental:								
Federal	-	-	335,388	-	-	-	-	1,687,383
State	45,396	-	-	-	-	-	39,977	1,517,287
Local	-	-	-	-	-	-	-	470,439
Charges for services	-	-	101,029	-	-	-	-	4,921,772
Fines, fees, and forfeitures	-	-	-	-	-	-	-	639,086
Investment income	-	-	-	-	-	-	-	30,851
Other	400	122,229	-	-	-	150,000	-	394,410
Total revenues	871,582	122,229	436,417	-	-	150,000	1,961,182	18,199,090
EXPENDITURES								
Current:								
General government	-	-	-	-	4,743,855	-	-	4,809,867
Judicial	-	-	-	-	-	-	-	135,235
Public works	1,478,548	-	521,339	-	-	-	-	5,804,427
Public safety	-	-	-	-	29,467	-	-	2,062,878
Social and Health	-	-	-	-	-	-	-	526,440
Sanitation								4,722,235
Allocation to Library	-	-	-	-	-	-	-	900,931
Culture and recreation	-	-	-	-	-	-	-	2,786,814
Debt service:								
Principal retirement	-	-	4,202	-	-	-	1,235,000	1,239,202
Interest and fiscal charges	-	-	13,750	-	-	-	639,490	653,240
Total expenditures	1,478,548	-	539,291	-	4,773,322	-	1,874,490	23,641,269
Excess of revenues over (under) expenditures	(606,966)	122,229	(102,874)	-	(4,773,322)	150,000	86,692	(5,442,179)
OTHER FINANCING SOURCES (USES)								
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Transfers from (to) General Fund	-	-	4,539	-	-	-	-	71,355
Transfers in (out)	-	-	-	-	-	-	-	(126,932)
Total other financing sources (uses)	-	-	4,539	-	-	-	-	(55,577)
Net change in fund balances	(606,966)	122,229	(98,335)	-	(4,773,322)	150,000	86,692	(5,497,756)
Fund balances, beginning of year	4,199,108	(202,049)	(530,256)	96,699	6,646,592	-	1,054,561	25,154,418
Prior period adjustment - Note 15	113,394	-	-	-	-	-	-	505,978
Fund balances, beginning of year as restated	4,312,502	(202,049)	(530,256)	96,699	6,646,592	-	1,054,561	25,660,396
Fund balances, end of year	$ 3,705,536	$ (79,820)	$ (628,591)	$ 96,699	$ 1,873,270	$ 150,000	$ 1,141,253	$ 20,162,640

Exhibit B-6

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, 2010

	Budgeted Amounts		Actual Amounts GAAP Basis	GAAP to Budget Differences Over (Under)	Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
REVENUES						
Charges for services	$ 3,246,000	$ 3,246,000	$ 2,787,365		$ 2,787,365	$ (458,635)
EXPENDITURES						
Public works	3,457,161	3,457,161	3,048,804	139	3,048,943	408,218
Excess (deficiency) of revenues over (under) expenditures	(211,161)	(211,161)	(261,439)	(139)	(261,578)	(50,417)
OTHER FINANCING SOURCES						
Transfers in	211,161	211,161	-	-	-	(211,161)
Total other financing sources (uses)	211,161	211,161	-	-	-	(211,161)
Net change in fund balance	$ -	$ -	(261,439)	(139)	(261,578)	$ (261,578)
Fund balances, beginning of year			(103,806)	-	(103,806)	
Fund balances, end of year			$ (365,245)	$ (139)	$ (365,384)	

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

Prior year encumbrances	$ -
Current year encumbrances	(139)
Net decrease in fund balance - GAAP to budget	$ (139)

Exhibit B-7

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, 2010

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
REVENUES				
Intergovernmental:				
State	$ -	$ -	$ 194,110	$ 194,110
Charges for services	520,000	520,000	383,726	(136,274)
Total revenues	520,000	520,000	577,836	57,836
EXPENDITURES				
Public safety	520,000	520,000	533,638	(13,638)
Total expenditures	520,000	520,000	533,638	(13,638)
Excess (deficiency) of revenues over (under) expenditures	-	-	44,198	44,198
Net change in fund balance	$ -	$ -	44,198	$ 44,198
Fund balances, beginning of year			70,331	
Fund balances, end of year			$ 114,529	

Exhibit B-8

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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Property taxes	$ 13,537	$ 13,537	$ 6,163	$ (7,374)
EXPENDITURES				
Public works	13,537	13,537	12,419	1,118
Excess (deficiency) of revenues over (under) expenditures	-	-	(6,256)	(6,256)
Net change in fund balance	$ -	$ -	(6,256)	$ (6,256)
Fund balances, beginning of year			(18,683)	
Fund balances, end of year			$ (24,939)	

Exhibit B-9

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, 2010

	Budgeted Amounts		Actual Amounts GAAP Basis	GAAP to Budget Differences Over (Under)	Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
REVENUES						
Property taxes	$ 3,233,150	$ 3,233,150	$ 3,188,932	$ -	$ 3,188,932	$ (44,218)
Intergovernmental:						
State	30,000	30,000	38,733	-	38,733	8,733
Charges for services	1,803,000	1,803,000	1,649,652	-	1,649,652	(153,348)
Total revenues	5,066,150	5,066,150	4,877,317	-	4,877,317	(188,833)
EXPENDITURES						
Sanitation	5,066,150	5,566,150	4,720,786	7,081	4,727,867	838,283
Total expenditures	5,066,150	5,566,150	4,720,786	7,081	4,727,867	838,283
Excess (deficiency) of revenues over (under) expenditures	-	(500,000)	156,531	(7,081)	149,450	649,450
OTHER FINANCING SOURCES (USES)						
Transfers in	-	500,000	-	-	-	(500,000)
Total other financing sources (uses)	-	500,000	-	-	-	(500,000)
Net change in fund balance	$ -	$ -	156,531	(7,081)	149,450	$ 149,450
Fund balances, beginning of year			2,662,322	(2,051)	2,660,271	
Fund balances, end of year			$ 2,818,853	$ (9,132)	$ 2,809,721	

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

Prior year encumbrances	$ 2,051
Current year encumbrances	(9,132)
Net decrease in fund balance - GAAP to budget	$ (7,081)

Exhibit B-10

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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Fines, fees, and forfeitures	$ 99,493	$ 99,493	$ 122,439	$ 22,946
EXPENDITURES				
Public safety	160,467	160,467	151,110	9,357
Excess (deficiency) of revenues over (under) expenditures	(60,974)	(60,974)	(28,671)	32,303
OTHER FINANCING SOURCES				
Transfers in	60,974	60,974	60,974	-
Total other financing sources (uses)	60,974	60,974	60,974	-
Net change in fund balance	$ -	$ -	32,303	$ 32,303
Fund balances, beginning of year			(85,705)	
Fund balances, end of year			$ (53,402)	

Exhibit - 11

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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental:				
State	$ 190,000	$ 190,000	$ 194,123	$ 4,123
EXPENDITURES				
Culture and recreation	190,000	190,000	148,425	41,575
Excess (deficiency) of revenues over (under) expenditures	-	-	45,698	(37,452)
Net change in fund balance	$ -	$ -	45,698	$ (37,452)
Fund balances, beginning of year			65,288	
Fund balances, end of year			$ 110,986	

Exhibit B-12

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	$ 10,854	$ 10,854	$ 7,324	$ (3,530)
EXPENDITURES				
Public works	10,854	10,854	11,480	626
Excess (deficiency) of revenues over (under) expenditures	-	-	(4,156)	(4,156)
Net change in fund balance	$ -	$ -	(4,156)	$ (4,156)
Fund balances, beginning of year			(14,418)	
Fund balances, end of year			$ (18,574)	

Exhibit B-13

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, 2010

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
REVENUES				
Intergovernmental:				
Property taxes	$ 2,556,077	$ 2,556,077	$ 2,504,592	$ (51,485)
State	22,813	22,813	22,813	-
Total revenues	2,578,890	2,578,890	2,527,405	(51,485)
EXPENDITURES				
Culture and recreation	1,677,959	1,677,959	1,591,232	86,727
Allocation to Library	900,931	900,931	900,931	-
Total expenditures	2,578,890	2,578,890	2,492,163	86,727
Excess (deficiency) of revenues over (under) expenditures	-	-	35,242	35,242
Net change in fund balance	$ -	$ -	35,242	$ 35,242
Fund balances, beginning of year			(1,501,982)	
Fund balances, end of year			$ (1,466,740)	

Exhibit B-14

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, 2010

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
REVENUES				
Property taxes	$ 51,660	$ 51,660	$ 83,860	$ 32,200
EXPENDITURES				
Public works	51,660	51,660	28,158	23,502
Excess (deficiency) of revenues over (under) expenditures	-	-	55,702	55,702
Net change in fund balance	$ -	$ -	55,702	$ 55,702
Fund balances, beginning of year			(43,046)	
Fund balances, end of year			$ 12,656	

Exhibit B-15

ORANGEBURG COUNTY, SOUTH CAROLINA
NONMAJOR CAPITAL PROJECTS FUND
CAPITAL PROJECTS SALES TAX I
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
From inception and for the year ended June 30, 2010

	Project Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Sales tax	$ 52,704,200	$ 53,914,066	$ -	$ 53,914,066
Investment income	-	5,900,723	755	5,901,478
Total revenues	52,704,200	59,814,789	755	59,815,544
EXPENDITURES				
General government	3,044,058	3,099,450	-	3,099,450
Public works	37,833,221	33,049,250	174,125	33,223,375
Public safety	2,422,000	2,413,398	-	2,413,398
Culture and recreation	9,404,921	9,249,851	775,157	10,025,008
Principal retirement	-	8,435,000	-	8,435,000
Interest and fiscal charges	-	388,244	-	388,244
Total expenditures	52,704,200	56,635,193	949,282	57,584,475
Excess (deficiency) of revenues over (under) expenditures	-	3,179,596	(948,527)	2,231,069
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	-	(39,401,530)	-	(39,401,530)
Total other financing sources (uses)	-	3,948,018	-	3,948,018
Net change in fund balances	$ -	$ 7,127,614	(948,527)	$ 6,179,087
Fund balances, beginning of year			7,127,614	
Prior period adjustment			-	
Fund balances, beginning of year as restated			7,127,614	
Fund balances, end of year			$ 6,179,087	

