

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
COUNTY OF ORANGEBURG, SOUTH CAROLINA
FOR THE FISCAL YEAR ENDED
JUNE 30, 2011**

Prepared by the Finance Office

THIS PAGE WAS INTENTIONALLY LEFT BLANK

COUNTY OF ORANGEBURG, SOUTH CAROLINA
Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2011

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page No.</u>
INTRODUCTORY SECTION		
Letter of Transmittal		1 – 5
Principal Officials		6
Organization Chart		7
Location Map		9
Certificate of Achievement for Excellence in Financial Reporting		11
FINANCIAL SECTION		
Independent Auditor’s Report		15 – 16
Management’s Discussion and Analysis (Unaudited)		17 - 23
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Assets	A-1	26
Statement of Activities	A-2	27
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	A-3	28
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Assets	A-4	29
Statement of Revenues, Expenditures, and Changes in Fund Balances	A-5	30
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	A-6	31
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - General Fund	A-7	32
Proprietary Fund:		
Statement of Net Assets	A-8	33
Statement of Revenues, Expenses, and Changes in Fund Net Assets	A-9	34
Statement of Cash Flows	A-10	35
Agency Funds:		
Statement of Fiduciary Assets and Liabilities	A-11	36
Notes to Basic Financial Statements		37 – 71
Required Supplementary Information:		
Schedule of Funding Progress for the Retiree Health Plan (Unaudited)	B-1	75

COUNTY OF ORANGEBURG, SOUTH CAROLINA
Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2011

TABLE OF CONTENTS, Continued

	<u>Exhibit</u>	<u>Page No.</u>
Other Supplemental Information:		
Combining and Individual Fund Statements and Schedules:		
General Fund and Major Capital Projects Fund:		79
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	B-2	80 – 81
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Projects Sales Tax II	B-3	82
Nonmajor Governmental Funds		83
Combining Balance Sheet	B-4	84 – 87
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	B-5	88 – 91
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual		
Roads and Bridges Maintenance	B-6	92
E911 Surcharge Fund	B-7	93
New Brooklyn Lighting Tax District	B-8	94
Solid Waste	B-9	95
Victims' Assistance	B-10	96
Accommodations Tax	B-11	97
Brookdale Lighting Tax District	B-12	98
Special Education	B-13	99
Whitaker Lighting Tax District	B-14	100
Capital Projects Sales Tax I	B-15	101
Capital Improvements Fund	B-16	102
Nonmajor Debt Service Fund	B-17	103
Fiduciary Fund – Agency Funds		105
Combining Statement of Changes in Assets and Liabilities	B-18	106 – 111
Discretely Presented Component Units		113
Combining Statement of Net Assets	B-19	114
Combining Statement of Activities	B-20	115
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Component Unit – Orangeburg-Calhoun Regional Detention Center	B-21	116
Statement of Cash Flows – Proprietary Component Unit – Orangeburg-Calhoun Regional Detention Center	B-22	117
Combining Balance Sheet	B-23	118
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	B-24	119
Schedule Required By State Law		121
Schedule of Fines, Assessments and Surcharges – Special Revenue Fund – Victims' Assistance Fund	B-25	123

COUNTY OF ORANGEBURG, SOUTH CAROLINA
Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2011

TABLE OF CONTENTS, Continued

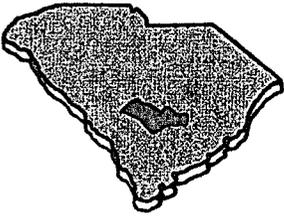
	<u>Exhibit</u>	<u>Page No.</u>
STATISTICAL SECTION (UNAUDITED)		
	<u>Table</u>	
Net Assets by Component	1	126
Changes in Net Assets	2	127 – 128
Fund Balances – Governmental Funds	3	129
Changes in Fund Balances – Governmental Funds	4	130
Assessed Value and Actual Value of Taxable Property	5	131
Principal Property Taxpayers	6	132
Property Tax Levies and Collections	7	133
Direct and Overlapping Property Tax Rates	8	134
Ratios of Outstanding Debt by Type	9	135
Ratios of General Bonded Debt Outstanding	10	136
Direct and Overlapping Governmental Activities Debt	11	137
Legal Debt Margin	12	138
Demographic and Economic Statistics	13	139
Principal Employers	14	140
Full-Time Equivalent County Government Employees		
By Function/Program	15	141
Operating Indicators By Function/Program	16	142
Capital Asset Statistics By Function	17	143
 SINGLE AUDIT SECTION		
Schedule of Expenditures of Federal Awards		146
Note to Schedule of Expenditures of Federal Awards		147
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		148 - 149
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		150 – 152
Schedule of Findings and Questioned Costs		153 – 164
Summary Schedule of Prior Audit Findings		165 – 175

THIS PAGE WAS INTENTIONALLY LEFT BLANK



INTRODUCTORY SECTION

THIS PAGE WAS INTENTIONALLY LEFT BLANK



COUNTY OF ORANGEBURG

P.O. DRAWER 9000, ORANGEBURG, S.C. 29116-9000
TELEPHONE 803/533-1000
WWW.ORANGEBURGCOUNTY.ORG



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 23, 2012

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, 2011. 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 92,501. 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: South Carolina State University, Claflin University, Orangeburg-Calhoun Technical College, 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 (2,300 employees), Koyo Corporation of America (745 employees), Sara Lee Bakery Group (550 employees), Food Lion Distribution Center #3 (498 employees), Zeus Industrial Products, Inc. (450 employees), and Albemarle Corporation (450 employees).

The Town of Santee, located on the southern shores 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. The Town of Santee recently completed construction of a Conference Center which is expected to facilitate additional tourism activity in the area.

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. Currently operating as Allied Air Enterprises, the company has erected a \$19,000,000 building and now has more than 400 employees. Other additions to the Orangeburg County/City Industrial Park (OCCIP) include H.T. Hackney, a distributor of wholesale grocery products (100 employees); and QM Plastics, a Canadian based manufacturer of plastic components (75 employees) and Monteferro USA, a manufacturer of elevator rail guides. Two new companies announced plans to locate in the OCCIP in the Fall of 2011: GKN Aerospace, a manufacturer of aircraft components (278 jobs), and Innovative Composites International, a manufacturer of composite building materials (300 jobs).

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 four counties (Berkeley, Calhoun, Dorchester, and Orangeburg) 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 542 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 and wastewater treatment facility are expected to be completed in 2012.

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 was completed during the first quarter of 2011. In addition, the U.S. Department of Transportation awarded a \$12.1 million TIGER III Grant to Orangeburg County in December 2011 to be used for improvements to the I-95/US 301 interchange and an extension to US 301 that will enhance access to the Jafza site.

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 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 an as-needed basis with outside audit firms.

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

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

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

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

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

OTHER INFORMATION

Independent Audit – South Carolina's state statutes require an annual audit by independent certified public accountants. The firm of McGregor & Company, LLP provided audit services for the County of Orangeburg for the fiscal year ended June 30, 2011. 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, 2010. This was the twenty-third 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, 2011. The County was honored by the National Association of Counties with a 2010 Achievement Award and was also recognized by the S.C. Association of Counties with a J. Mitchell Graham Award for excellence in governmental service. The County also received the prestigious All-American City designation from the The National Civic League in 2005. Only ten communities nationwide received this award.

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

Respectfully submitted,


J. William Clark
County Administrator

COUNTY OF ORANGEBURG, SOUTH CAROLINA

PRINCIPAL OFFICIALS
For the year ended June 30, 2011

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

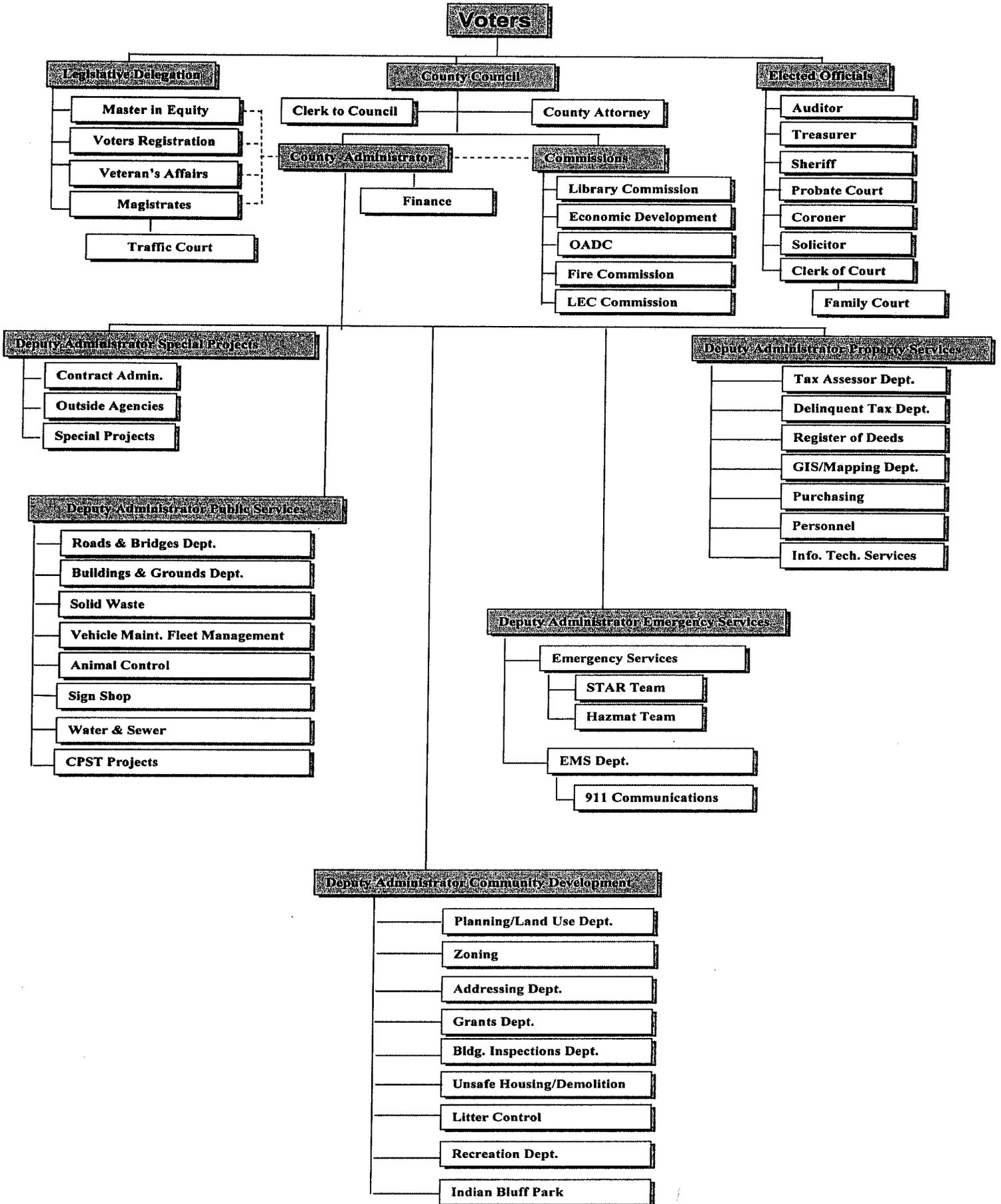
ELECTED OFFICIALS

Roger Cleckley, Auditor
Samuetta B. Marshall, Coroner
Winnifa Clark, Clerk of Court
Pandora Jones-Glover, Probate Judge
Leroy Ravenell, Sheriff
David Pascoe, Solicitor
J. Steve Summers, Treasurer