Exhibit B-16

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, 2010

	Budgeted Amounts		Actual Amounts GAAP Basis	GAAP to Budget Differences Over (Under)	Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
REVENUES						
Property taxes	$ 832,835	$ 832,835	$ 825,786	$ -	$ 825,786	$ (7,049)
Intergovernmental	17,165	17,165	45,396	-	45,396	28,231
Other	-	-	400	-	400	400
Total revenues	850,000	850,000	871,582	-	871,582	21,582
EXPENDITURES						
Public works	850,000	6,313,573	1,478,548	9,422	1,487,970	4,825,603
Total expenditures	850,000	6,313,573	1,478,548	9,422	1,487,970	4,825,603
Deficiency of revenues over expenditures	-	(5,463,573)	(606,966)	(9,422)	(616,388)	4,847,185
OTHER FINANCING SOURCES (USES)						
Transfers in	-	5,463,573	-	-	-	(5,463,573)
Net other financing sources (uses)	-	5,463,573	-	-	-	(5,463,573)
Net change in fund balances	$ -	$ -	(606,966)	(9,422)	(616,388)	$ (616,388)
Fund balances, beginning of year			4,199,108	(110,628)	4,088,480	
Prior period adjustment			113,394	110,628	224,022	
Fund balances, beginning of year as restated			4,312,502	-	4,312,502	
Fund balances, end of year			$ 3,705,536	$ (9,422)	$ 3,696,114	

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

Prior year encumbrances as restated	$ -
Current year encumbrances	(9,422)
Net decrease in fund balance - GAAP to budget	$ (9,422)

Exhibit B-17

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, 2010

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
REVENUES				
Property taxes	$ 1,765,005	$ 1,765,005	$ 1,921,205	$ 156,200
Intergovernmental:				
State	40,000	40,000	39,977	(23)
Total revenues	1,805,005	1,805,005	1,961,182	156,177
EXPENDITURES				
Principal retirement	1,210,000	1,210,000	1,235,000	(25,000)
Interest and fiscal charges	595,005	595,005	639,490	(44,485)
Total expenditures	1,805,005	1,805,005	1,874,490	(69,485)
Excess (deficiency) of revenues over (under) expenditures	-	-	86,692	86,692
Net change in fund balance	$ -	$ -	86,692	$ 86,692
Fund balances, beginning of year			1,054,561	
Fund balances, end of year			$ 1,141,253	

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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 that are collected on behalf of the other governments.

ORANGEBURG COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

Exhibit B-18

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
CONSOLIDATED SCHOOL DISTRICT 3				
Assets				
Cash	$ 1,888,092	$ 36,461,307	$ 36,223,197	$ 2,126,202
Property taxes receivable	966,971	14,761,534	14,699,496	1,029,009
Total Assets	$ 2,855,063	$ 51,222,841	$ 50,922,693	$ 3,155,211
Liabilities				
Due to taxing unit	$ 2,855,063	$ 51,222,841	$ 50,922,693	$ 3,155,211
Total Liabilities	$ 2,855,063	$ 51,222,841	$ 50,922,693	$ 3,155,211
CONSOLIDATED SCHOOL DISTRICT 4				
Assets				
Cash	$ 4,094,745	$ 36,886,007	$ 37,136,748	$ 3,844,004
Property taxes receivable	555,733	12,087,087	12,120,382	522,438
Total Assets	$ 4,650,478	$ 48,973,094	$ 49,257,130	$ 4,366,442
Liabilities				
Due to taxing unit	$ 4,650,478	$ 48,973,094	$ 49,257,130	$ 4,366,442
Total Liabilities	$ 4,650,478	$ 48,973,094	$ 49,257,130	$ 4,366,442
CONSOLIDATED SCHOOL DISTRICT 5				
Assets				
Cash	$ 5,518,341	$ 79,279,728	$ 79,189,474	$ 5,608,595
Property taxes receivable	2,354,311	34,819,990	34,647,286	2,527,015
Total Assets	$ 7,872,652	$ 114,099,718	$ 113,836,760	$ 8,135,610
Liabilities				
Due to taxing unit	$ 7,872,652	$ 114,099,718	$ 113,836,760	$ 8,135,610
Total Liabilities	$ 7,872,652	$ 114,099,718	$ 113,836,760	$ 8,135,610
COUNTY BOARD OF EDUCATION				
Assets				
Cash	$ 530,541	$ 8,723,594	$ 9,241,752	$ 12,383
Property taxes receivable	569,808	8,592,349	8,570,732	591,425
Total Assets	$ 1,100,349	$ 17,315,943	$ 17,812,484	$ 603,808
Liabilities				
Due to taxing unit	$ 1,100,349	$ 17,315,943	$ 17,812,484	$ 603,808
Total Liabilities	$ 1,100,349	$ 17,315,943	$ 17,812,484	$ 603,808

(continued)

ORANGEBURG COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

Exhibit B-18

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
TOWNS				
Assets				
Cash	$ 169	$ 1,806,472	$ 1,760,832	$ 45,809
Property taxes receivable	175,771	1,782,115	1,780,318	177,568
Total Assets	$ 175,940	$ 3,588,587	$ 3,541,150	$ 223,377
Liabilities				
Due to taxing unit	$ 175,940	$ 3,588,587	$ 3,541,150	$ 223,377
Total Liabilities	$ 175,940	$ 3,588,587	$ 3,541,150	$ 223,377
DELINQUENT TAX COLLECTOR				
Assets				
Cash	$ 1,173,819	$ 922,529	$ -	$ 2,096,348
Investments	1,003,517	-	1,003,517	-
Total Assets	$ 2,177,336	$ 922,529	$ 1,003,517	$ 2,096,348
Liabilities				
Due to others	$ 2,177,336	$ 922,529	$ 1,003,517	$ 2,096,348
Total Liabilities	$ 2,177,336	$ 922,529	$ 1,003,517	$ 2,096,348
SANTEE FIRE DISTRICT				
Assets				
Cash	$ -	$ 3,588	$ -	$ 3,588
Property taxes receivable	23,326	254,380	254,370	23,336
Total Assets	$ 23,326	$ 257,968	$ 254,370	$ 26,924
Liabilities				
Due to taxing unit	$ 23,326	$ 257,968	$ 254,370	$ 26,924
Total Liabilities	$ 23,326	$ 257,968	$ 254,370	$ 26,924
HOLLY HILL HEALTH AND DRAINAGE				
Assets				
Cash	$ -	$ 125	$ -	$ 125
Property taxes receivable	1,064	11,720	11,672	1,112
Total Assets	$ 1,064	$ 11,845	$ 11,672	$ 1,237
Liabilities				
Due to taxing unit	$ 1,064	$ 11,845	$ 11,672	$ 1,237
Total Liabilities	$ 1,064	$ 11,845	$ 11,672	$ 1,237

(continued)

ORANGEBURG COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

Exhibit B-18

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
HORSE RANGE WATER SHED				
Assets				
Cash	$ 16,853	$ -	$ 94	$ 16,759
Property taxes receivable	1,895	18,282	17,913	2,264
Total Assets	$ 18,748	$ 18,282	$ 18,007	$ 19,023
Liabilities				
Due to taxing unit	$ 18,748	$ 18,282	$ 18,007	$ 19,023
Total Liabilities	$ 18,748	$ 18,282	$ 18,007	$ 19,023
COW CASTLE DRAINAGE DISTRICT				
Assets				
Cash	$ 26,840	$ -	$ -	$ 26,840
Total Assets	$ 26,840	$ -	$ -	$ 26,840
Liabilities				
Due to taxing unit	$ 26,840	$ -	$ -	$ 26,840
Total Liabilities	$ 26,840	$ -	$ -	$ 26,840
SOLICITOR'S FORFEITED BOND FUND				
Assets				
Cash	$ 34,747	$ 8,491	$ 3,846	$ 39,392
Total Assets	$ 34,747	$ 8,491	$ 3,846	$ 39,392
Liabilities				
Due to (from) other Agency Funds	$ (450)	$ 2,598	$ 3,846	$ (1,698)
Due to others	35,197	5,893	-	41,090
Total Liabilities	$ 34,747	$ 8,491	$ 3,846	$ 39,392
FIREMAN'S INSURANCE PREMIUM FUND				
Assets				
Cash	$ 1,456	$ 164,719	$ 162,955	$ 3,220
Total Assets	$ 1,456	$ 164,719	$ 162,955	$ 3,220
Liabilities				
Due to others	$ 1,456	$ 164,719	$ 162,955	$ 3,220
Total Liabilities	$ 1,456	$ 164,719	$ 162,955	$ 3,220

(continued)

ORANGEBURG COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

Exhibit B-18

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
CLERK OF COURT BAIL BONDS				
Assets				
Cash	$ 49,170	$ 4,540	$ -	$ 53,710
Total Assets	$ 49,170	$ 4,540	$ -	$ 53,710
Liabilities				
Due to (from) other Agency Funds	$ -	$ (720)	$ -	$ (720)
Due to others	49,170	5,260	-	54,430
Total Liabilities	$ 49,170	$ 4,540	$ -	$ 53,710
COURT FINES AND ASSESSMENTS				
Assets				
Cash	$ 32,838	$ 2,187,008	$ 2,161,989	$ 57,857
Total Assets	$ 32,838	$ 2,187,008	$ 2,161,989	$ 57,857
Liabilities				
Due to (from) other Agency Funds	$ (98,904)	$ 98,904	$ 101,519	$ (101,519)
Due to others	131,742	2,088,104	2,060,470	159,376
Total Liabilities	$ 32,838	$ 2,187,008	$ 2,161,989	$ 57,857
SOLICITOR'S DRUG FUND				
Assets				
Cash	$ 26,977	$ 7,180	$ 6,758	$ 27,399
Total Assets	$ 26,977	$ 7,180	$ 6,758	$ 27,399
Liabilities				
Due to others	$ 26,977	$ 7,180	$ 6,758	$ 27,399
Total Liabilities	$ 26,977	$ 7,180	$ 6,758	$ 27,399
CLERK OF COURT TRUST FUND	**As Restated**			
Assets				
Cash	$ 908,441	$ 2,535,156	$ 2,199,091	$ 1,244,506
Total Assets	$ 908,441	$ 2,535,156	$ 2,199,091	$ 1,244,506
Liabilities				
Due to General Fund	$ 19,530	$ 255,023	$ 254,887	$ 19,666
Due to General Fund - overage / (deficit)	115,605	10	15,195	100,420
Due to Special Revenue Fund	2,528	34,410	35,180	1,758
Due to (from) other Agency Funds	28,422	273,818	274,067	28,173
Due to others	742,356	1,971,895	1,619,762	1,094,489
Total Liabilities	$ 908,441	$ 2,535,156	$ 2,199,091	$ 1,244,506

(continued)

ORANGEBURG COUNTY

Exhibit B-18

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
MASTER IN EQUITY TRUST FUND				
Assets				
Cash	$ 19,706	$ 1,152,924	$ 1,135,790	$ 36,840
Total Assets	$ 19,706	$ 1,152,924	$ 1,135,790	$ 36,840
Liabilities				
Due to General Fund	$ -	$ 121,843	$ 103,539	$ 18,304
Due to others	19,706	1,031,081	1,032,251	18,536
Total Liabilities	$ 19,706	$ 1,152,924	$ 1,135,790	$ 36,840
PROBATE COURT TRUST FUND				
Assets				
Cash	$ 104,925	$ 34,361	$ 6,431	$ 132,855
Total Assets	$ 104,925	$ 34,361	$ 6,431	$ 132,855
Liabilities				
Due to General Fund - overage / (deficit)	$ 262	$ -	$ -	$ 262
Due to others	104,663	34,361	6,431	132,593
Total Liabilities	$ 104,925	$ 34,361	$ 6,431	$ 132,855
FAMILY COURT TRUST FUND				
Assets				
Cash	$ 62,486	$ 12,291,475	$ 12,352,410	$ 1,551
Total Assets	$ 62,486	$ 12,291,475	$ 12,352,410	$ 1,551
Liabilities				
Due to (from) General Fund	$ (21,511)	$ 101,487	$ 90,968	$ (10,992)
Due to others	83,997	12,189,988	12,261,442	12,543
Total Liabilities	$ 62,486	$ 12,291,475	$ 12,352,410	$ 1,551
Register of Deeds				
Assets				
Cash	$ -	$ -	$ -	$ -
Liabilities				
Due to General Fund	$ -	$ -	$ -	$ -

(continued)

Exhibit B-18

ORANGEBURG COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
MAGISTRATE'S TRUST FUND				
Assets				
Cash	$ 209,662	$ 2,039,006	$ 2,013,763	$ 234,905
Total Assets	$ 209,662	$ 2,039,006	$ 2,013,763	$ 234,905
Liabilities				
Due to General Fund	$ 78,962	$ 853,939	$ 854,764	$ 78,137
Due to General Fund - overage / (deficit)	22	1,497	244	1,275
Due to Special Revenue Fund	6,806	87,974	86,795	7,985
Due to (from) other Agency Funds	70,932	891,746	886,914	75,764
Due to others	52,940	203,850	185,046	71,744
Total Liabilities	$ 209,662	$ 2,039,006	$ 2,013,763	$ 234,905
OADC TRUST FUND	**As Restated**			
Assets				
Cash	$ 6,070	$ 15,518	$ 19,340	$ 2,248
Total Assets	$ 6,070	$ 15,518	$ 19,340	$ 2,248
Liabilities				
Due to others	$ 6,070	$ 15,518	$ 19,340	$ 2,248
Total Liabilities	$ 6,070	$ 15,518	$ 19,340	$ 2,248
TOTALS - ALL AGENCY FUNDS	**As Restated**			
Assets				
Cash	$ 14,705,878	$ 184,523,728	$ 183,614,470	$ 15,615,136
Investments	1,003,517	-	1,003,517	-
Property taxes receivable	4,648,879	72,327,457	72,102,169	4,874,167
Total Assets	$ 20,358,274	$ 256,851,185	$ 256,720,156	$ 20,489,303
Liabilities				
Due to General Fund	$ 76,981	$ 1,332,292	$ 1,304,158	$ 105,115
Due to General Fund - overage / (deficit)	115,889	1,507	15,439	101,957
Due to Special Revenue Fund	9,334	122,384	121,975	9,743
Due to (from) other Agency Funds	-	1,266,346	1,266,346	-
Due to taxing units	16,724,460	235,488,278	235,654,266	16,558,472
Due to others	3,431,610	18,640,378	18,357,972	3,714,016
Total Liabilities	$ 20,358,274	$ 256,851,185	$ 256,720,156	$ 20,489,303

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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.

Exhibit B-19

COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING STATEMENT OF NET ASSETS
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2010

	Orangeburg County Fire Commission	Orangeburg County Public Library	Orangeburg-Calhoun Regional Detention Center	Totals
ASSETS				
Cash and cash equivalents	$ 500	$ 160,980	$ 56,967	$ 218,447
Property taxes receivable	177,870	-	-	177,870
Other receivables	-		22,174	22,174
Intergovernmental receivable	-	-	507,612	507,612
Due from primary government	476,680	53,750	-	530,430
Total assets	655,050	214,730	586,753	1,456,533
LIABILITIES				
Accounts payable	34,410	10,267	62,000	106,677
Accrued salaries and benefits	8,400	-	109,153	117,553
Due to primary government	-	-	330,906	330,906
Noncurrent liabilities:				
Due within one year	15,435	23,425	76,473	115,333
Due in more than one year	14,248	29,814	110,047	154,109
Net OPEB obligation	58,106	296,672	885,871	1,240,649
Total liabilities	130,599	360,178	1,574,450	2,065,227
NET ASSETS				
Unrestricted (deficit)	524,451	(145,448)	(987,697)	(608,694)
	$ 524,451	$ (145,448)	$ (987,697)	$ (608,694)

ORANGEBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2010

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Orangeburg County Fire District	Orangeburg County Public Library	Orangeburg-Calhoun Regional Detention Center	Totals
Orangeburg County Fire District								
Governmental activities:								
Public safety	$ 2,610,262	$ -	$ -	$ -	$ (2,610,262)			$ (2,610,262)
Total Orangeburg County Fire District	2,610,262	-	-	-	(2,610,262)			(2,610,262)
Orangeburg County Public Library								
Governmental activities:								
Culture and recreation	1,388,735	63,440	159,352	-		$ (1,165,943)		(1,165,943)
Total Library Foundation	1,388,735	63,440	159,352	-		(1,165,943)		(1,165,943)
Orangeburg-Calhoun Regional Detention Center								
Governmental activities:								
Public safety	5,686,048	145,722	-	-			$ (5,540,326)	(5,540,326)
Total Detention Center	5,686,048	145,722	-	-			(5,540,326)	(5,540,326)
Business-type activities:								
Orangeburg-Calhoun Regional Detention Center								
Regional Detention Center	90,909	98,898	-	-			7,989	7,989
Total Detention Center	90,909	98,898	-	-			7,989	7,989
Total component units	$ 9,775,954	$ 308,060	$ 159,352	$ -	(2,610,262)	(1,165,943)	(5,532,337)	(9,308,542)
General Revenues:								
Payment from Primary Government					-	900,931	4,374,387	5,275,318
Payment from Other Governments					-	-	725,155	725,155
Property taxes					2,346,108	-	-	2,346,108
Interest earnings					4,633	178	-	4,811
Miscellaneous					-	-	7,401	7,401
Total general revenues					2,350,741	901,109	5,106,943	8,358,793
Change in net assets					(259,521)	(264,834)	(425,394)	(949,749)
Net assets - beginning					783,972	119,386	(562,303)	341,055
Net assets - ending					$ 524,451	$ (145,448)	$ (987,697)	$ (608,694)

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, 2010

Exhibit B-21

Operating Revenues:	
Canteen sales	$ 58,468
Telephone revenue	40,430
Miscellaneous revenue	6,737
Total operating revenues	105,635
Operating Expenses:	
Work release	23,591
Administration	27,515
Benefits for inmates	38,553
Capital expenditures	1,250
Total operating expenses	90,909
Operating Income (Loss)	14,726
Change in net assets	14,726
Total net assets - beginning	63,424
Total net assets - ending	$ 78,150

Exhibit B-22

ORANGEBURG COUNTY, SOUTH CAROLINA
PROPRIETARY COMPONENT UNIT
ORANGEBURG-CALHOUN REGIONAL DETENTION CENTER
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2010

Cash Flows From Operating Activities:		
Cash received from customers	$	104,200
Cash paid to suppliers		(89,659)
Net Cash Provided (Used) by Operating Activities		14,541
Net Increase (Decrease) in Cash and Equivalents		14,541
Cash and Equivalents at Beginning of Year		42,426
Cash and Equivalents at End of Year	$	56,967
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$	14,726
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
(Increase) decrease in accounts receivables		(185)
Net Cash Provided (Used) by Operating Activities	$	14,541

COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2010

Exhibit B-23

	Governmental Funds			Proprietary Fund	
	Orangeburg County Fire Commission	Orangeburg County Public Library	Orangeburg-Calhoun Regional Detention Center	Orangeburg-Calhoun Regional Detention Center	Totals
ASSETS					
Cash and cash equivalents	$ 500	$ 160,980	$ -	$ 56,967	$ 218,447
Property taxes receivable	177,870	-	-	-	177,870
Other receivables	-	-	991	21,183	22,174
Intergovernmental receivable	-	-	507,612	-	507,612
Due from primary government	476,680	53,750	-	-	530,430
Total assets	$ 655,050	$ 214,730	$ 508,603	$ 78,150	$ 1,456,533
LIABILITIES AND FUND EQUITY					
Liabilities					
Accounts payable	$ 34,410	$ 10,267	$ 62,000	$ -	$ 106,677
Accrued salaries and benefits	8,400	-	109,153	-	117,553
Deferred revenue - Property taxes	158,380	-	-	-	158,380
Due to primary government	-	-	330,906	-	330,906
Total liabilities	201,190	10,267	502,059	-	713,516
Fund Equity					
Fund balances					
Reserved for encumbrances	42,062	-	-	-	42,062
Unreserved, unrestricted (deficit)	411,798	204,463	6,544	78,150	700,955
Total fund equity	453,860	204,463	6,544	78,150	743,017
Total liabilities and fund equity	$ 655,050	$ 214,730	$ 508,603	$ 78,150	$ 1,456,533

Exhibit B-24

COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DISCRETELY PRESENTED COMPONENT UNITS
For the year ended June 30, 2010

	Orangeburg County Fire Commission	Orangeburg County Public Library	Orangeburg-Calhoun Regional Detention Center	Totals
REVENUE				
Property taxes	$ 2,336,356	$ -	$ -	$ 2,336,356
Intergovernmental	-	1,060,283	5,245,928	6,306,211
Interest	4,633	178	-	4,811
Other	-	63,440	-	63,440
Total revenues	2,340,989	1,123,901	5,245,928	8,710,818
EXPENDITURES				
Current:				
Public safety	2,583,337	-	5,239,384	7,822,721
Culture and recreation	-	1,242,718	-	1,242,718
Total expenditures	2,583,337	1,242,718	5,239,384	9,065,439
Excess of revenues over (under) expenditures	(242,348)	(118,817)	6,544	(354,621)
Net change in fund balance	(242,348)	(118,817)	6,544	(354,621)
Fund balances, beginning of year	696,208	323,280	-	1,019,488
Fund balances, end of year	$ 453,860	$ 204,463	$ 6,544	$ 664,867

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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.