APPOINTED OFFICIALS

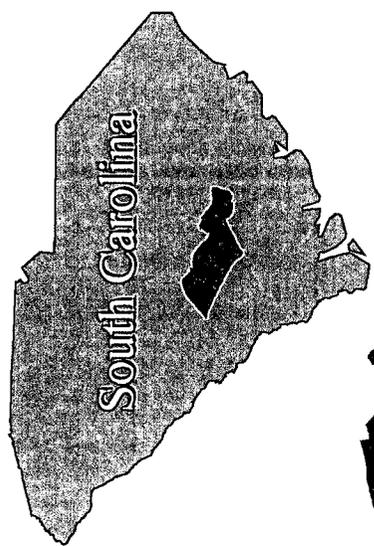
J. William Clark, County Administrator
Marion Lloyd, Senior Deputy County Administrator
Timothy E. Maybank, Deputy County Administrator
John Smith, Deputy County Administrator
Earl Whalen, Deputy County Administrator
Harold Young, Deputy County Administrator
D'Anne Haydel, County Attorney
Gloria Breland, Finance Director

County of Orangeburg Organization Chart



THIS PAGE WAS INTENTIONALLY LEFT BLANK

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, 2010

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.



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

THIS PAGE WAS INTENTIONALLY LEFT BLANK

FINANCIAL SECTION

THIS PAGE WAS INTENTIONALLY LEFT BLANK

McGregor & COMPANY^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS | SINCE 1930

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

C.C. McGregor, CPA
1906-1968

PARTNERS

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

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

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

ASSOCIATES

V.K. Laroche, CPA
G.N. Mundy, CPA
M.L. Layman, CPA
P.A. Betette, Jr., CPA
S. Wo, CPA
C.D. Hinchee, CPA

J.R. Matthews, II, CPA
D.E. Knobloch, CPA
M.J. Binnicker, Jr., CPA
G.P. Davis, CPA
H.J. Darver, 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 business-type 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, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Orangeburg, South Carolina's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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 business-type 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, 2011, and the respective changes in financial position and, where applicable, cash flows 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.

INDEPENDENT AUDITOR'S REPORT

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2012, 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 75 (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 the 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 accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the 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 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 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 23, 2012

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, 2011. 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, 2011 by \$94 million (net assets). Of this amount there is a deficit of \$5.9 million (unrestricted net assets) for the use of meeting the government's ongoing obligations.
- The County's repaid \$11.4 million of bond, note and capital lease obligations during the year.
- The County's total net assets decreased \$168 million over the course of this year's operations.
- During the year, the County's general fund balance increased \$301,258; however the Unassigned Fund Balance decreased \$850,236.
- The general fund actual revenues were \$154,596 less than budgeted; however, general fund expenditures were \$549,050 less than budgeted.
- At the end of the current fiscal year, unassigned general fund balance was \$933,021 or 2.76 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.
 - The *proprietary fund* statements provide financial details of water and sewer services to residents of a portion of the County.
 - *Fiduciary fund* statements provide information about resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that of the proprietary funds.

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

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

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

	<u>Government-wide Statements</u>	<u>Fund Statements</u>		
		<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire County Government (except Fiduciary funds) the County's and component units	The activities of the County that are not proprietary or fiduciary, such as police, fire, and parks	The water and sewer service to residents of a portion of the County	Instances in which the County is the agent for someone else's resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of Revenues, Expenses, and Changes in Fund Net assets • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual basis of accounting and economic resources measurement 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 assets and liabilities both financial and capital, and short-term and long-term debt	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	All revenues and expenses during the year, regardless of when cash is received or paid	

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.
- *Business-type activities* – This area accounts for the water and sewer service to residents of a portion of the County, including user fees, costs of providing services, and depreciation of capital assets.

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 three kinds of funds:

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

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net assets

The County's net assets decreased by \$98 thousand between fiscal years 2010 and 2011 ending at approximately \$93.6 million. (See Table A-1.)

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2011	Restated 2010	2011	Restated 2010	2011	Restated 2010
Current and other assets	\$ 73,725	\$ 84,831	\$ 8	\$ 8	\$ 73,733	\$ 84,839
Capital assets (net)	<u>91,176</u>	<u>85,236</u>	<u>4,610</u>	<u>4,774</u>	<u>95,786</u>	<u>90,010</u>
Total assets	<u>164,901</u>	<u>170,067</u>	<u>4,618</u>	<u>4,782</u>	<u>169,519</u>	<u>174,849</u>
Long-term debt outstanding	70,879	68,480	299	303	71,178	68,783
Other liabilities	<u>4,295</u>	<u>11,751</u>	<u>467</u>	<u>637</u>	<u>4,762</u>	<u>12,388</u>
Total liabilities	<u>75,174</u>	<u>80,231</u>	<u>766</u>	<u>940</u>	<u>75,940</u>	<u>81,171</u>

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2011	Restated 2010	2011	Restated 2010	2011	Restated 2010
Net assets:						
Invested in capital assets, net of debt	35,646	33,544	4,310	4,471	39,956	38,015
Restricted	59,525	55,026	-	-	59,525	55,026
Unrestricted (deficit)	<u>(5,444)</u>	<u>1,266</u>	<u>(458)</u>	<u>(629)</u>	<u>(5,902)</u>	<u>637</u>
Total net assets	<u>\$ 89,727</u>	<u>\$ 89,836</u>	<u>\$ 3,852</u>	<u>\$ 3,842</u>	<u>\$ 93,579</u>	<u>\$ 93,678</u>

Changes in net assets. The County's total revenues decreased by 3.0 percent to \$60.9 million. (See Table A-2.) Approximately 49 percent of the County's revenue comes from property taxes and 15 percent comes from capital projects sales and accommodations tax. Approximately 16 percent comes from fees charged for services, and 14 percent is from state and federal aid.

The total cost of all programs, services and capital improvements increased approximately \$2.2 million or 3.7 percent. The County's expenses cover a range of services, with about 23 percent related to public safety and 14 percent related to public works.

GOVERNMENTAL ACTIVITIES

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2011	Restated 2010	2011	Restated 2010	2011	Restated 2010
Revenue:						
Program revenues:						
Charges for services	\$ 9,963	\$ 10,014	\$ 97	\$ 101	\$ 10,060	\$ 10,115
Operating grants	1,835	1,632	-	-	1,835	1,632
Capital grants and contributions	1,675	1,849	-	-	1,675	1,849
General revenues:						
Property taxes	30,036	30,675	-	-	30,036	30,675
Other taxes	9,473	9,267	-	-	9,473	9,267
Intergovernmental	5,260	5,910	-	-	5,260	5,910
Other	<u>2,563</u>	<u>3,393</u>	<u>-</u>	<u>-</u>	<u>2,563</u>	<u>3,393</u>
Total revenues	<u>60,805</u>	<u>62,740</u>	<u>97</u>	<u>101</u>	<u>60,902</u>	<u>62,841</u>

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

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Primary</u>	
	2011	Restated 2010	2011	Restated 2010	2011	Restated 2010
Expenses:						
General government	18,777	17,223	-	-	18,777	17,223
Judicial	3,911	3,424	-	-	3,911	3,424
Public works	8,381	8,582	-	-	8,381	8,582
Public safety	14,330	15,218	-	-	14,330	15,218
Social and health	1,527	1,945	-	-	1,527	1,945
Sanitation	5,105	5,076	-	-	5,105	5,076
Culture and recreation	5,459	3,422	-	-	5,459	3,422
Interest and fiscal charges	2,218	2,689	-	-	2,218	2,689
Allocation to library	940	901	-	-	940	901
Water and Sewer	-	-	353	359	353	359
	<u>60,648</u>	<u>58,480</u>	<u>353</u>	<u>359</u>	<u>61,001</u>	<u>58,839</u>
Total expenses						
Increase (decrease) in net assets before transfers	157	4,260	(256)	(258)	(99)	4,002
Transfers	(266)	-	266	-	-	-
Net assets July 1	<u>89,836</u>	<u>85,576</u>	<u>3,842</u>	<u>4,100</u>	<u>93,678</u>	<u>89,676</u>
Net assets June 30	<u>\$ 89,727</u>	<u>\$ 89,836</u>	<u>\$ 3,852</u>	<u>\$ 3,842</u>	<u>\$ 93,579</u>	<u>\$ 93,678</u>

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 \$67.9 million, a decrease of \$11.7 million in comparison with the prior year. Of the total ending fund balances, there is a deficit of \$1.6 million constituting *Unassigned fund balance*, which is available for spending at the government's discretion. *Restricted Fund Balance* is \$68 million for the use of capital improvements, projects and infrastructure for the County as well as the payment of debt; *Committed Fund Balance* is \$1.2 million to fund capital assets for the County; *Assigned Fund Balance* is \$54,809 for prior year encumbrances; and *Nonspendable Fund Balance* is \$205,725 which represents note receivables, prepaid expenditures, and other nonspendable assets of the County.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$933 thousand. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance to total fund expenditures. Unassigned fund balance represents approximately 2.78 percent of total general fund expenditures.

The fund balance of the County's general fund increased by only \$301 thousand during the current fiscal year, primarily due to a transfer in to the general fund from another operating fund which had accumulated unobligated funds; however, the unassigned general fund balance decreased \$850 thousand, primarily due to deficits occurring within the operation of the detention center.

The debt service fund had a total fund balance of \$1.2 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 \$24 thousand.

The County's two capital projects sales tax funds had a total combined fund balance of \$55.8 million. Approximately \$9 million of this amount is reserved for the payment of debt service. The remaining \$46.8 million is reserved to improve, repair and construct infrastructure in the County. The net combined decrease in fund balances during the current year was \$7.4 million.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were approximately \$2.6 million increase in appropriations.

Actual general fund expenditures were \$549 thousand less than budgeted amounts. This is primarily the result of prior year unspent project funds being carried forward as budget amendments.

Resources available for appropriation were \$154,596 less than budgeted amounts as follows:

- Other revenues were \$227 thousand less than budgeted.
- Property taxes were \$385 thousand less than budgeted.
- Intergovernmental income was \$842 thousand more than budgeted.
- Charges for services were \$214 thousand less than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2011, the County had invested \$95.8 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 \$5.8 million, or 6.4 percent, over last year.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2011	Restated 2010	2011	Restated 2010	2011	Restated 2010
Land	\$ 7,019	\$ 5,764	\$ -	\$ -	\$ 7,019	\$ 5,764
Construction in process	10,350	8,357	-	-	10,350	8,357
Buildings and improvements	65,420	62,246	-	-	65,420	62,246
Furniture, fixtures, and equipment	43,530	43,842	-	-	43,530	43,842
Infrastructure	42,976	37,749	5,762	5,762	48,738	43,511
Accumulated depreciation	<u>(78,119)</u>	<u>(72,722)</u>	<u>(1,152)</u>	<u>(988)</u>	<u>(79,271)</u>	<u>(73,710)</u>
	<u>\$ 91,176</u>	<u>\$ 85,236</u>	<u>\$ 4,610</u>	<u>\$ 4,774</u>	<u>\$ 95,786</u>	<u>\$ 90,010</u>

This year's major capital asset additions included:

- \$3.2 million in additions of buildings and improvements.
- \$4.8 million in net additions related to infrastructure.