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Exhibit B-25

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES
SPECIAL REVENUE FUND - VICTIMS' ASSISTANCE FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Clerk of Court	Magistrates	Total
Court Fines			
Court fines collected	$ 90,076	$ 1,350,841	$ 1,440,917
Court fines retained by County	16,435	845,909	862,344
Court fines remitted to State Treasurer	$ 73,641	$ 504,932	$ 578,573
Court Assessments			
Court assessments collected	$ 20,894	$ 433,751	$ 454,645
Court assessments retained by County	3,949	63,244	67,193
Court assessments remitted to State Treasurer	$ 16,945	$ 370,507	$ 387,452
Court Surcharges			
Court surcharges collected	$ 30,461	$ 24,785	$ 55,246
Court surcharges retained by County	$ 30,461	$ 24,785	$ 55,246
Victims Services			
Court assessments allocated to Victim Services	$ 3,949	$ 63,244	$ 67,193
Court surcharges allocated to Victim Services	30,461	24,785	55,246
Funds allocated to Victim Services	$ 34,410	$ 88,029	122,439
Victim Services expenditures			(151,110)
Transfers in			60,974
			$ 32,303
Beginning balance - July 1, 2009		$ (85,705)	
Excess of revenues over expenditures for current year		32,303	
Ending Balance - June 30, 2010		$ (53,402)	

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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 sources.

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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities			As Previously Shown							
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	$ 37,883,060	$ 38,042,095
Restricted	-	-	18,730,803	29,205,675	23,017,688	21,554,403	33,053,599	37,810,704	46,930,804	55,025,624
Unrestricted	-	-	7,938,536	9,379,497	12,340,319	11,523,929	8,988,868	12,285,216	4,376,044	678,976
Total governmental activities net asset	-	-	69,498,638	76,209,068	90,765,334	84,673,563	85,388,395	90,442,815	89,189,908	93,746,695
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	$ 89,189,908	$ 93,746,695

*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									
	2001*	2002*	2003	2004	2005	2006	2007	2008	2009	2010
			As Previously Shown							
Expenses										
Governmental Activities:										
General government	$ -	$ -	$ 8,217,989	$ 8,337,248	$ 9,041,763	$ 6,343,675	$ 9,020,416	$ 17,247,913	$ 18,502,621	$ 17,223,230
Judicial	-	-	2,961,226	3,011,160	3,130,374	3,233,742	3,490,272	3,525,789	3,714,077	3,423,793
Public works	-	-	11,885,655	6,047,481	4,303,582	11,647,075	14,887,839	9,657,666	12,502,065	8,763,395
Public safety	-	-	11,973,050	8,738,515	13,063,773	17,167,215	20,070,085	13,551,619	14,700,661	15,218,276
Social and health	-	-	3,136,727	2,377,287	2,476,718	4,217,784	2,482,747	1,485,980	2,130,593	1,944,793
Sanitation	-	-	11,440,663	4,069,879	4,419,044	5,009,300	5,117,115	4,422,558	5,348,464	5,075,490
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	1,102,819	900,931
Culture and recreation	-	-	340,340	1,368,492	564,662	4,055,473	3,986,393	8,380,192	4,173,635	3,421,964
Interest and fiscal charges	-	-	1,322,637	1,517,038	1,227,256	1,085,850	1,797,321	3,256,316	3,270,394	2,703,176
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	65,445,329	58,675,048
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	$ 65,445,329	$ 58,675,048
Program Revenues										
Governmental Activities										
Charges for services:										
General government	$ -	$ -	$ 790,521	$ 1,075,723	$ 646,720	$ 670,587	$ 859,138	$ 1,158,696	$ 953,422	$ 937,819
Judicial	-	-	2,073,472	1,992,029	2,287,773	2,362,630	2,109,864	1,736,808	1,705,813	1,602,448
Public works	-	-	2,090,425	2,362,921	2,349,463	2,600,142	3,197,384	3,091,362	3,074,003	2,888,394
Public safety	-	-	2,143,313	2,144,137	2,505,752	1,245,173	2,461,582	1,931,837	2,149,456	3,034,328
Social and health	-	-	1,585,333	-	-	-	-	-	-	-
Sanitation	-	-	-	1,377,274	1,941,709	1,803,467	2,140,983	1,737,701	2,143,291	1,649,652
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	10,025,985	10,112,641
Operating grants and contributions	-	-	6,082,655	5,507,172	4,068,605	3,918,711	4,779,292	2,847,573	1,344,825	1,632,379
Capital grants and contributions	-	-	9,910,661	335,839	492,150	-	176,542	5,434,489	1,730,118	1,848,607
Total governmental activities	-	-	25,257,764	14,795,095	14,292,172	12,600,710	15,724,785	17,938,466	13,100,928	13,593,627
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	13,100,928	13,593,627
Net (Expense)/Revenue										
Governmental activities	-	-	(29,998,733)	(33,099,143)	(33,092,522)	(42,589,192)	(45,127,403)	(44,579,415)	(52,344,401)	(45,081,421)
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)	$ (52,344,401)	$ (45,081,421)

(Continued)

Table 2

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

	Fiscal Year									
	2001*	2002*	2003	2004	2005	2006	2007	2008	2009	2010
			As Previously Shown							
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	$ -	$ -	$ 24,711,284	$ 25,835,100	$ 26,975,355	$ 26,843,615	$ 27,590,905	$ 29,584,886	$ 29,715,565	$ 30,675,409
Sales Tax	-	-	7,900,490	7,921,493	8,534,112	8,867,624	9,378,935	9,480,018	9,477,909	9,073,291
Accommodations Tax	-	-	206,234	194,721	196,884	204,268	221,736	217,481	219,989	194,123
Interest and Investment Income	-	-	883,020	1,319,363	2,328,922	2,904,383	1,973,647	4,756,025	3,764,125	2,663,505
Intergovernmental not restricted to specific programs	-	-	4,573,859	4,068,424	4,121,123	5,023,274	5,527,728	6,445,342	5,701,147	5,909,632
Contributions not restricted to specific programs	-	-	-	-	3,783,330	1,200,000	-			
Miscellaneous	-	-	966,548	470,472	798,177	862,499	283,392	330,119	496,227	783,873
Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	-	-	116,283	47,240	(54,209)
Transfers	-	-	-	-	-	-	-	-	1,126,439	-
Total governmental activities	-	-	39,241,435	39,809,573	46,737,903	45,905,663	44,976,343	50,930,154	50,548,641	49,245,624
Business-type activities	-	-	-	-	-	-	-	-	-	-
Total primary government	$ -	$ -	$ 39,241,435	$ 39,809,573	$ 46,737,903	$ 45,905,663	$ 44,976,343	$ 50,930,154	$ 50,548,641	$ 49,245,624
Changes in Net Assets										
Governmental activities	$ -	$ -	$ 9,242,702	$ 6,710,430	$ 13,645,381	$ 3,316,471	$ (151,060)	$ 6,350,739	$ (1,795,760)	$ 4,164,203
Business activities	-	-	-	-	-	-	-	-	-	-
Total primary government	$ -	$ -	$ 9,242,702	$ 6,710,430	$ 13,645,381	$ 3,316,471	$ (151,060)	$ 6,350,739	$ (1,795,760)	$ 4,164,203

*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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	As Previously Shown									
General Fund										
Reserved	$ 194,280	$ 101,657	$ 128,635	$ 409,898	$ -	$ -	$ -	$ 67,881	$ 101,105	$ 82,639
Unreserved	2,846,585	4,461,691	5,570,655	6,691,172	9,771,489	8,739,027	6,258,775	4,500,985	1,898,489	1,783,257
Total general fund	$ 3,040,865	$ 4,563,348	$ 5,699,290	$ 7,101,070	$ 9,771,489	$ 8,739,027	$ 6,258,775	$ 4,568,866	$ 1,999,594	$ 1,865,896
All Other Governmental Funds										
Reserved for:										
Special revenue funds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,271
Debt Service	(298,780)	(402,140)	10,072,741	8,780,501	10,104,204	9,664,741	6,945,382	10,019,169	9,254,561	10,145,647
Capital projects fund	15,481,490	20,276,279	41,169,387	42,974,382	33,996,935	28,515,487	90,449,619	85,828,769	73,591,338	60,227,801
Unreserved, reported in:										
Special revenue funds	1,373,679	722,167	1,917,628	2,474,711	3,123,445	3,351,252	3,127,057	7,574,249	6,660,098	6,791,049
Capital projects funds	-	-	1,147,711	197,533	-	(510)	-	-	-	-
Total all other governmental funds	$ 16,556,389	$ 20,596,306	$ 54,307,467	$ 54,427,127	$ 47,224,584	$ 41,530,970	$ 100,522,058	$ 103,422,187	$ 89,505,997	$ 77,173,768
Total all governmental funds	$ 19,597,254	$ 25,159,654	$ 60,006,757	$ 61,528,197	$ 56,996,073	$ 50,269,997	$ 106,780,833	$ 107,991,053	$ 91,505,591	$ 79,039,664

Table 4

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
				As Previously Shown						
Revenues										
Property taxes	$ 27,600,191	$ 29,348,061	$ 24,857,395	$ 25,572,338	$ 28,009,759	$ 26,833,876	$ 26,870,430	$ 29,779,389	$ 29,415,761	$ 30,442,114
Sales tax	-	-	7,900,490	7,921,493	8,534,112	8,867,624	9,378,935	9,480,018	9,477,909	9,073,291
Intergovernmental	6,828,204	6,894,381	20,773,410	9,242,413	8,750,100	9,146,253	10,705,298	14,944,885	8,996,079	9,584,741
Licenses and permits	762,113	562,124	564,977	619,798	646,720	670,587	859,138	653,242	589,683	591,366
Charges for services	5,361,195	5,180,209	6,139,946	6,860,395	7,729,450	7,357,320	9,139,196	6,733,600	7,340,832	7,399,167
Fines, fees and forfeitures	1,218,943	1,060,609	1,032,694	676,892	719,247	654,092	770,617	2,269,562	2,095,470	2,122,108
Investment income	755,482	554,554	883,020	1,319,363	2,328,922	2,904,383	1,973,647	4,756,025	3,764,125	2,663,505
Other	1,974,526	1,528,658	2,039,031	1,265,472	1,562,839	862,499	283,392	449,843	512,131	783,873
Total revenues	$ 44,500,654	$ 45,128,596	$ 64,190,963	$ 53,478,164	$ 58,281,149	$ 57,296,634	$ 59,980,653	$ 69,066,564	$ 62,191,990	$ 62,660,165
Expenditures										
General government	$ 7,170,439	$ 7,764,154	$ 9,263,139	$ 11,686,061	$ 9,669,579	$ 11,897,031	$ 15,975,269	$ 12,353,513	$ 12,926,898	$ 15,976,608
Judicial	2,796,561	2,533,065	2,914,643	3,011,160	3,073,783	3,167,867	3,422,208	3,447,793	3,393,412	3,050,113
Public works	2,876,311	9,894,848	12,963,483	9,300,332	13,740,982	12,613,532	18,938,696	14,783,069	16,906,518	13,260,254
Public safety	9,091,876	10,682,900	10,620,101	11,457,241	10,754,810	14,458,772	17,273,151	12,106,836	12,299,355	12,254,260
Social and health	1,368,575	2,140,397	3,089,450	2,377,287	2,462,570	4,201,315	2,465,731	1,630,808	2,090,891	1,842,854
Sanitation	3,315,876	4,752,061	13,904,347	4,069,879	4,419,044	5,009,300	5,117,115	4,971,449	5,394,685	4,722,235
Internal services	1,125,333	1,109,785	1,257,931	1,337,430	1,468,408	1,552,818	1,791,703	533,840	547,869	532,236
Allocation to others	1,734,689	1,750,518	2,141,657	6,410,470	7,100,742	4,235,473	936,326	5,469,666	3,824,396	5,408,096
Allocation to Library	-	-	-	-	-	-	-	989,848	1,102,819	900,931
Culture and recreation	-	408,489	340,340	1,368,492	564,662	-	3,986,393	9,289,471	6,054,209	3,804,601
Non-budgeted expenditures	-	-	-	-	-	-	-	2,256,689	859,249	952,316
Tourism promotion	215,494	154,431	-	-	-	-	-	-	-	-
Capital projects	4,970,759	-	-	-	-	-	-	-	-	-
Debt service:										
Interest	471,797	375,712	1,707,997	1,541,403	1,313,693	995,191	1,233,356	3,791,979	3,621,813	3,196,255
Principal	1,740,000	1,590,000	5,300,000	9,769,329	8,245,000	7,355,000	6,565,000	7,872,277	11,421,329	9,659,202
Total expenditures	$ 36,877,710	$ 43,156,360	$ 63,503,088	$ 62,329,084	$ 62,813,273	$ 65,486,299	$ 77,704,948	$ 79,497,238	$ 80,443,443	$ 75,559,961
Excess of revenues over (under) expenditures	$ 7,622,944	$ 1,972,236	$ 687,875	$ (8,850,920)	$ (4,532,124)	$ (8,189,665)	$ (17,724,295)	$ (10,430,674)	$ (18,251,453)	$ (12,899,796)
Other Financing Sources (Uses)										
Bond proceeds	-	-	36,018,647	11,185,000	-	-	67,154,611	9,715,000	-	-
Note proceeds	-	-	750,000	-	-	-	-	-	-	-
Defeasance costs	-	-	-	(154,164)	-	-	-	-	-	-
Payments to escrow agent	-	-	-	(2,000,000)	-	-	-	-	-	-
Capital leases	-	6,871,452	-	-	-	-	-	2,256,689	-	-
Capital lease proceeds	-	-	850,670	1,341,524	-	1,463,589	9,288,323	-	-	-
Sale of general fixed assets	-	-	-	-	-	-	-	-	96,699	41,285
Transfers in	3,241,725	526,651	17,245,069	8,425,389	9,070,101	8,111,377	10,368,729	2,426,702	1,419,799	198,287
Transfers out	(6,258,878)	(3,453,749)	(20,705,158)	(8,425,389)	(9,070,101)	(8,111,377)	(10,368,729)	(2,426,702)	(293,360)	(198,287)
Total other financing sources (uses)	(3,017,153)	3,944,354	34,159,228	10,372,360	-	1,463,589	76,442,934	11,971,689	1,223,138	41,285
Net change in fund balances	$ 4,605,791	$ 5,916,590	$ 34,847,103	$ 1,521,440	$ (4,532,124)	$ (6,726,076)	$ 58,718,639	$ 1,541,015	$ (17,028,315)	$ (12,858,511)
Debt service as a percentage of noncapital expenditures	6%	5%	11%	18%	15%	13%	10%	15%	19%	17%

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
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%
2009	71,960,006	59,887,475	5,700,587	122,439,843	259,987,911	125	4,470,137,446	5.82%
2010	78,917,844	61,901,018	5,393,180	116,030,701	262,242,743	105	4,455,148,324	5.89%

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

Notes: 2009 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.

Table 6

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

	2010			2001		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
SCE&G	$ -	1	0.00%	$ -	1	0.00%
Husqvarna	-	2	0.00%			
Albemarle	-	3	0.00%	-	7	0.00%
Bell South Telecommunications	-	4	0.00%	-	2	0.00%
American Koyo	-	5	0.00%	-	6	0.00%
Tri County Electric Co-Op	-	6	0.00%			
Delahaize	-	7	0.00%	-	8	0.00%
Norfolk Southern Railroad	-	8	0.00%			
CSX Railroad	-	9	0.00%			
Aiken Electric Coop	-	10	0.00%			
Okonite				-	3	0.00%
WCI Frigidare				-	4	0.00%
Holnam				-	5	0.00%
Georgia Pacific				-	9	0.00%
DMC Prints				-	10	0.00%
Total	$ -		0.00%	$ -		0.00%

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 Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2009	29,261,200	24,998,775	85.43%	3,064,974	28,063,745	95.90%
2010	30,399,475	25,369,376	83.45%	3,163,241	28,532,617	93.86%

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
County Direct Rates										
County Debt General	69	73	78	74	74	74	75	78	78	78
Bond Indebtedness	1	7	7	7	6	6	6	7	7	7
Capital Improvement Fund	2	5	5	3	3	3	3	3	3	3
Total direct rate	72	85	90	84	83	83	84	88	88	88
City and Town Rates										
City of Orangeburg	72	72	72	73	73	79	84	75	88	87
Town of Branchville	66	66	66	66	66	66	66	68	68	68
Town of Bowman	60	60	60	60	60	60	70	70	90	90
Town of Cope	25	25	25	25	25	25	25	25	25	25
Town of Cordova	11	11	11	11	11	11	11	11	11	11
Town of Elloree	40	40	40	40	60	65	67	70	72	75
Town of Eutawville	60	60	60	60	60	60	60	60	60	60
Town of Holly Hill	70	70	70	66	66	66	68	70	70	70
Town of Livingston	20	20	20	20	20	20	20	20	20	20
Town of Neeses	28	28	28	28	28	28	33	33	33	33
Town of Norway	42	42	42	42	42	50	50	52	52	52
Town of North	51	84	84	64	64	75	75	77	79	81
Town of Rowesville	20	20	30	30	40	40	40	40	40	40
Town of Santee	46	46	48	48	48	90	90	83	93	93
Town of Springfield	48	58	58	58	58	58	58	58	58	58
Town of Vance	50	50	50	50	50	50	50	50	50	50
Town of Woodford	15	7	7	7	7	7	7	15	10	10
Fire District	17	17	17	17	17	17	17	17	17	17
Fire District - Santee	17	17	17	17	17	17	17	17	17	17
School District Rates										
District Three	170	173	179	175	188	198	203	223	223	230
District Four	163	166	175	175	178	178	185	195	199	184
District Five	183	183	192	191	193	196	209	216	219	219
Sewer District Rates										
Drainage	3	3	3	3	3	3	3	3	3	3
Holly Hill Watershed	10	10	10	10	10	9	12	12	12	12
Other Special District Rates										
Special Education	8	8	8	8	9	9	9	9	9	9
Solid Waste	14	14	14	13	13	13	12	12	12	12
Board of Education	31	31	31	30	30	30	30	30	30	30

Source: County Treasurer, J. Steve Summers

Table 9

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

	Governmental Activities							
Fiscal Year	General Obligation Bonds	Revenue Bonds	Capital Leases	Note Payable	Certificates of Participation	Total Primary Government	Percentage of Personal Income	Per Capita
2001	$ 6,510,000	$ -	$ 3,046,110	$ -	$ 1,430,000	$ 10,986,110	0.53%	120
2002	5,615,000	-	8,139,610	-	735,000	14,489,610	0.67%	158
2003	4,715,000	31,164,300	6,291,918	750,000	-	42,921,218	1.92%	469
2004	12,445,000	22,864,300	5,245,773	735,671	-	41,290,744	1.78%	448
2005	11,535,000	15,364,300	3,688,766	692,557	-	31,280,623	1.30%	338
2006	10,600,000	8,769,296	3,322,092	663,043	-	23,354,431	0.93%	252
2007	9,645,000	67,193,773	9,097,115	631,215	-	86,567,103	3.46%	935
2008	18,385,000	60,456,496	9,149,729	1,632,715	-	89,623,940	3.80%	969
2009	16,965,000	52,252,549	6,556,438	568,660	-	76,342,647	2.89%	849
2010	15,510,000	44,048,257	5,637,036	534,101	-	65,729,394	2.89%	733

Table 10

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

	General Bonded Debt Outstanding			
Fiscal Year	General Obligation Bonds	Total	Percentage of Actual Taxable Value of Property	Per Capita
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
2009	16,965,000	16,965,000	6.48%	189
2010	15,510,000	15,510,000	6.09%	173

Source: County Treasurer, J. Steve Summers

Table 11

COUNTY OF ORANGEBURG, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2010

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Orangeburg County	$ 15,510,000	100.00%	$ 15,510,000
Orangeburg School District 3	34,185,000	100.00%	34,185,000
Orangeburg School District 4	31,798,931	100.00%	31,798,931
Orangeburg School District 5	40,074,370	100.00%	40,074,370
Total direct and overlapping debt			$ 121,568,301

Source: County Treasurer, J. Steve Summers

Table 12

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

	2001*	2002*	2003*	2004*	2005*	2006*	2007*	2008*	2009*	2010
Debt Limit	$ 14,641,858	$ 14,974,667	$ 17,007,522	$ 18,258,847	$ 18,531,448	$ 18,147,384	$ 18,400,504	$ 20,026,056	$ 20,799,033	$20,979,419
Total net Debt applicable to limit	6,510,000	5,615,000	2,375,000	10,270,000	11,535,000	10,600,000	8,005,000	16,940,000	15,730,000	14,495,000
Legal debt margin	$ 8,131,858	$ 9,359,667	$ 14,632,522	$ 7,988,847	$ 6,996,448	$ 7,547,384	$ 10,395,504	$ 3,086,056	$ 5,069,033	$ 6,484,419
Total net debt applicable to the limit as a percentage of debt limit	44.46%	37.50%	13.96%	56.25%	62.25%	58.41%	43.50%	84.59%	75.63%	69.09%

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed Value - Net of exemptions	$262,242,743
Debt Limit (8 % of assessed value)	20,979,419
Debt applicable to limit:	
General obligation bonds	15,510,000
Less: Debt excluded by referendum	1,015,000
Total net debt applicable to limit	14,495,000
Legal debt margin	$ 6,484,419

* 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
2010	89,657	$ 1,588,184	$ 17,714	37	15,025	17.80%
2009	89,950	2,376,389	26,419	35	15,953	14.50%
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%

Source: Community Economic Alliance, Inc.