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

Long-term Debt

At year-end the County had \$57.6 million in bonds, notes, and capital lease obligations outstanding – a decrease of 14.5% 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 \$19.4 million as reflected in Table 12 of this report.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2011	Restated 2010	2011	Restated 2010	2011	Restated 2010
General obligation bonds	\$ 14,005	\$ 15,510	\$ -	\$ -	\$ 14,005	\$ 15,510
Revenue bonds	35,978	45,358	299	303	36,277	45,661
Notes payable	2,609	534	-	-	2,609	534
Capital lease obligations	<u>4,687</u>	<u>5,637</u>	<u>-</u>	<u>-</u>	<u>4,687</u>	<u>5,637</u>
	<u>\$ 57,279</u>	<u>\$ 67,039</u>	<u>\$ 299</u>	<u>\$ 303</u>	<u>\$ 57,578</u>	<u>\$ 67,342</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Unemployment now stands at 14.9 percent, compared to 17.8 percent a year ago. This compares unfavorably with the state's rate of 10.5 percent and the national rate of 9.2 percent.
- Inflationary trends in the region compare favorably to national indices.

These indicators were taken into account when adopting the general fund budget for 2012. Amounts available for appropriation in the general fund budget are at nearly \$31.3 million, a decrease of about 1 percent over the final 2011 budget of \$31.6 million.

Budgeted expenditures are expected to decrease approximately 2.67 percent to \$32.8 million over the actual 2011 expenditures and other uses of \$33.7 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 2012.

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.

THIS PAGE WAS INTENTIONALLY LEFT BLANK

BASIC FINANCIAL STATEMENTS

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2011

Exhibit A-1

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 29,117,637	\$ -	\$ 29,117,637	\$ 230,163
Cash and cash equivalents with fiscal agent	1,025,744	-	1,025,744	-
Investment with fiscal agent	32,270,112	-	32,270,112	-
Receivables, net of allowance for uncollectibles:				
Taxes	2,475,720	-	2,475,720	263,372
Other	3,065,113	7,982	3,073,095	98,864
Internal balances	439,252	(439,252)	-	-
Due from primary government	-	-	-	133,168
Due from other governments	4,496,295	-	4,496,295	411,672
Other assets	82,019	-	82,019	-
Due from fiduciary funds	752,056	-	752,056	-
Capital assets:				
Land - nondepreciable	7,018,995	-	7,018,995	-
Construction in progress - nondepreciable	10,350,378	-	10,350,378	-
Infrastructure	42,976,290	5,761,909	48,738,199	-
Buildings and improvements	65,420,057	-	65,420,057	-
Furniture and equipment	43,530,296	-	43,530,296	-
Accumulated depreciation	(78,119,171)	(1,152,383)	(79,271,554)	-
Total assets	164,900,793	4,178,256	169,079,049	1,137,239
LIABILITIES				
Accounts payable	2,260,290	27,180	2,287,470	182,608
Accrued salaries and benefits	1,143,478	-	1,143,478	237,608
Due to component units	133,168	-	133,168	-
Due to fiduciary fund	-	-	-	3,185
Accrued interest payable	570,917	560	571,477	-
Revenue received in advance	186,569	-	186,569	-
Noncurrent liabilities:				
Due within one year	14,392,516	4,596	14,397,112	173,394
Due in more than one year	44,311,302	294,267	44,605,569	236,741
Net OPEB obligation	12,175,423	-	12,175,423	2,260,694
Total liabilities	75,173,663	326,603	75,500,266	3,094,230
NET ASSETS				
Invested in capital assets net of related debt	35,645,907	4,310,103	39,956,010	-
Restricted for:				
Debt service	10,165,726	-	10,165,726	-
Capital outlay	49,359,003	-	49,359,003	-
Unrestricted	(5,443,506)	(458,450)	(5,901,956)	(1,956,991)
Total net assets	\$ 89,727,130	\$ 3,851,653	\$ 93,578,783	\$ (1,956,991)

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, 2011

	Net (Expense) Revenue and Changes in Net Assets					Component Units
	Expenses	Primary Government			Total	
		Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions		
PRIMARY GOVERNMENT						
Governmental activities						
General government	\$ 18,776,901	\$ 907,240	\$ 95,825	\$ 44,250	\$ (17,729,586)	\$ (17,729,586)
Judicial	3,911,278	1,596,319	688,055	-	(1,626,904)	(1,626,904)
Public works	8,381,152	3,021,377	17,165	1,477,711	(3,864,899)	(3,864,899)
Public safety	14,330,223	2,638,812	900,839	150,105	(10,640,467)	(10,640,467)
Social and health	1,527,316	-	31,240	-	(1,496,076)	(1,496,076)
Sanitation	5,104,378	1,799,066	39,115	-	(3,266,197)	(3,266,197)
Culture and recreation	5,459,124	-	22,813	3,338	(5,432,973)	(5,432,973)
Alllocation to Library	940,229	-	-	-	(940,229)	(940,229)
Interest and fiscal charges	2,217,738	-	39,978	-	(2,177,760)	(2,177,760)
Total governmental activities	60,648,339	9,962,814	1,835,030	1,675,404	(47,175,091)	(47,175,091)
Business-type activities						
Water and sewer	353,385	96,822	-	-	(256,563)	(256,563)
Total Primary Government	\$ 61,001,724	\$ 10,059,636	\$ 1,835,030	\$ 1,675,404	(47,175,091)	(47,431,654)
Component units						
Orangeburg County Fire District	\$ 2,457,766	\$ -	\$ -	\$ -	-	\$ (2,457,766)
Orangeburg County Public Library	1,392,142	56,062	125,498	-	-	(1,210,582)
Orangeburg-Calhoun Regional Detention Center	6,768,067	169,513	-	-	-	(6,598,554)
Total Component units	\$ 10,617,975	\$ 225,575	\$ 125,498	\$ -	-	(10,266,902)
GENERAL REVENUES:						
Property taxes levied for:						
General purposes					22,066,972	22,066,972
Debt services					5,482,588	5,482,588
Special revenue and capital projects					2,486,860	2,486,860
Sales tax					9,267,527	9,267,527
Payment from Primary Government					-	-
Payment from Other Government					-	-
Accommodations tax					205,524	205,524
Interest and investment income					1,924,168	1,924,168
Intergovernmental not restricted to special programs					5,260,443	5,260,443
Gain (loss) on sale of capital assets					11,918	11,918
Miscellaneous					627,265	627,265
Transfers					(266,481)	-
Total general revenues and transfers					47,066,784	47,333,265
Change in net assets					(108,307)	(98,389)
Net assets beginning of year, previously reported					93,746,695	93,746,695
Prior period adjustment					3,841,735	(69,523)
Net assets beginning of year, as restated					89,835,437	93,677,172
Net assets end of year					\$ 89,727,130	\$ 93,578,783
					\$ 3,851,653	\$ (1,956,991)

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

COUNTY OF ORANGEBURG, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

Exhibit A-3

	General	Capital Projects Sales Tax II	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 29,117,637	\$ -	\$ -	\$ 29,117,637
Cash and cash equivalents with fiscal agent	-	1,025,744	-	1,025,744
Investment with fiscal agent	-	32,270,112	-	32,270,112
Receivables, net of allowance for uncollectibles:				
Taxes	1,788,403	-	687,317	2,475,720
Intergovernmental	863,442	2,532,303	1,100,550	4,496,295
Other	1,857,723	3,875	1,203,515	3,065,113
Due from other funds	4,217,412	15,071,586	18,225,376	37,514,374
Due from agency funds	740,822	-	11,234	752,056
Prepaid expenditures	-	-	20,000	20,000
Other assets	-	-	62,019	62,019
Total assets	\$ 38,585,439	\$ 50,903,620	\$ 21,310,011	\$ 110,799,070
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 520,098	\$ 1,093,452	\$ 646,740	\$ 2,260,290
Accrued salaries and benefits	967,850	22,114	153,514	1,143,478
Due to other funds	33,296,962	-	3,778,160	37,075,122
Due to component units	133,168	-	-	133,168
Deferred revenues:				
Property taxes	1,492,599	-	607,643	2,100,242
Other	-	-	186,569	186,569
Total liabilities	36,410,677	1,115,566	5,372,626	42,898,869
FUND BALANCES				
Nonspendable	-	-	205,725	205,725
Restricted	-	49,788,054	18,278,432	68,066,486
Committed	1,195,806	-	-	1,195,806
Assigned	45,935	-	8,874	54,809
Unassigned	933,021	-	(2,555,646)	(1,622,625)
Total fund balances	2,174,762	49,788,054	15,937,385	67,900,201
Total liabilities and fund balances	\$ 38,585,439	\$ 50,903,620	\$ 21,310,011	\$ 110,799,070

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

COUNTY OF ORANGEBURG, SOUTH CAROLINA
RECONCILIATION OF GOVERNMENT FUNDS BALANCE SHEET
TO STATEMENT OF NET ASSETS
JUNE 30, 2011

Exhibit A-4

Total fund balances - Governmental funds	\$	67,900,201
--	----	------------

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		7,018,995
Construction in progress		10,350,378
Infrastructure		42,976,290
Buildings and improvements		65,420,057
Furniture, fixtures, and equipment		43,530,296
Accumulated depreciation		<u>(78,119,171)</u>

Total capital assets		<u>91,176,845</u>
----------------------	--	-------------------

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

Deferred property taxes		<u>2,100,242</u>
-------------------------	--	------------------

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		(14,005,000)
Capital leases payable		(4,686,755)
Revenue bonds		(34,745,000)
Notes payable		(2,609,314)
Accrued interest		(570,917)
Landfill closure and post closure costs		(218,723)
Premium on revenue bonds		(1,233,421)
Compensated absences		(1,205,605)
Net OPEB liability		<u>(12,175,423)</u>

Total long-term liabilities		<u>(71,450,158)</u>
-----------------------------	--	---------------------

Net assets of governmental activities	\$	<u><u>89,727,130</u></u>
---------------------------------------	----	--------------------------