Table 14

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

	2010			2001		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Husqvarna	2,300	1	2.56%			
Sara Lee Bakery Group	550	2	0.61%		Not Available	
Zeus Industrial Products Inc.	550	3	0.61%			
Koyo Corp of USA	530	4	0.59%			
Food Lion Distribution Center #3	498	5	0.55%			
Federal Mogul Friction Products	400	6	0.44%			
Allied Air Enterprise, Inc.	350	7	0.39%			
Albemarle Corporation	345	8	0.38%			
The Okonite Company	233	9	0.26%			
Holcim	200	10	0.22%			
Total	5,956		6.61%			

Table 15

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

	Full Time Equivalent Employees as of June 30									
Function/Program	*2001*	*2002*	*2003*	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*
General government	-	-	-	-	-	161	178	182	178	161
Public Safety	-	-	-	-	-	242	225	193	170	205
Public Works	-	-	-	-	-	81	100	92	92	89
Public Health	-	-	-	-	-	52	46	42	43	53
Culture and Recreation	-	-	-	-	-	35	-	-	17	16
Total	-	-	-	-	-	571	549	509	500	524

Source: Marion Boyd, Personnel Director

Table 16

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General										
Number of building permits	*	*	*	*	*	*	1,940	2,245	2,379	2,331
Public Safety										
Police										
Calls for Service	*	*	*	*	*	*	17,531	31,656	19,325	21,386
EMS										
Calls for Service	*	*	*	*	*	*	12,968	13,542	13,183	15,562
Fire										
Number of Calls Answered	*	*	*	*	*	*	5,910	3,981	4,712	4,227
Number of Inspections Conducted	*	*	*	*	*	*	*	*	*	*
Number of Investigations Conducted	*	*	*	*	*	*	*	*	*	*
Sanitation										
Number of Active Waste Accounts	*	*	*	*	*	*	432	439	410	405

*Information not available

Source:
Building permits provided by Orangeburg County Permitting Department
Police information provided by Orangeburg County Sheriff's 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

Table 17

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety										
Fire stations	*	*	*	*	*	*	35	38	38	38
EMS stations	*	*	*	*	*	*	4	4	4	4
Police vehicles	*	*	*	*	*	*	177	213	204	233
Police stations (including substations)	*	*	*	*	*	*	5	7	7	7
Public Works										
County and State maintained paved roads (miles)	*	*	*	*	*	*	1,807	1,895	1,907	1,918
County and State maintained unpaved roads (miles)	*	*	*	*	*	*	934	902	895	884
Culture & Recreation										
Parks acreage	*	*	*	*	*	*	35	35	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

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SINGLE AUDIT SECTION

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2010

Federal Grant/Pass Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Entity Identifying Number	Federal Expenditures
DEPARTMENT OF COMMERCE			
Passed through S.C. Law Enforcement Division:			
2007 Public Safety - Orangeburg Radio Interoperable Communications	11.555	7PSIC08	$ 555,478
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through S.C. Department of Commerce:			
CDBG Edisto Sewer Extension Phase III	14.228	4-CI-09-013	141,162
ARRA-CDBG Edisto Sewer Extension Phase II	14.255	4-S-08-010	194,226
Cluster Total			335,388
DEPARTMENT OF JUSTICE			
Edward Byrne Memorial Grant/FY 2009 JAG Magistrate Security	16.738	2009-DJ-BX-1469	39,532
ARRA-COPS Hiring Recovery Program	16.710	2009-RKWX0770	68,756
ARRA-Edward Byrne Memorial Assistance Grants	16.808	2009-SB-B9-3340	21,798
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through S.C. Department of Social Services:			
Office of Child Support Enforcement:			
Filing Fees	93.563	G-04SC404	387,094
Federal Financial Assistance	93.563	G-04SC404	19,107
Clerk of Court Incentive (IV-D)	93.563	G-04SC404	85,691
Family Court Filing Fees	93.563	G-04SC404	97,650
Sheriff's Department	93.563	G-04SC404	1,122
Passed through S.C. Election Commission:			
Help America Vote	93.617		12,738
DEPARTMENT OF HOMELAND SECURITY			
Passed through S.C. Emergency Management Agency:			
LEMPG/ FY 2010	97.042	10EMPG01	6,157
LEMPG/FY 2009	97.042	9EMPG01	38,459
Citizens Corps.	97.067	8CCP01	2,165
DEPARTMENT OF AGRICULTURE			
Passed through S.C. Department of Social Services:			
At Risk After School Snack Program	10.558		24,830
Rural Development - Loan	10.760	46-038-0576000775-92-01	
Beginning Balance	Additions	Amortization of Principal	Ending Balance
$307,459	$ -	$ (4,202)	303,257
			$ 1,999,222

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTE TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
YEAR END JUNE 30, 2010

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

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

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, 2010, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 1, 2011. 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as 2010-6 through 2010-16 to be material weaknesses.

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A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as 2010-1 through 2010-5 to be significant deficiencies.

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* and which is described in the accompanying schedule of findings and questioned costs as item 2010-9.

We noted certain matters that we reported to management of the County of Orangeburg, South Carolina in a separate letter dated April 1, 2011.

The County of Orangeburg, South Carolina's responses to the findings identified in our audit are 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, others within the entity and federal awarding agencies and pass through entities and is not intended to be and should not used by anyone other than these specified parties.

McGregor + Company LLP

Orangeburg, South Carolina
April 1, 2011

McGregor & COMPANY LLP

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 County of Orangeburg, South Carolina's (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2010. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of 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.

As described in item 2010-9 in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding cost principles that are applicable to its Rural Development Loan. Compliance with such requirements is necessary, in our opinion, for the County to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

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Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the 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 the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2010-6 and 2010-9 to be material weaknesses.

A significant *deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Schedule of Expenditures of Federal Awards

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, SC, as of and for the year ended June 30, 2010, and has issued our report thereon dated April 1, 2011, which contained a qualified opinion on those financial statements. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

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

McGregor & Company LLP

Orangeburg, South Carolina
April 1, 2011

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2010

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

(a.)	Type of auditor's report:	Qualified
(b.)	Internal control over financial reporting:	
	1) Material weaknesses identified:	Ten
	2) Significant deficiencies identified that are not Considered to be material weaknesses:	Five
(c.)	Noncompliance material to financial statements noted:	Two

Federal Awards

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

CFDA Numbers	Name of federal program or cluster
10.760	Water and Waste Disposal Systems for Rural Communities
11.555	2007 Public Safety
14.228	CDBG Edisto Sewer Extension Phase III
14.255	ARRA – CDBG Edisto Sewer Extension Phase II
93.563	Child Support Enforcement

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

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

2010-1 Clerk of Court – Unknown Overages and Reconciliations

Significant Deficiency

Conditions: Many funds are held by the Clerk of Court's office with no documentation as to whom they are due. Also, interest earned on funds not held under trust is to be remitted to the Treasurer and bank charges are to be reimbursed by the Treasurer. The following is a summary of unknown overages between reconciled bank balances and supporting documentation:

Trust account	$ 18,482
Condemnation account	2,775
2 Bond accounts	61,770
Restitution account	16,409
Restitution account	592
Fine account	391
	$100,419

Criteria: All funds received by Clerk of Court are to be held in trust or remitted to Treasurer. They should be documented as to whom they are owed.

Effect: Accounts are not being reconciled properly to determine funds held from unknown sources.

Recommendation: We recommend that the office research the accounts to determine the origin of these funds and reconcile monthly the cash held to the listings of funds held. Any bank charges should be reimbursed by the Treasurer and interest earned not allocable to the individual cases should be remitted to the Treasurer.

Response: All efforts are being made to research these accounts to determine the origin of these funds. Monthly reconciliations will be made once corrected.

2010-2 Orangeburg Area Development Commission Program

Significant Deficiency

Conditions: The County has a contract with Department of Social Services for the benefit of the Orangeburg Area Development Commission. The OADC purchases food and related supplies from various vendors for their services under this contract and charges them to the County and the County pays the invoices through a special revenue fund. The OADC files reimbursement requests for these expenditures with DSS. The reimbursements come directly to the County and are recorded in this special revenue fund in the County's ledger system. The County does not request a copy of these reimbursement requests from OADC to reconcile the food expenditures to the reimbursement received. During the fiscal year, DSS denied payment for some program applicants but they still received meals. Therefore, the costs exceeded reimbursements.

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

2010-2 Orangeburg Area Development Commission Program (continued)

Significant Deficiency

Criteria: All program expenditures should be paid by the County and then received back from DSS through reimbursement.

Effect: At June 30, 2010, the OADC fund has a deficit of $10,524.63 whereby the County has borne the cost for expenditures not claimed under reimbursement.

Recommendation: We recommend the County reconcile the expenditures incurred to the reimbursements requested timely and determine applicants' status prior to allowing benefits of the program.

Response: The program will be re-evaluated and only eligible applicants will be given an opportunity to participate.

2010-3 Grants

Significant Deficiency

Conditions: The COPS Hiring Recovery (Fund 127) and the Edward Byrne Memorial (Fund 181) grants did not cover overtime but such was charged in the fund. Adjustments of $1,049.06 for Fund 127 and $1,162.63 for Fund 181 were made to move the overtime back to Sheriff's Department of the General Fund.

LEMPG Fund expenditures of $23,509 were recorded in the General Fund rather than in the fund set up for these grant transactions.

The County spent $39,532 for JAG Magistrate Security Grant expenditures but only requested $19,000 reimbursement.

County's grant match at close of grant was not transferred to the Fund. Entries needed to record matches were CASA Emergency Shelter (Fund 119) $762.50 and (Fund 117) $707.21; PRT Grant $2,400; and Angle Tech $1,972.62.