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

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

Exhibit A-5

	General	Capital Projects Sales Tax II	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 22,096,040	\$ -	\$ 7,986,398	\$ 30,082,438
Sales tax		9,267,527	-	9,267,527
Intergovernmental	5,260,443	-	3,715,958	8,976,401
Licenses and permits	591,611	-	-	591,611
Charges for services	1,976,328	-	5,180,025	7,156,353
Fines, fees, and forfeitures	1,546,359	-	668,491	2,214,850
Investment income	24,165	1,877,110	22,893	1,924,168
Other	148,820	-	478,445	627,265
	<u>31,643,766</u>	<u>11,144,637</u>	<u>18,052,210</u>	<u>60,840,613</u>
Total revenues				
EXPENDITURES				
General government	10,565,496	1,209,357	1,764,201	13,539,054
Judicial	3,408,998	-	165,258	3,574,256
Public works	1,064,474	5,524,188	7,060,131	13,648,793
Public safety	10,353,428	5,726	1,866,537	12,225,691
Social and health	1,251,977	-	149,433	1,401,410
Sanitation	-	-	4,670,979	4,670,979
Culture and recreation	169,353	268,330	4,132,735	4,570,418
Allocation to Library	-	-	940,229	940,229
Allocation to others	5,728,908	-	-	5,728,908
Non-budgeted expenditures	886,404	-	-	886,404
Debt services:				
Principal retirement	235,000	9,000,000	1,305,836	10,540,836
Interest and fiscal charges	38,592	2,074,750	608,622	2,721,964
	<u>33,702,630</u>	<u>18,082,351</u>	<u>22,663,961</u>	<u>74,448,942</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(2,058,864)</u>	<u>(6,937,714)</u>	<u>(4,611,751)</u>	<u>(13,608,329)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	38,325	-	-	38,325
Proceeds from notes payable	-	-	2,111,049	2,111,049
Transfers in	2,446,374	-	371,414	2,817,788
Transfers out	(124,577)	(285,360)	(2,674,332)	(3,084,269)
	<u>2,360,122</u>	<u>(285,360)</u>	<u>(191,869)</u>	<u>1,882,893</u>
Total other financing sources (uses)				
Net change in fund balances	<u>301,258</u>	<u>(7,223,074)</u>	<u>(4,803,620)</u>	<u>(11,725,436)</u>
Fund balances, beginning of year	1,865,896	57,011,128	20,162,640	79,039,664
Prior period adjustment - Note 15	7,608	-	578,365	585,973
Fund balances, beginning of year as restated	<u>1,873,504</u>	<u>57,011,128</u>	<u>20,741,005</u>	<u>79,625,637</u>
Fund balances, end of year	<u>\$ 2,174,762</u>	<u>\$ 49,788,054</u>	<u>\$ 15,937,385</u>	<u>\$ 67,900,201</u>

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, 2011

Net change in fund balances - Total government funds \$ (11,725,436)

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

Capital outlays are reported as expenditures in governmental funds.

However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	12,494,196
Capital disposals, net of accumulated depreciation	(26,407)
Depreciation expense	<u>(6,526,489)</u>
Excess of capital outlay over depreciation expense	<u>5,941,300</u>

Because some revenue will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred property tax revenues increased by this amount this year. (46,018)

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. Debt proceeds are financing sources in the governmental funds, but the proceeds increase the long-term liabilities in the statement of net assets. In the current period, these amounts consisted of:

Bond principal retirement	10,505,000
Note payable retirement	35,836
Capital lease payments	950,282
Notes payable proceeds	<u>(2,111,049)</u>
Total long-term debt repayment	<u>9,380,069</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds

Change in compensated absences	4,564
Change in postclosure care costs	11,695
Amortization on bond premium	379,514
Change in OPEB obligation	<u>(4,178,707)</u>
	<u>(3,782,934)</u>

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due. 124,712

Change in net assets of governmental activities \$ (108,307)

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

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

Exhibit A-7

	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	\$ 22,481,211	\$ 22,481,211	\$ 22,096,040	\$ -	\$ 22,096,040	\$ (385,171)
Intergovernmental revenue	4,418,505	4,418,505	5,260,443	-	5,260,443	841,938
Licenses and permits	598,500	598,500	591,611	-	591,611	(6,889)
Charges for services	2,190,000	2,190,000	1,976,328	-	1,976,328	(213,672)
Fines, fees and forfeitures	1,584,076	1,584,076	1,546,359	-	1,546,359	(37,717)
Investment income	150,473	150,473	24,165	-	24,165	(126,308)
Other	375,597	375,597	148,820	-	148,820	(226,777)
Total revenues	<u>31,798,362</u>	<u>31,798,362</u>	<u>31,643,766</u>	<u>-</u>	<u>31,643,766</u>	<u>(154,596)</u>
EXPENDITURES						
General government	11,026,191	13,689,118	10,565,496	1,819	10,567,315	3,121,803
Judicial	3,398,675	3,398,675	3,408,998	1,434	3,410,432	(11,757)
Public works	1,036,698	1,036,698	1,064,474	(12,930)	1,051,544	(14,846)
Public safety	9,468,254	9,468,254	10,353,428	6,088	10,359,516	(891,262)
Social and health	1,328,160	1,328,160	1,251,977	(882)	1,251,095	77,065
Culture and recreation	199,057	199,057	169,353	-	169,353	29,704
Allocations to others	5,127,247	5,127,247	5,728,908	-	5,728,908	(601,661)
Non-budgeted expenditures	-	-	886,404	-	886,404	(886,404)
Debt service						
Principal retirement	-	-	235,000	-	235,000	(235,000)
Interest and fiscal charges	-	-	38,592	-	38,592	(38,592)
Total expenditures	<u>31,584,282</u>	<u>34,247,209</u>	<u>33,702,630</u>	<u>(4,471)</u>	<u>33,698,159</u>	<u>549,050</u>
Excess (deficiency) of revenues over (under expenditures)	<u>214,080</u>	<u>(2,448,847)</u>	<u>(2,058,864)</u>	<u>4,471</u>	<u>(2,054,393)</u>	<u>394,454</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets	-	-	38,325	-	38,325	38,325
Transfers in	66,000	2,295,630	2,446,374	-	2,446,374	150,744
Transfers out	(280,080)	(280,080)	(124,577)	-	(124,577)	155,503
Total other financing sources (uses)	<u>(214,080)</u>	<u>2,015,550</u>	<u>2,360,122</u>	<u>-</u>	<u>2,360,122</u>	<u>344,572</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (433,297)</u>	<u>301,258</u>	<u>4,471</u>	<u>305,729</u>	<u>\$ 739,026</u>
Fund balances, beginning of year			1,865,896	(50,406)	1,815,490	
Prior period adjustment			7,608	-	7,608	
Fund balances, beginning of year as restated			<u>1,873,504</u>	<u>(50,406)</u>	<u>1,823,098</u>	
Fund balances, end of year			<u>\$ 2,174,762</u>	<u>\$ (45,935)</u>	<u>\$ 2,128,827</u>	
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				\$ 50,406		
Current year encumbrances				<u>(45,935)</u>		
Net decrease in fund balance - GAAP to budget				<u>\$ 4,471</u>		

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

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2011

Exhibit A-8

	<u>Business-Type Activities/ Enterprise Fund</u>
ASSETS	
Current Assets:	
Accounts receivable	\$ 7,982
Total Current Assets	<u>7,982</u>
Noncurrent Assets:	
Capital assets:	
Infrastructure	5,761,909
Accumulated depreciation	<u>(1,152,383)</u>
Total Noncurrent Assets	<u>4,609,526</u>
Total Assets	<u>4,617,508</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	27,180
Due to general fund	439,252
Accrued interest payable	560
Revenue bond payable - Note 10	<u>4,596</u>
Total Current Liabilities	<u>471,588</u>
Noncurrent Liabilities	
Revenue bond payable - Note 10	<u>294,267</u>
Total Liabilities	<u>765,855</u>
Net Assets	
Invested in capital assets, net of related debt	4,310,103
Unrestricted	<u>(458,450)</u>
Total Net Assets	<u>\$ 3,851,653</u>

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

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2011

Exhibit A-9

	Business-Type Activities/ Enterprise Fund
Operating Revenues:	
Charges for services	\$ 96,822
Total Operating Revenues	<u>96,822</u>
Operating Expenses:	
Operating and maintenance	175,209
Depreciation expense	164,626
Total Operating Expenses	<u>339,835</u>
Income (Loss) from Operations	<u>(243,013)</u>
Nonoperating Revenues (Expenses):	
Interest expense	(13,550)
Total Nonoperating Revenues (Expenses)	<u>(13,550)</u>
Income (Loss) before Transfers	(256,563)
Transfers in	266,481
Change in Net Assets	9,918
Net Assets - Beginning of Year - Restated - Note 17	<u>3,841,735</u>
Net Assets - End of Year	<u><u>\$ 3,851,653</u></u>

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

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2011

Exhibit A-10

	<u>Business-Type Activities/ Enterprise Fund</u>
Cash Flows From Operating Activities:	
Cash received from customers	\$ 97,154
Cash paid to suppliers for goods and services	<u>(162,359)</u>
Net Cash Provided by (Used For) Operating Activities	<u>(65,205)</u>
Cash Flows from Noncapital financing activities:	
Transfers (to) from other funds	<u>83,157</u>
Cash Flows From Capital and Related Financing Activities:	
Principal paid on bonds	(4,394)
Interest paid on bonds	<u>(13,558)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(17,952)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-
Cash and Cash Equivalents at Beginning of Year	<u>-</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ -</u></u>
Reconciliation of Net Operating Income (Loss)	
Net Cash Provided by Operating Activities	
Operating income (loss)	\$ (243,013)
Adjustments to reconcile operating income by operating activities:	
Depreciation expense	164,626
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	332
Increase (decrease) in accounts payable	<u>12,850</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (65,205)</u></u>

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

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
JUNE 30, 2011

Exhibit A-11

ASSETS

Cash and cash equivalents	\$ 13,425,605
Property taxes receivable	<u>5,089,630</u>
 Total assets	 <u><u>\$ 18,515,235</u></u>

LIABILITIES

Due to General Fund	\$ 740,822
Due to Special Revenue Fund	11,234
Due to taxing units	15,213,205
Due to others	<u>2,549,974</u>
 Total liabilities	 <u><u>\$ 18,515,235</u></u>

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

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

I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County of Orangeburg, South Carolina (the County), have been prepared in conformity with generally accepted accounting principles (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, fund financial statements which provide a more detailed level of financial information, and notes to the basic financial statements.

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 and business-type 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 primary government activities. 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 function is self-financing or draws from the general revenues of the County.

I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of presentation

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. Separate statements are presented for governmental and proprietary activities. 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.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. 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 sales tax revenues that are restricted to improve, repair and construct infrastructure for the County.

Additionally, the government reports the following governmental fund types as nonmajor funds:

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.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determination of net income, financial position, and cash flow. All assets and liabilities are included in the Statement of Net Assets. The County has presented the following proprietary fund which is considered nonmajor:

The *Edisto Water and Sewer Enterprise Fund* is used to account for the provision of water and sewer services to the residents of a portion of the County. Activities of the fund include billings and collection activities and operation and maintenance of the system. The fund also accounts for the payment of long-term principal and interest for the water and sewer debt. All costs are financed through charges to utility customers.

I- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of presentation (Continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. Operating expense for the proprietary funds include the cost of contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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.

C. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for the proprietary fund are reported using the economic resources measurement focus and accrual basis of accounting. All assets and liabilities (current and noncurrent) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they are both measurable and available. Expenditures are recorded when the related fund liability is incurred. 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.

I- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus/Basis of Accounting (Continued)

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, 2011 has 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.

I- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. 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 reassigned of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

E. 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.

F. 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, 2011 were as follows:

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Property taxes receivable	\$ 1,987,114	\$ 763,686	\$ 2,750,800
Less: Allowance	<u>(198,711)</u>	<u>(76,369)</u>	<u>(275,080)</u>
Net	<u>\$ 1,788,403</u>	<u>\$ 687,317</u>	<u>\$ 2,475,720</u>

I- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. 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.

H. 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. 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.

J. 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.

K. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges and similar items), are reported in the governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for the proprietary fund. 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.

I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Capital assets (Continued)

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

L. Fund Balances/Net Assets

Effective July 1, 2010, the County adopted the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The objective of the 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. The County has evaluated the use of its Debt Service, Capital Projects Funds, and Special Revenue Funds under the criteria set forth in GASB Statement 54 and has determined reclassifications were necessary to conform to the new standard. These reclassifications are discussed in detail in Note 15 - Prior Period Adjustments.

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

Nonspendable Fund Balance—includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted Fund Balance—includes amounts that are restricted for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance—includes amounts that can only be used for the specific purposes determined by a formal action of the County’s highest level of decision-making authority, the County Council. Commitments may be changed or lifted only by the County taking the same formal action that imposed the constraint originally (for example: resolution and ordinance).

Assigned Fund Balance—includes amounts intended to be used by the County for specific purposes that are neither restricted nor committed. Intent is expressed by (a) Orangeburg County Council or (b) a body (a budget, finance committee, or County Administrator) to which the assigned amounts are to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as nonspendable, restricted, or committed.

I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fund Balances/Net Assets (Continued)

Unassigned Fund Balance—fund balance of the general fund that is not constrained for a particular purpose or the residual classification used for all negative fund balances.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned. In all cases, encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

In the government-wide financial statements, net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt—This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Assets—This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments, enabling legislation, constitutional provisions.

Unrestricted Net Assets—This amount is all net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted net assets.”

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.

II – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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, 2011, 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 \$404,690, \$31,457, \$84,156, \$22,933, and \$1,382,365, respectively. As of June 30, 2011, Jafza Building, Orangeburg Water Expansion, and Broadband Program Capital Projects funds had deficit fund balances of \$138,839, \$6,622, and \$484,584 respectively.

Excess of expenditures over appropriations – For the year ended June 30, 2011, expenditures in the following general fund divisions exceeded appropriations:

General Government	
Administrative	\$ 15,714
Election Commission	71,329
Tax Assessor	13,754
Planning and building inspections	1,782
Orangeburg County Development Commission	12,871
Judicial	
Clerk of Court	33,910
Master-in-Equity	704
Magistrates	11,933
Solicitor	5,000
Public Works	
Buildings and grounds	30,070
Public Safety	
Sheriff	615,213
E-911 Communication Center	20,599
Emergency Medical Service	297,530
Allocations to others	
Law Enforcement Center	611,661
Capital assets purchased through	
Library	8,084
Law Enforcement Center	26,003
Fire District	852,317
Debt Service	
Principal retirement	235,000
Interest and fiscal charges	38,592

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, 2011, the carrying amount of the County's deposits was \$43,567,162 and the bank balance was \$45,795,994. 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, 2011, the County's bank deposits were either fully insured or collateralized.

As of June 30, 2011, the County had the following investments:

	<u>Fair value</u>	<u>Investment Maturities (in years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>More than 5</u>
U.S. Agencies	\$ 13,643,747	\$ 13,643,747	\$ -	\$ -
Guaranteed investment contracts	<u>18,626,365</u>	<u>5,829,719</u>	<u>12,796,646</u>	<u>-</u>
	<u>\$ 32,270,112</u>	<u>\$ 19,473,466</u>	<u>\$ 12,796,646</u>	<u>\$ -</u>

Interest rate risk

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

As of June 30, 2011, the County held \$18,626,365 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.

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 ratings were not available. Of the County's investments in guaranteed investment contracts, underlying securities exceeding \$18,626,365 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	\$ 43,567,162
Cash on hand	1,824
Fair value of investments	<u>32,270,112</u>
	<u>\$ 75,839,098</u>

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 1 – DEPOSITS AND INVESTMENTS (Continued)

Primary Government:	
Cash and cash equivalents – Exhibit A-1	\$ 29,117,637
Cash and cash equivalents with fiscal agent – Exhibit A-1	1,025,744
Investments with fiscal agent – Exhibit A-1	32,270,112
Cash and cash equivalents – Exhibit A-11	<u>13,425,605</u>
	<u>\$ 75,839,098</u>

NOTE 2 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Reductions/ Transfers</u>	<u>Balance June 30, 2011</u>
<u>Governmental Activities:</u>				
Capital assets not being depreciated				
Land	\$ 5,764,441	\$ 1,254,559	\$ (5)	\$ 7,018,995
Construction in progress	<u>8,356,733</u>	<u>2,392,592</u>	<u>(398,947)</u>	<u>10,350,378</u>
Total capital assets not being depreciated	<u>\$ 14,121,174</u>	<u>\$ 3,647,151</u>	<u>\$ (398,952)</u>	<u>\$ 17,369,373</u>
Capital assets being depreciated				
Infrastructure *	\$ 37,749,141	\$ 4,828,202	\$ 398,947	\$ 42,976,290
Building and improvements	62,246,078	3,209,619	(35,640)	65,420,057
Furniture and equipment	<u>43,841,932</u>	<u>809,224</u>	<u>(1,120,860)</u>	<u>43,530,296</u>
Total capital assets being depreciated	<u>143,837,151</u>	<u>8,847,045</u>	<u>(757,553)</u>	<u>151,926,643</u>
Less accumulated depreciation for:				
Infrastructure *	(7,566,859)	(1,169,312)	-	(8,736,171)
Building and improvements	(29,282,666)	(1,772,157)	30,291	(31,024,532)
Furniture and equipment	<u>(35,873,255)</u>	<u>(3,585,020)</u>	<u>1,099,807</u>	<u>(38,358,468)</u>
Total accumulated depreciation	<u>(72,722,780)</u>	<u>(6,526,489)</u>	<u>1,130,098</u>	<u>(78,119,171)</u>
Total capital assets being depreciated, net	<u>71,114,371</u>	<u>2,320,556</u>	<u>372,545</u>	<u>73,807,472</u>
Governmental activities capital assets net	<u>\$ 85,235,545</u>	<u>\$ 5,967,707</u>	<u>\$ (26,407)</u>	<u>\$ 91,176,845</u>

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 2 – CAPITAL ASSETS (Continued)

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Reductions/</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>Business-type Activities:</u>				
Capital assets not being depreciated				
Infrastructure	* \$ 5,761,909	\$ -	\$ -	\$ 5,761,909
Less accumulated depreciation for:				
Infrastructure	* <u>(987,757)</u>	<u>(164,626)</u>	<u>-</u>	<u>(1,152,383)</u>
Total capital assets being depreciated/Business-type activities capital assets net	<u>\$ 4,774,152</u>	<u>\$ (164,626)</u>	<u>\$ -</u>	<u>\$ 4,609,526</u>

* The beginning balances of governmental activities were restated to move infrastructure capital assets of \$5,761,909 net of \$960,852 accumulated depreciation to the business-type activities. The beginning accumulated depreciation of the business-type activities was also corrected by \$26,905 to arrive at \$987,757.

Depreciation was charged to governmental functions as follows:

General government	\$ 1,185,341
Judicial	28,978
Public works	3,460,083
Public safety	1,462,456
Social and health	40,464
Sanitation	85,105
Culture and recreation	<u>264,062</u>
Total	<u>\$ 6,526,489</u>

Depreciation of \$164,626 was charged to the proprietary fund.

NOTE 3 – COMPONENT UNIT INFORMATION

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

	<u>Fire</u> <u>Commission</u>	<u>Public</u> <u>Library</u>	<u>Regional</u> <u>Detention</u> <u>Center</u>	<u>Total</u> <u>Component</u> <u>Units</u>
Total Fund Balances – Component Units	\$ 356,184	\$ 116,260	\$ 83,819	\$ 556,263
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	157,575	-	-	157,575

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 3 – COMPONENT UNIT INFORMATION (Continued)

	<u>Fire Commission</u>	<u>Public Library</u>	<u>Regional Detention Center</u>	<u>Total Component Units</u>
Some other liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(149,681)</u>	<u>(532,061)</u>	<u>(1,989,087)</u>	<u>(2,670,829)</u>

Net assets of component units' activities	<u>\$ 364,078</u>	<u>\$ (415,801)</u>	<u>\$ (1,905,268)</u>	<u>\$ (1,956,991)</u>
---	-------------------	---------------------	-----------------------	-----------------------

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

	<u>Fire Commission</u>	<u>Public Library</u>	<u>Regional Detention Center</u>	<u>Total Component Units</u>
Net change in fund balance – Component units	\$ (97,676)	\$ (88,203)	\$ (875)	\$ (186,754)

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.	(806)	-	-	(806)
---	-------	---	---	-------

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures	<u>(61,892)</u>	<u>(182,150)</u>	<u>(916,696)</u>	<u>(1,160,738)</u>
--	-----------------	------------------	------------------	--------------------

Changes in net assets of component units' activities	<u>\$ (160,374)</u>	<u>\$ (270,353)</u>	<u>\$ (917,571)</u>	<u>\$ (1,348,298)</u>
--	---------------------	---------------------	---------------------	-----------------------

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 2011:

The Orangeburg County Fire District reimbursed \$273,592 to the County for payment of principal and interest on a general obligation bond held by the County for Fire District related assets and \$852,317 for capital asset acquisitions maintained by the County on its capital asset listing.

The Orangeburg-Calhoun Regional Detention Center reimbursed \$26,003 to the County for capital asset acquisitions maintained by the County on its capital asset listing.

The Orangeburg County Public Library reimbursed \$8,084 to the County for capital asset acquisitions maintained by the County on its capital asset listing.

The amount included in intragovernmental receivables from Calhoun County of \$378,231 has been recorded to cover Calhoun County's share of excess expenditures over budgeted expenditures, not absorbed by other revenue sources which has accumulated over several years. Calhoun County Council has agreed to pay 14.2% of the FLSA legal settlement incurred in 2011 in the amount of \$31,724 and 14.2% of an unbudgeted workers' compensation insurance premium in 2011 in the amount of \$26,888. The remaining balance of the Calhoun County's share of the excess expenditures of \$319,619 has been recorded as a potential liability by Calhoun County. The final payment of the remaining balance is in negotiation.