Also, Funds 166 and 171 were closed grants with excess grant matches which required adjustments to transfer back to general fund to close the fund.

Bowman Water Upgrade grant closed in prior year but $37,223.80 fund deficit remained. These were old invoices improperly charged to this fund which should have been charged to the Sales Tax II fund. An entry was necessary to correct.

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

2010-3 Grants (continued)

Criteria: All grant transactions should be recorded in its respective fund including County matches. The fund activity should agree to grant reimbursement requests and should close out at grant's end. All reimbursements should be filed timely.

Effect: Grant fund expenditures are understated while General Fund expenditures are overstated. County is carrying costs of grant expenditures rather than requesting reimbursement timely. At grant's closing, the funds are not closed out.

Recommendation: Grants should be reconciled with actual grant fund activity prior to requesting reimbursement. Reimbursements should be made timely.

Response: New grant software has been purchased and installed. This will help in keeping the grant accounting on track and up-to-date.

2010-4 Allocations to Library

Significant Deficiency

Conditions: The Library's appropriation is to be paid based on the approved budget in Special Education Fund for the expenditures of the Library. During audit procedures, a balance between the budgeted amount for the Library and the actual expenditures paid for the Library or transfers to the Library was determined to be $27,114. Correction was made to record this amount as a receivable from the Library.

Criteria: Approved appropriations to component units are to be reviewed and recorded at actual amounts.

Effect: Expenditures exceeded approved appropriations; therefore, a receivable was due from the Library.

Recommendation: We recommend the allocation paid to the Library be reviewed during the year against the actual budget to ensure agreement at year-end.

Response: Allocation to the Library will be reviewed during the year against the actual budget.

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

2010-5 Dawn Center Transactions

Significant Deficiency

Conditions: Due to issues the Dawn Center had with a federal grant in their name, the federal government withheld federal funds from Orangeburg County's revenues to recoup these questioned Dawn Center grant revenues. A total of $37,546 was withheld from County funds which was comprised of $26,311 from the Detention Center and $11,234 from the primary government. Since the County had not recorded a receivable, the revenues were understated from these withheld funds.

The County is owed $526,056 from the Dawn Center for payrolls processed through the County's payroll system for the Dawn Center employees. We recommend the County cease processing the Dawn Center's payroll through their system. The Dawn Center employees are being included on the payroll reports under the County's federal identification number and therefore, W-2's are issued to Dawn Center employees under the County's federal identification number. The County's cash flows are severely impacted due to carrying the costs of their payroll.

Criteria: The County is bearing the cost of Dawn Center transactions.

Effect: The County's revenues are understated due to the Dawn Center's funds being withheld and the County is reporting Dawn Center employees as County employees and carrying their payroll costs.

Recommendation: We recommend all funds withheld be followed up timely and efforts to collect these funds be made. Further, we recommend the County cease running Dawn Center employees through their payroll system as County employees and enforce collection of amounts due from Dawn Center.

Response: Efforts have been made to collect these funds from the Dawn Center. Payroll services for the Dawn Center will terminate following the last pay period in FY 2011. All outstanding payroll reimbursements will be made prior to July 1, 2011.

2010-6 Receivables

Material Weakness

Conditions: The County did not record the following receivables at year-end:

Edisto Sewer Capital Projects – June sewer fees	$ 8,314
E911 Surcharge – state revenue	49,091
Radio Interoperable Grant reimbursement	555,478
SCDOT "C" funds	425,041
PRT grant funds	9,600
LEMPG funds	44,616

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

2010-6 Receivables (continued)

The $44,616 of LEMPG unrecorded receivables above include two checks, each for $6,805.25, which were not turned over in a timely manner to the Finance office for deposit. One was dated November 23, 2009 and the other dated June 28, 2010 were turned over to Finance on September 29, 2010.

In the School Resource Officer Fund, one school's receivable was recorded twice and the original receivable was for an incorrect amount, therefore, and adjustment of $(232,929).

Criteria: The County should have controls in place to record all receivables of the County. When payment of the receivables is 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: The County has installed software to aid in effectively communicating receivable balances at year end between Grants and Finance. Monthly reviews of the accounts have been implemented.

2010-7 Preparation of Financial Statements

Material Weakness

Conditions: The AICPA issued Statement on Auditing Standards No. 115, *Communicating 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 need 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.

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

2010-7 Preparation of Financial Statements (continued)

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.

Response: Training for all pertinent personnel will resume when resources become available.

2010-8 Fund Balance Deficits

Material Weakness

Conditions: During 2010 expenditures exceeded the revenues in four 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	2010 Excess of Expenditures over Revenues	June 30, 2010 Fund Deficit
Road and Bridges Maintenance	$ (261,439)	$ (365,245)
New Brooklyn Lighting Tax District	(6,256)	(24,939)
Brookdale Lighting Tax District	(4,156)	(18,574)
Edisto Sewer Capital Projects	(98,335)	(628,591)

In addition, the Special Education, Victim's Assistance, and Economic Development Tobacco Funds have fund deficits of $1,466,740, $53,402 and $79,820 respectively at June 30, 2010. The fund deficits in these three funds did decrease during the 2010 year, but a fund deficit still remains.

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 them, then fund deficits occur.

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

Response: Implemented new procedures to capture all penny related expenditures from Road and Bridges Fund to Penny Sale Tax Fund; New Brooklyn and Brookdale Lighting Districts: millage is capped and limited to CPI adjustment under Act 388; Special Education: appropriations to outside agencies were reduced 15% in FY 2011 to reduce deficit and will be reviewed again in FY 2012; Edisto Sewer Capital Projects: County has performed rate study on system and will make adjustments as required.

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

2010-9 Edisto Sewer USDA Loan

Material Weakness

Conditions: The County operates a sewer system financed by a USDA Rural Development loan. User fees are charged to customers to cover operation costs and loan payments. The costs of operation have increased but fees charged remain the same. Therefore, the Fund has accumulated a deficit. This violates the loan covenant.

Criteria: User fees should cover operational costs of the sewer system.

Effect: Due to user fees not being increased in relation to cost increases, the fund has a deficit which violates the related loan covenant.

Recommendation: The user fees should be increased to cover costs and fund deficit.

Response: Review of user fees was completed but further studies are needed. Adjustments will be performed once additional studies are completed.

2010-10 Accounts Payable

Material Weakness

Conditions: A check run dated and issued 7/1/10 was incorrectly posted to the 2010 year against accounts payable. This effected five funds and two component units for a total of $587,182. Misstatements by fund were: General Fund $408,668; Roads and Bridges $892; Heritage Corridor Expansion $150,000; Sales tax I $8,834; Solid Waste $3,841; Fire Service Component Unit $10,490; and Detention Center Component Unit $4,457.

During testing of accounts payable, we noted a prior year payable in the PRT Fund for $9,440 was not reversed resulting in the prior year expenditure being recorded as current year expenditures. Also, a payable of $62,325 was incurred at June 30, 2010 but was not accrued in the Capital Sales Tax II Fund.

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

Effect: Accounts payable were misstated in several funds. Therefore, fund balances and expenditures were misstated.

Recommendation: The accounts payable of each fund should be reviewed to ensure all payables have been charged to the proper period and subsequent payment properly recorded.

Response: Efforts have been made to review accounts payable and ensure all payables have been charged to the proper period and subsequent payment properly recorded.

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

2010-11 Capital Sales Tax Projects Revenue

Material Weakness

Conditions: The third quarter sales tax revenue of $2,186,134 which was deposited into the County's investment account was not recorded in the general ledger.

Criteria: The control of reconciling capital sales tax project reports to the general ledger activity was not performed.

Effect: All capital sales tax revenue and investments are not being recorded in the general ledger.

Recommendation: We recommend the capital project sales tax investments accounts be reconciled monthly to the general ledger to ensure all data is properly recorded.

Response: Monthly reconciliations of capital sales tax investments accounts have been implemented. Account maintenance has been performed to flag all project accounts to require project numbers.

2010-12 Capital Asset Corrections

Material Weakness

Conditions: The County purchased $15,827,003 in capital assets in the fiscal year ended June 30, 2010. Only $9,227,552 was recorded by the County leaving $6,599,451 of corrections to the capital asset system to be recorded.

Several assets were misclassified as to depreciable status based on the County's capitalization policy. The County only records assets over the $2,500 threshold for capitalization purposes and some assets under the threshold for inventory purposes. For June 30, 2010, $67,102 of capital assets were misclassified as to depreciable status.

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 depreciation. The construction in process account should be reviewed to ensure all assets are still "in process." Several assets had to be reclassed after auditors requested County review the CIP listing and update.

The capital asset system's depreciation calculation for existing assets was determined by the client to be incorrect again this year so the County made corrections to the system for assets acquired prior to June 30, 2008. The auditors noted the system's deprecation calculations for assets acquired during the fiscal year 2009 included an extra year of deprecation. The County corrected the errors and resubmitted the system's reports to the auditors.

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

2010-12 Capital Asset Corrections (continued)

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 of the County were understated.

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. 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: Extensive work has been performed in this area. The County's capital assets will be printed annually by location for the department head's review.

2010-13 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.

Response: County implemented auditor's recommended procedures effective July 1, 2009.

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

2010-14 Unrecorded Bank Accounts

Material Weakness

Conditions: The County informed the auditors that existing bank accounts in the Sheriff's office have not been included in the audited financial statements in prior years. Following procedures to determine unrecorded bank accounts, 15 existing bank accounts were discovered that had not been included in the prior financial statements of the County. Of these 15 bank accounts, 11 were housed in the Sheriff's office, 3 were agency funds of the Clerk of Court's office and 1 was an agency fund maintained in the Treasurer's office. The bank accounts had total June 30, 2010 bank balances in each office of $223,382, $25,643, and $4,535 respectively.

During these procedures, it was also discovered that the Health Department, which is not a component unit or part of the County, had their bank account under the County's federal identification number which is used to determine the County's holdings for FDIC coverage and collateralization.

Criteria: All funds of the County are to be included in the financial statements of the primary government.

Effect: Financial statements omitted the cash and activity of these 15 bank accounts.

Recommendation: We recommend the County implement procedures to verify all activity and assets of the County be reported properly in the financial statements and the accounts held in the County's federal identification number be reviewed annually for verification.

Response: Meetings have been held between the Finance Department and Sheriff's Department concerning this matter. All pertinent Sheriff's Department accounts will be held in the Treasurer's Office effective July 1, 2011. Monthly reconciliations of accounts will be performed. All efforts will be made to ensure all activity and assets of the County be properly reported in the financial statements.