NOTE 4 – INTERFUND BALANCES AND TRANSFERS

The balances of interfund receivables and payables at June 30, 2011 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental	\$ 3,778,160
General Fund	Enterprise Fund	439,252
Nonmajor Governmental	General Fund	18,225,376
Capital Project Sales Tax II	General	<u>15,071,586</u>
		<u>\$ 37,514,374</u>

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

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 4 – INTERFUND BALANCES AND TRANSFERS (Continued)

Any transactions to transfer revenues from the fund budgeted to receive them to the fund budgeted to expend them are reported as transfers from and to other funds. Total transfers during the year ended June 30, 2011 consisted of the following individual amounts:

<u>Transfer In Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 2,446,374
Nonmajor Governmental Fund	General Fund	124,577
Nonmajor Governmental Fund	Capital Projects Sales Tax II	89,911
Nonmajor Governmental Fund	Nonmajor Governmental Fund	156,926
Enterprise Fund	Nonmajor Governmental Funds	71,032
Enterprise Fund	Capital Projects Sales Tax II	<u>195,449</u>
		<u>\$ 3,084,269</u>

NOTE 5 – LEASES

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

The following is an analysis of equipment leased under capital leases as of June 30, 2011:

Furniture, fixtures and equipment	\$ 8,564,715
Less: accumulated depreciation	<u>(7,681,128)</u>
Carrying value	<u>\$ 883,587</u>

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2011 were as follows:

2012	\$ 3,125,534
2013	300,347
2014	384,834
2015	384,834
2016	384,834
Thereafter	<u>481,042</u>
Total minimum lease payments	5,061,425
Less, amount representing interest	<u>374,670</u>
Present value of minimum lease payments	<u>\$ 4,686,755</u>

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 5 – LEASES (Continued)

Capital leases payable at June 30, 2011 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. \$ 1,831,827

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. During 2011, one tractor under lease burned and insurance proceeds paid off remaining lease on that tractor. Initial lease amount was \$64,601 and remaining balance at disposal was \$26,712. 1,929,870

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. 602,369

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. 54,323

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. 268,366

\$ 4,686,755

III – DETAILED NOTES ON ALL FUNDS (Continued)

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, 2011 are composed of the following individual issues:

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Amount due</u> <u>in one year</u>
<u>Governmental Activities:</u>					
General obligation bonds of 1999 due in annual installments ranging from \$165,000 to \$275,000 through January 1, 2014; interest at 4% to 6% - original issued was \$2,900,000. These bonds are excluded from the legal debt margin calculation by referendum.	\$ 1,015,000	\$ -	\$ 235,000	\$ 780,000	\$ 245,000
General obligation bonds of 2003 due in annual installments ranging from \$345,000 - \$635,000 through April 1, 2023; interest at 2% to 5% - original issue was \$9,135,000.	6,475,000	-	390,000	6,085,000	405,000
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.	<u>8,020,000</u>	<u>-</u>	<u>880,000</u>	<u>7,140,000</u>	<u>910,000</u>
Total	<u>\$ 15,510,000</u>	<u>\$ -</u>	<u>\$ 1,505,000</u>	<u>\$ 14,005,000</u>	<u>\$ 1,560,000</u>

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

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 6 – LONG-TERM DEBT (Continued)

Annual requirements to amortize general obligation debt outstanding at June 30, 2011, excluding arbitrage rebate liabilities, if any, are summarized as follows:

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
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	1,520,000	335,263	1,855,263
2017 - 2021	4,905,000	845,407	5,750,407
2022 - 2024	<u>1,240,000</u>	<u>93,750</u>	<u>1,333,750</u>
	<u>\$ 14,005,000</u>	<u>\$ 3,223,719</u>	<u>\$ 17,228,719</u>

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. User charges and sales tax collections have been designated to re-pay the bonds, respectively. Revenue bonds payable at June 30, 2011 are composed of the following individual issues:

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2011</u>	<u>Amount due in one year</u>
<u>Business-type Activities:</u>					
County:					
Revenue bond, Series 2002, due in monthly installments of \$1,496 through November 15, 2042; interest at 4.5% - original issue was \$343,805.	\$ 303,257	\$ -	\$ 4,394	\$ 298,863	\$ 4,596
<u>Governmental Activities:</u>					
Orangeburg Joint Governmental Action Authority:					
Revenue bond, Series 2007, due in semiannual installments ranging from \$3,345,000 to \$5,600,000 through October 1, 2014; interest at 5% - original issue was \$64,245,000.	<u>43,745,000</u>	<u>-</u>	<u>9,000,000</u>	<u>34,745,000</u>	<u>9,000,000</u>
Total	<u>\$ 44,048,257</u>	<u>\$ -</u>	<u>\$ 9,004,394</u>	<u>\$ 35,043,863</u>	<u>\$ 9,004,596</u>

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 6 – LONG-TERM DEBT (Continued)

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.

Annual requirements to amortize revenue bond debt outstanding at June 30, 2011 are summarized as follows:

Year ended June 30,	Governmental Activities		Business-type Activities		Totals
	Principal	Interest	Principal	Interest	
2012	\$ 9,000,000	\$ 1,624,750	\$ 4,596	\$ 13,356	\$ 10,642,702
2013	11,200,000	1,147,250	4,808	13,144	12,365,202
2014	11,200,000	587,250	5,028	12,924	11,805,202
2015	3,345,000	83,625	5,260	12,693	3,446,578
2016	-	-	5,501	12,451	17,952
2017 – 2021	-	-	31,535	58,225	89,760
2022 – 2026	-	-	39,476	50,284	89,760
2027 – 2031	-	-	49,416	40,344	89,760
2032 – 2036	-	-	61,858	27,902	89,760
2037 – 2041	-	-	77,434	12,326	89,760
2042	-	-	13,951	177	14,128
	<u>\$ 34,745,000</u>	<u>\$ 3,442,875</u>	<u>\$ 298,863</u>	<u>\$ 253,826</u>	<u>\$ 38,740,564</u>

Notes Payable – The County has existing note payable from Lower Savannah Regional Development Corporation.

On August 24, 2010, the County entered into a loan agreement with The South Carolina Public Service Authority whereby the County can draw up to \$4,000,000 for the construction of a regional wastewater treatment system that will serve primarily the John W. Matthews, Jr. Industrial Park. On September 14, 2010 the initial draw of \$1,163,689 was made to purchase property for this facility. There is no set principal repayment schedule except that the outstanding balance must be repaid within 10 years of the initial draw of September 14, 2010. Interest will be charged on the outstanding balance at the U.S. Treasury 10-year bond rate from the date of the initial draw until December 31, 2010 (2.68%) and reset each January 1 of the loan term. The interest rate at January 1, 2011 was 3.36%. The payment of interest is deferred until the latter of the following two dates: (1) six months following receipt of a permit from DHEC to operate the new system; or (2) two years following the funding of the initial draw.

In December 2010, the County received an interest-free loan of \$947,360 from Tri-County Electric Cooperative, Inc, (Tri-County) for the construction of a commercial facility to house its tenant's (Jafza) headquarters and training facilities. Upon completion of the facility, Jafza will make lease payments to the County timed and in amounts sufficient to cover the County's payment obligations to Tri-County on the loan. Tri-County was entitled to have the County issue a revenue bond to secure the loan; however, as of the issuance date of these financial statements, Tri-County has not required issuance of a revenue bond.

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 6 – LONG-TERM DEBT (Continued)

Tri-County received federal funding from Rural Economic Development as a loan of \$647,360 of which the County is named sub-recipient, and as a grant of \$300,000 establishing a revolving loan fund at Tri-County. Therefore, \$647,360 is recorded by the County as a federal loan from Rural Economic Development and the remaining \$300,000 is reflected as a loan from Tri-County.

The building was completed in June 2011.

Notes payable at June 30, 2011 are composed of the following:

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Amount due</u> <u>in one year</u>
Loan from Lower Savannah Regional Development Corporation. The note is to be repaid over 120 monthly principal and interest payments and a balloon payment due at the end of the tenth year; interest at 2.5%.	\$ 534,101	\$ -	\$ 35,836	\$ 498,265	\$ 35,641
Loan from The South Carolina Public Service Authority. See above for loan terms.	-	1,163,689	-	1,163,689	-
Loan from Tri-County Electric Cooperative, Inc. See above for loan terms	-	300,000	-	300,000	-
Loan from Rural Economic Development. See above for loan terms.	-	647,360	-	647,360	-
	<u>\$ 534,101</u>	<u>\$ 2,111,049</u>	<u>\$ 35,836</u>	<u>\$ 2,609,314</u>	<u>\$ 35,641</u>

Annual requirements to amortize notes payable debt at June 30, 2011 are summarized as follows:

<u>Year ended</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2012	\$ 35,641	\$ 12,050	\$ 47,691
2013	541,571	4,757	546,328
2014	118,420	-	118,420
2015	118,420	-	118,420
2016	118,420	-	118,420
2017-2021	<u>1,676,842</u>	<u>452,736</u>	<u>2,129,578</u>
	<u>\$ 2,609,314</u>	<u>\$ 469,543</u>	<u>\$ 3,078,857</u>

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 6 – LONG-TERM DEBT (Continued)

There are a number of limitations and restrictions contained in the various bond and certificate indentures, such as 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 \$298,863. 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 \$256,563 and the total unrestricted net assets deficit of that account is \$458,450 at June 30, 2011. 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, 2011:

	<u>Restated Balance June 30, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2011</u>	<u>Amount due in one year</u>
<u>Governmental Activities:</u>					
General obligation					
bonds	\$ 15,510,000	\$ -	\$ 1,505,000	\$ 14,005,000	\$ 1,560,000
Revenue bond	43,745,000	-	9,000,000	34,745,000	9,000,000
Premium on revenue					
bonds	1,612,936	-	379,515	1,233,421	379,515
Notes payable					
/Line credit	534,101	2,111,049	35,836	2,609,314	35,641
Capital leases	5,637,037	-	950,282	4,686,755	3,003,715
Landfill closure and					
post-closure costs	230,417	-	11,694	218,723	15,163
Compensated					
absences	<u>1,210,170</u>	<u>796,962</u>	<u>801,527</u>	<u>1,205,605</u>	<u>398,482</u>
	<u>\$ 68,479,661</u>	<u>\$ 2,908,011</u>	<u>\$ 12,683,854</u>	<u>\$ 58,703,818</u>	<u>\$ 14,392,516</u>
<u>Business-type Activities:</u>					
Revenue bond	<u>\$ 303,257</u>	<u>\$ -</u>	<u>\$ 4,394</u>	<u>\$ 298,863</u>	<u>\$ 4,596</u>

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

III – DETAILED NOTES ON ALL FUNDS (Continued)

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

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

The County liability for closure and postclosure care costs is based on landfill capacity used to date. Since the landfill was closed as of July 1995, the County considers it to be at 100% capacity. The County paid to cover the landfill in fiscal 1996. Accordingly, long term liabilities reflect a \$218,723 liability for estimated postclosure care costs. This amount includes a reduction of \$11,694 during fiscal year 2011 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	\$ 91,182,199
Less: Revenue bonds	(34,745,000)
Premium on revenue bonds	(1,233,422)
General obligation bonds	(14,005,000)
Note payable	(947,360)
Capital leases	(4,686,755)
Notes payable	(1,661,954)
Add: Unspent debt proceeds	<u>1,743,199</u>
	<u>35,645,907</u>
Restricted for capital activity and debt service:	
Restricted cash and receivables	
Debt service	10,165,726
Capital proceeds	51,102,202
Less: Unspent debt proceeds	<u>(1,743,199)</u>
	<u>59,524,729</u>
Unrestricted	<u>(5,443,506)</u>
Total net assets	<u>\$ 89,727,130</u>

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 9 – CONDUIT DEBT OBLIGATIONS

From time to time, the County has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the County, the State of South Carolina, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2011, the aggregate principal payable on these bonds was approximately \$14,295,000.

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

South Carolina Retirement and Police Officers' Retirement Systems

Plan Description - The majority of employees of the County are members of the South Carolina Retirement System (SCRS) or the Police Officers' Retirement System (PORS), cost sharing, multiple employer defined benefit pension plans administered by the South Carolina Retirement Systems, a division of the State Budget and Control Board. Both the SCRS and PORS offer retirement, disability, survivor and death benefits to eligible members or beneficiaries. The Plans' provisions are established under Title 9 of the SC Code of Laws. 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.

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 11 – EMPLOYEE RETIREMENT PLANS (Continued)

Funding Policy - 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, 2010, the employer contribution rate is 9.24% to SCRS and 11.13% to PORS. Additionally, participating employers of the SCRS contribute .15% of payroll to provide a group life insurance benefit for their participants; and participating employers of the PORS contribute .4% of payroll to provide a group life insurance benefit and accidental death benefits for their participants. The contribution requirements by the County for the years ended June 30, 2009, 2010, and 2011 were as follows:

	2009		2010		2011	
	SCRS	PORS	SCRS	PORS	SCRS	PORS
Employer contributions	\$ 1,373,790	\$ 723,181	\$ 1,382,324	\$ 729,544	\$ 1,353,304	\$ 791,350
Group Life contributions	\$ 22,302	\$ 27,162	\$ 22,440	\$ 27,401	\$ 21,969	\$ 28,440

The County's 2010 – 2011 contributions represented less than one percent of total contributions required of all participating entities. All employers contribute at the actuarially required contribution rates.

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, 2011 separately issued report.

III – DETAILED NOTES ON ALL FUNDS (Continued)

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, dental, and vision insurance premium contribution plan that covers retirees.

An employee must meet the following criteria to be eligible for retiree health, dental, and vision 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.

Retirees pay a portion of the premium based on years of service. Retiree pays 50% with at least 15 years of service, 0% with at least 28 years of service, or 25 years of service for police. 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 3.9 percent.

III – DETAILED NOTES ON ALL FUNDS (Continued)

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

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% for 2011 and 2012, and 12% for 2013 and then reduced by decrements of .5% to an ultimate trend rate of 5%. The unfunded actuarial liability is amortized over 30 years using the level percentage of future payroll method including a 2.5% annual inflation factor with respect to determining the amortization amount.

	Primary Government	Component Units		
		Fire Commission	Library	Detention Center
Annual required contribution	\$ 4,364,337	\$ 58,740	\$ 201,985	\$ 783,752
Interest on net OPEB obligation	319,869	2,324	11,867	35,435
Adjustment to annual required contribution	<u>(332,940)</u>	<u>(2,419)</u>	<u>(12,352)</u>	<u>(36,883)</u>
Annual OPEB cost (expense)	4,351,266	58,645	201,500	782,304
Estimated pay-as-you-go annual employer contributions	<u>(172,559)</u>	<u>-</u>	<u>(19,965)</u>	<u>(2,439)</u>
Increase (decrease) in net OPEB obligation	4,178,707	58,645	181,535	779,865
Net OPEB obligation, beginning of year	<u>7,996,716</u>	<u>58,106</u>	<u>296,672</u>	<u>885,871</u>
Net OPEB obligation, end of year	<u>\$ 12,175,423</u>	<u>\$ 116,751</u>	<u>\$ 478,207</u>	<u>\$ 1,665,736</u>

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 actuarial cost method has been used to determine the plan’s liabilities and costs. Using the plan benefits, the present health, dental, and vision premiums and a set of actuarial assumptions with a level population approach, 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 percentage of future payroll method including a 2.5% annual inflation factor with respect to determining the amortization amount. The amortization period is open ended in that it begins anew at each valuation period. This is both an accepted and reasonable cost method.

III – DETAILED NOTES ON ALL FUNDS (Continued)

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

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, 2011, 2010 and 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
June 30, 2011	\$ 4,351,266	3.9%	\$ 12,175,423
Discretely presented Component units:			
Fire Commission			
June 30, 2009	\$ 29,191	0%	\$ 29,191
June 30, 2010	\$ 28,915	0%	\$ 58,106
June 30, 2011	\$ 58,645	0%	\$ 116,751
Library			
June 30, 2009	\$ 157,633	2.9%	\$ 153,232
June 30, 2010	\$ 156,146	8.1%	\$ 296,672
June 30, 2011	\$ 201,500	9.9%	\$ 478,207
Detention Center			
June 30, 2009	\$ 449,546	1.0%	\$ 445,056
June 30, 2010	\$ 445,305	1.0%	\$ 885,871
June 30, 2011	\$ 782,304	0.3%	\$ 1,665,736

Funded Status and Funding Progress:

The funded status of the plan as of July 1, 2010, the most recent actuarial valuation date, was as follows:

	Primary Government	Component Units		
		Fire Commission	Library	Detention Center
Actuarial accrued liability (AAL)	\$ 39,021,138	\$ 526,557	\$ 2,745,463	\$ 5,197,640
Actuarial value of plan assets	-	-	-	-
Unfunded Actuarial accrued liability (UAAL)	<u>\$ 39,021,138</u>	<u>\$ 526,557</u>	<u>\$ 2,745,463</u>	<u>\$ 5,197,640</u>
Funded ratio (actuarial value of plan assets (AAL))	0%	0%	0%	0%
Covered payroll (active plan members)	<u>\$ 13,101,365</u>	<u>\$ 210,352</u>	<u>\$ 522,282</u>	<u>\$ 2,077,119</u>
UAAL as a percentage of covered payroll	297.8%	250.3%	525.7%	250.2%

III – DETAILED NOTES ON ALL FUNDS (Continued)

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

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

NOTE 13 – RELATED PARTY TRANSACTION

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

NOTE 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, 2011, 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. There are three pending cases for which the proceedings are still in the discovery phase and too early for counsel to predict an outcome or whether the case would be fully insured by the insurance carrier. No amount of claim, if any, has been stated at this time for these two cases.

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.

NOTE 15 – PRIOR PERIOD ADJUSTMENTS

	<u>Fund Balance</u>	<u>Net Assets</u>	
	Governmental Funds	Governmental Activities	Business-Type Activities
Fund Balance/Net Assets as previously reported, June 30, 2010	\$ 79,039,664	\$ 93,746,695	\$ -
General Fund			
GASB 54 reclassification	7,608	-	-

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 15 – PRIOR PERIOD ADJUSTMENTS (continued)

	<u>Fund Balance</u>	<u>Net Assets</u>	
	Governmental Funds	Governmental Activities	Business-Type Activities
Sheriff's Subfunds			
GASB 54 reclassification	(7,608)	-	-
To reclass activity in Sheriff's Executions and Fees account to an Agency Fund	(97,048)	(97,048)	-
Clerk of Court Bailbonds			
To reclass activity in from Agency Fund	54,430	54,430	-
Edisto Sewer Capital Projects			
To reclass enterprise fund activity from capital projects fund to an enterprise fund	628,591	628,591	-
Edisto Sewer Enterprise Fund			
To reclass enterprise fund activity from capital projects fund to an enterprise fund	-	-	(628,591)
To reclass debt to enterprise fund	-	303,826	(303,826)
To reclass capital assets net of depreciation to enterprise fund	-	(4,801,057)	4,801,057
To correct accumulated depreciation	-	-	(26,905)
Fund Balance, as restated, June 30, 2010	<u>\$ 79,625,637</u>	<u>\$ 89,835,437</u>	<u>\$ 3,841,735</u>
	As Previously Stated June 30, 2010	Restatement	As Restated June 30, 2010
Agency Funds			
Sheriff's Executions and Fees			
Assets:			
Cash	\$ -	\$ 103,993	\$ 103,993
Liabilities:			
Due to General Fund	\$ -	\$ 32,675	\$ 32,675
Due to General Fund – overage (deficit)	-	46,670	46,670
Due to others	-	24,648	24,648
Total Liabilities	<u>\$ -</u>	<u>\$ 103,993</u>	<u>\$ 103,993</u>

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 15 – PRIOR PERIOD ADJUSTMENTS (continued)

	As Previously Stated June 30, 2010	Restatement	As Restated June 30, 2010
Clerk of Court Bailbonds			
Assets:			
Cash	\$ 53,710	\$ (53,710)	\$ -
Due from Agency Funds	<u>720</u>	<u>(720)</u>	<u>-</u>
Total Assets	<u>\$ 54,430</u>	<u>\$ (54,430)</u>	<u>\$ -</u>
Liabilities:			
Due to others	<u>\$ 54,430</u>	<u>\$ (54,430)</u>	<u>\$ -</u>

TOTAL – ALL AGENCY FUNDS

	As Previously Stated June 30, 2010	Restatement	As Restated June 30, 2010
Assets:			
Cash	\$ 15,615,136	\$ 50,283	\$ 15,665,419
Property taxes receivable	<u>4,874,167</u>	<u>-</u>	<u>4,874,167</u>
Total Assets	<u>\$ 20,489,303</u>	<u>\$ 50,283</u>	<u>\$ 20,539,586</u>
Liabilities:			
Due to General Fund	\$ 105,115	\$ 32,675	\$ 137,790
Due to General Fund – overage/(deficit)	105,172	46,670	151,842
Due to Special Revenue Fund	9,743	720	10,463
Due to (from) other Agency Funds	-	-	-
Due to taxing units	16,558,472	-	16,558,472
Due to others	<u>3,710,901</u>	<u>(29,782)</u>	<u>3,681,019</u>
	<u>\$ 20,489,303</u>	<u>\$ 50,283</u>	<u>\$ 20,539,586</u>

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 16 - CONSTRUCTION COMMITMENTS

The County was committed under construction contracts at June 30, 2011 as follows:

	Contracted Price	Costs Incurred through June 30, 2011	Balance to Complete
Edisto Sewer Phase III	\$ 502,713	\$ 394,600	\$ 108,113
Edisto Sewer Phase II	635,976	420,812	215,164
District 2 Road Construction	590,244	523,174	67,070
District 4 Road Construction	<u>537,910</u>	<u>27,578</u>	<u>510,332</u>
	<u>\$ 2,266,843</u>	<u>\$ 1,366,164</u>	<u>\$ 900,679</u>

NOTE 17 - LEASED PROPERTY

The County entered into an agreement with Jafza South Carolina, LLC (the “lessee”) on November 12, 2010, whereby the County has leased to the lessee land and improvements with a cost of \$1,398,220 for a term of ten years commencing June, 2011 with the option for the lessee to purchase the property. The County received loan funds from Tri-County Electric Cooperative Inc. to construct the facilities being leased. The lease payments will be timed and in amounts sufficient to cover the County’s repayment obligations to Tri-County, which will be 96 monthly payments of \$9,868.33 commencing November 30, 2012. See Note 6.