2010-15 Deferred Revenue

Material Weakness

Conditions: The County received $300,000 from SCDHEC in the prior year. Each year as these funds are spent, that portion of the deferred revenue should be recognized as current year revenue. An adjustment of $28,232 was needed to reclass and recognize current year revenue in the Capital Improvement Fund.

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

2010-15 Deferred Revenue (continued)

The County was advanced the entire amount for two multi-year grants and the unearned portion had to be reclassed to deferred revenue in the amount of $97,957 for COPS Hiring Recovery and $63,005 for Edward Byrne Memorial Grants. OJP grant was advanced $20,000 which was not spent at year end but was not deferred.

The above adjustments totaled $209,194 for the Nonmajor Funds.

Criteria: Grant revenues should be reviewed to determine earned portion to recognize.

Effect: The revenues for these Nonmajor Funds were overstated at year end.

Recommendation: We recommend grant advances be reviewed to determine portion of revenue earned to date.

Response: Grant advances will be reviewed to determine portion of revenue earned to date.

2010-16 Sheriff's Office Bank Accounts Transactions

Material Weakness

Conditions: The bank accounts maintained by the Sheriff's office have not been available for audit in the past (see Finding 2010-14). Purchases through these accounts during the current and past fiscal years have not followed County procurement policies and have not been tagged for inventory in the capital asset system. Internal controls over deposits and disbursements were not in place over this activity nor were bank accounts reconciled.

Criteria: All activity utilizing County funds should adhere to County policies for procurement and controls. All capital asset purchases with County funds should be inventoried in the County's capital asset system and monitored until the County approves disposal of the asset.

Effect: The potential magnitude of the unrecorded assets and liabilities of the Sheriff's accounts activity from prior years is unknown.

Recommendation: All County funds should be deposited, maintained, and disbursed in accordance with County policies and controls. All funds converted to capital assets should also be inventoried and properly maintained as County assets.

Response: Efforts have been made to ensure County Funds are used in accordance with County policies and controls.

III. FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS

See 2010-6 and 2010-9

Findings – Financial Statements Audit

2009-1 Uncollateralized and Uninsured Deposits

Significant Deficiency

Conditions: The cash on deposit with one financial institution is uncollateralized and uninsured by $103,786.

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.

Current Status: Finding not sustained in current year.

2009-2 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 monies 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.

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.

Current Status: Finding not sustained in current year.

2009-3 Clerk of Court – Unknown Overages and Reconciliations

Significant Deficiency

Conditions: Many funds are held by the Clerk of Court's office with no documentation as to whom they are due. Also, interest earned on funds not held under trust is to be remitted to the Treasurer and bank charges are to be reimbursed by the Treasurer. The following is a summary of unknown overages between reconciled bank balances and supporting documentation:

Trust account	$ 18,472
Condemnation account	2,775
2 Bond accounts	76,889
Restitution account	16,409
Restitution account	467
Fine account	593
	$ 115,605

Findings – Financial Statements Audit

2009-3 Clerk of Court – Unknown Overages and Reconciliations (continued)

Civil account had $2,700 deposit for filing fees from August 2008 that had never been turned over to the Treasurer for inclusion in General Fund for County's portion and remitted to State for State's portion.

Reconciliations were performed on all the bank accounts but the reconciliations did not include outstanding deposits or checks. The bank statements should be reconciled to the actual book activity during the month.

Recommendation: We recommend that the office research the accounts to determine the origin of these funds and reconcile monthly the cash held to the listings of funds held. Any bank charges should be reimbursed by the Treasurer and interest earned not allocable to the individual cases should be remitted to the Treasurer.

Current Status: Sustained in current year. See Finding 2010-1.

2009-4 Receivables

Significant Deficiency

Conditions: The revenues of the nonmajor funds were overstated by $252,202 due to improper recording of receivables as follows:

The receipt in the 2009 year of a prior year receivable was recorded as revenue in 2009 rather than against the receivable account for several funds. The funds misstated are Legislative Delegation $126,778, Solid Waste $8,905, and Grant Subfunds consisting of PRT Grant $9,984, Mapping Grant $24,000, and LEMPG $21,208.

The County has a Hazard Mitigation grant (Grant Subfunds) passed through the SC Emergency Management Division. The County requested reimbursement of expenditures under the grant and received payment of $10,670 in October, 2009. The receivable was not recorded by the County at June 30, 2009 and the funds were recorded as revenue in FY2010 when received.

The Courthouse Protection (Grant Subfunds) grant award was $54,409 of which $50,000 was received in prior years. A receivable was recorded at June 30, 2009 by the County for the entire $54,409 rather than the remaining $4,409.

The County recorded a grant receivable in the OJP grant (Grant Subfunds) of $21,997 in error. The grant reimbursement for the 2008 and 2009 year expenditures of $34,421 was not filed until December 2009.

Findings – Financial Statements Audit

2009-4 Receivables (continued)

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.

Current Status: Sustained in current year. See Finding 2010-6.

2009-5 Improper Cash on Hand/Receipt

Significant Deficiency

Conditions: A check from the State for $279,021 was received in March 2009 but was not deposited until after year-end under direction of the payor. The check was secured in the County safe. The cash on hand and deferred revenue were not recorded in the 2009 general fund ledger, but were recorded when deposited in the 2010 year.

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

Current Status: Sustained in current year. See Finding 2010-6.

2009-6 Preparation of Financial Statements

Material Weakness

Conditions: In May 2006, the AICPA issued Statement on Auditing Standards No. 112, *Communication of 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 need to receive adequate training to allow them to prepare the County's financial statements in accordance with GAAP.

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.

Current Status: Sustained in current year. See Finding 2010-7.

Findings – Financial Statements Audit

2009-7 Fund Balance Deficits

Material Weakness

Conditions: During 2009 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	2009 Excess of Expenditures over Revenues	June 30, 2009 Fund Deficit
Road and Bridges Maintenance	$ 57,636	$ (103,806)
New Brooklyn Lighting Tax District	(6,548)	(18,683)
Brookdale Lighting Tax District	(4,511)	(14,448)
Special Education	(495,824)	(1,501,982)
Edisto Sewer Capital Projects	(64,771)	(530,256)

In addition, the Whitaker Lighting Tax District has a fund deficit of $43,046 and the Victim's Assistance has a fund deficit of $85,705 at June 30, 2009. The fund deficits in these two funds did decrease during the 2009 year, but a fund deficit still remains. The Economic Development Tobacco Fund has no activity during the 2009 year, so the deficit remains at $202,049 at June 30, 2009.

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

Current Status: Sustained in current year. See Finding 2010-8.

2009-8 Allocation to Orangeburg-Calhoun Regional Detention Center

Material Weakness

Conditions: Orangeburg and Calhoun Counties fund the Orangeburg-Calhoun Regional Detention Center (LEC) based on a split percentage of the actual expenditures of the LEC. The LEC's activity is recorded through the County's general ledger system in a separate fund. The County bills Calhoun County for its share of the LEC expenditures quarterly. Due to improper cutoff dates of reports used to calculate the billings to Calhoun County, $80,951 was not requested from Calhoun County. Also, the County bases its appropriation to the LEC on budget rather than actual. Due to large budget overages, at year-end, Orangeburg County was $704,952 short in paying its share of the LEC expenditures.

Findings – Financial Statements Audit

2009-8 Allocation to Orangeburg-Calhoun Regional Detention Center (continued)

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. Also, the reports used to generate Calhoun County's billings should reflect total actual expenditures.

Current Status: Finding not sustained in current year.

2009-9 Land Sale not Recorded

Material Weakness

Conditions: The County sold real property for $100,000 during the fiscal year of which part was financed by the County. A deposit for $6,699 was received and recorded as miscellaneous income in the OCCIP Capital Projects Fund at closing. This represents $10,000 payment from the buyer less $3,301 closing costs. The balance of the selling price was financed by the County by issuance of a note receivable of $90,000. This note receivable was not recorded in the general ledger and the property sold was not disposed from the capital asset system.

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

Current Status: Finding not sustained in current year.

2009-10 Edisto Sewer USDA Loan

Material Weakness

Conditions: The County operates a sewer system financed by a USDA Rural Development loan. User fees are charged to customers to cover operation costs and loan payments. The costs of operation have increased but fees charged remain the same. Therefore, the Fund has accumulated a deficit. This violates the loan covenant.

Recommendation: The user fees should be increased to cover costs and fund deficit.

Current Status: Sustained in current year. See Finding 2010-9.

Findings – Financial Statements Audit

2009-11 Accounts Payable

Material Weakness

Conditions: During testing of accounts payable, we noted one invoice for $637,897 was recorded as a payable at June 30, 2009 but was actually not incurred until the 2010 fiscal year. Also, a payable of $62,322 was incurred at June 30, 2009 but was not accrued. The net adjustment of $575,575 was necessary to correct the financial statements.

Recommendation: The accounts payable of each fund should be reviewed to ensure all payables have been paid and properly recorded.

Current Status: Sustained in current year. See Finding 2010-10.

2009-12 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. Some activity in other funds was also coded to these Capital Sales Tax Fund project reports.

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

Current Status: Finding not sustained in current year.

2009-13 Netting Revenues against Expenditures

Material Weakness

Conditions: The County recorded $300,000 revenue receipt in an expenditure account in the Capital Improvements Fund. This understated both revenues and expenditures for the fund. In the Legislative Delegation Fund, expenditures of $144,016 were netted against revenue rather than being recorded in an expenditure account.

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

Current Status: Finding not sustained in current year.

Findings – Financial Statements Audit

2009-14 Capital Asset Corrections

Material Weakness

Conditions: County purchased $11,284,851 in capital assets in the fiscal year ended June 30, 2009. Only $5,575,161 was recorded by the County leaving $6,009,690 of corrections to the capital asset system to be 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 totaling $116,570 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.

The capital asset system's depreciation calculation for existing assets was determined by the client to be incorrect again this year so the County prepared an Excel spreadsheet for the depreciation on existing assets. The system's calculation of depreciation on asset additions was deemed to be correct. The auditors noted the spreadsheet contained several errors in the formulas mainly for assets that fully depreciated out in the prior year or during the current year. For these assets, another full year of depreciation was calculated again for the 2009 year. The County corrected the errors and resubmitted the spreadsheet.

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.

Current Status: Sustained in current year. See Finding 2010-12.

2009-15 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.

Recommendation: We recommend that there be some segregation of duties between the four employees in the office.

Current Status: Sustained in current year. See Finding 2010-13.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2010

FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS

See 2009-10

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