NOTE 18 - NEW GASB STANDARDS

In fiscal year 2011, the County implemented or considered qualifications of the following GASB statements:

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. The County evaluated the activity in all funds based on the clarified criteria of this statement and reclassified several funds to their proper category. The beginning fund balances of the effected funds were restated to comply with this statement. Details of the restatements are reflected in Note 15.

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. The County had no investments effected by this statement during the fiscal year. Therefore, there was no current effect on the financial statements as a result of implementing this statement.

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 18 - NEW GASB STANDARDS (Continued)

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

Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. As used in this Statement, an SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a “facility”) in exchange for significant consideration and (2) the operator collects and is compensated by fees for third parties. This statement will become effective for the County in fiscal year 2013. Management has not yet determined the impact of this statement on the financial statements.

Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, are the related financial reporting requirements of Statement No. 34, *Basic Financial Statements-and Management’s Discussion and Analysis-for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. This statement will become effective for the County in fiscal year 2013. Management has not yet determined the impact of this statement on the financial statements.

Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure.

This statement will become effective for the County in fiscal year 2013. Management has not yet determined the impact of this statement on the financial statements.

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 18 - NEW GASB STANDARDS (Continued)

Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. This statement will become effective for the County in fiscal year 2013. Management has not yet determined the impact of this statement on the financial statements.

Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53*. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. This statement will become effective for the County in fiscal year 2012. Management has not yet determined the impact of this statement on the financial statements.

NOTE 19 - SUBSEQUENT EVENTS

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 2011, a \$2,830,000 water system improvement revenue bond Series 2011B (Phase I) was approved for issue as interim financing as required under the grant/loan agreement.

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 \$632,400 from USDA and incur \$820,000 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 2011, an \$820,000 water system improvement revenue bond Series 2011A (Town of Vance) was approved for issue as interim financing as required under the grant/loan agreement.

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 19 - SUBSEQUENT EVENTS (Continued)

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. In October 2011, the project was amended to remove the loan of \$4,662,501 but retain the grant. No grant funds have been received as of June 30, 2011. In December, 2011, the County approved two bids totaling \$2,112,330 for services to be performed in connection with this project of which 75% would be paid with grant funds and 25% funded with Capital Sales tax funds approved for this project. The services will commence pending approval of release of grant funds from USDA.

The County was awarded a \$2,088,000 loan and a \$5,904,000 grant from Rural Development for West Edisto Phases II and III Sewer System. In October 2011, the County approved issue of a \$2,088,000 sewer system improvements revenue bond Series 2011C (West Edisto Phases II and III) to serve as interim financing as required under the grant/loan agreement.

In October 2011, the County approved acceptance of a \$2,200,000 USDA loan for the Holly Hill Middle School Renovation Project which will house various municipal and County offices. In December 2011, a \$2,200,000 general obligation bond was approved for issue as interim financing as required under the grant/loan agreement.

On December 8, 2011, the County issued, through the Orangeburg Joint Governmental Action Authority, a \$17,500,000 Capital Projects Sales and Use Tax Revenue Bond Anticipation Note Series 2011.

In June 2011, the County approved a capital lease purchase of heavy equipment with a total value of \$5,256,800 with a monthly lease payment of \$62,353.36. The leasing company will acquire the County's used equipment for \$2,894,147. The lease commenced in two parts with the first phase in December 2011 and the final phase in February, 2012.

In December 2011, the County approved creation of a lighting district for the Creekmoor Subdivision. Tax millage will be assessed to residents of Creekmoor to cover the costs of street lighting for the served area.

During the fiscal year, the County donated land to the Lower Savannah Council on Governments (LSCOG) to facilitate the construction of a Cross County Connections Transit Center. Lower Savannah Council of Governments will receive a grant and construct the facility on this land. Upon completion of the construction and close-out of the grant in the LSCOG's name, the County will have the option to accept the donation of the property and newly built structures back from LSCOG.

THIS PAGE WAS INTENTIONALLY LEFT BLANK

**REQUIRED SUPPLEMENTARY
INFORMATION**

THIS PAGE WAS INTENTIONALLY LEFT BLANK

**ORANGEBURG COUNTY
ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
YEAR ENDED JUNE 30, 2011**

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (2)-(1)	Funded Ratio (1)/(2)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll ((2)-(1))/(5)
Orangeburg County						
7/1/2008	\$ -	\$ 33,440,356	\$ 33,440,356	0.00%	\$ 12,924,640	258.7%
7/1/2010	-	39,021,138	39,021,138	0.00%	13,101,365	297.8%
Component Units:						
Fire Commission	-	236,495	236,495	0.00%	91,405	258.7%
Library	-	1,277,072	1,277,072	0.00%	493,586	258.7%
Detention Center	-	3,642,019	3,642,019	0.00%	1,407,634	258.7%
Fire Commission	-	526,557	526,557	0.00%	210,352	250.3%
Library	-	2,745,463	2,745,463	0.00%	522,282	525.7%
Detention Center	-	5,197,640	5,197,640	0.00%	2,077,119	250.2%

The County and its three component units implemented GASB 45 in Fiscal Year 2009 and performed its first actuarial valuation at July 1, 2008. The required three actuarial valuations data will be presented as accumulated over time. The valuations have been calculated using the Projected Unit Credit Actuarial Cost Method, discount rates of 4.0%, and the unfunded actuarial liability being amortized over 30 years using the level dollar method with a closed period for the 2008 valuation and the level percentage of future payroll method with an open period for the 2010 valuation. The 2008 projection of total OPEB Costs were for a closed group with no assumption made for new entrants whereas the 2010 projections assumed a level population approach. Other assumption changes include revised per capita claims costs and an increase in the medical trend rate. 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.

THIS PAGE WAS INTENTIONALLY LEFT BLANK

**COMBINING AND INDIVIDUAL
FUND STATEMENTS
AND SCHEDULES**

THIS PAGE WAS INTENTIONALLY LEFT BLANK

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, 2011

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	\$ 22,481,211	\$ 22,481,211	\$ 22,096,040	\$ -	\$ 22,096,040	\$ (385,171)
Intergovernmental revenue - Note 4	4,418,505	4,418,505	5,260,443	-	5,260,443	841,938
Licenses and permits	598,500	598,500	591,611	-	591,611	(6,889)
Charges for services						
Emergency Medical Services	1,985,000	1,985,000	1,870,319	-	1,870,319	(114,681)
Other	205,000	205,000	106,009	-	106,009	(98,991)
Fines, fees and forfeitures	1,584,076	1,584,076	1,546,359	-	1,546,359	(37,717)
Investment income	150,473	150,473	24,165	-	24,165	(126,308)
Other	375,597	375,597	148,820	-	148,820	(226,777)
Total revenues	<u>31,798,362</u>	<u>31,798,362</u>	<u>31,643,766</u>	<u>-</u>	<u>31,643,766</u>	<u>(154,596)</u>
EXPENDITURES						
General government						
Executive	265,280	265,280	259,269	-	259,269	6,011
Administrator	811,819	811,819	827,485	48	827,533	(15,714)
County attorney	288,600	288,600	248,812	-	248,812	39,788
Personnel	288,285	288,285	281,454	1,204	282,658	5,627
Voter registration	157,447	157,447	118,799	-	118,799	38,648
Election Commission	153,380	153,380	224,709	-	224,709	(71,329)
Delinquent tax collector	280,852	280,852	247,855	(106)	247,749	33,103
Treasurer	348,972	348,972	327,075	37	327,112	21,860
Finance	327,953	327,953	303,977	(246)	303,731	24,222
Auditor	236,060	236,060	234,134	137	234,271	1,789
Tax assessor	530,079	530,079	543,229	604	543,833	(13,754)
Data processing	904,289	904,289	903,000	(59)	902,941	1,348
Planning and building inspections	681,537	681,537	683,944	(625)	683,319	(1,782)
Orangeburg County Development Commission	734,245	734,245	747,116	-	747,116	(12,871)
Purchasing	123,580	123,580	117,893	-	117,893	5,687
Register of deeds	276,991	276,991	267,970	80	268,050	8,941
Other	4,616,822	7,279,749	4,228,775	745	4,229,520	3,050,229
Total general government	<u>11,026,191</u>	<u>13,689,118</u>	<u>10,565,496</u>	<u>1,819</u>	<u>10,567,315</u>	<u>3,121,803</u>
Judicial						
Clerk of court	235,592	235,592	269,502	-	269,502	(33,910)
Family Court	346,548	346,548	343,743	-	343,743	2,805
Master-in-equity	143,197	143,197	143,901	-	143,901	(704)
Probate Court	355,060	355,060	321,753	1,322	323,075	31,985
Magistrates	1,239,702	1,239,702	1,251,523	112	1,251,635	(11,933)
Public Defender	539,288	539,288	534,288	-	534,288	5,000
Solicitor	539,288	539,288	544,288	-	544,288	(5,000)
Total judicial	<u>3,398,675</u>	<u>3,398,675</u>	<u>3,408,998</u>	<u>1,434</u>	<u>3,410,432</u>	<u>(11,757)</u>
Public works						
Building and Grounds	980,379	980,379	1,023,379	(12,930)	1,010,449	(30,070)
Sign shop	56,319	56,319	41,095	-	41,095	15,224
Total public works	<u>1,036,698</u>	<u>1,036,698</u>	<u>1,064,474</u>	<u>(12,930)</u>	<u>1,051,544</u>	<u>(14,846)</u>
Public safety						
Sheriff	5,716,257	5,716,257	6,331,385	85	6,331,470	(615,213)
E-911 communications center	601,155	601,155	640,926	(19,172)	621,754	(20,599)
Emergency Medical Services	2,855,153	2,855,153	3,128,283	24,400	3,152,683	(297,530)
Coroner	295,689	295,689	252,834	775	253,609	42,080
Total public safety	<u>9,468,254</u>	<u>9,468,254</u>	<u>10,353,428</u>	<u>6,088</u>	<u>10,359,516</u>	<u>(891,262)</u>
Social and health						
Health services	837,602	837,602	828,885	-	828,885	8,717
Animal control	286,258	286,258	243,518	(882)	242,636	43,622
Allocations to social agencies	204,300	204,300	179,574	-	179,574	24,726
Total social and health	<u>1,328,160</u>	<u>1,328,160</u>	<u>1,251,977</u>	<u>(882)</u>	<u>1,251,095</u>	<u>77,065</u>

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, 2011

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						
Culture and recreation						
Recreation	199,057	199,057	169,353	-	169,353	29,704
Total culture and recreation	<u>199,057</u>	<u>199,057</u>	<u>169,353</u>	<u>-</u>	<u>169,353</u>	<u>29,704</u>
Allocations to others						
Law Enforcement Center	4,262,622	4,262,622	4,874,283	-	4,874,283	(611,661)
Others	864,625	864,625	854,625	-	854,625	10,000
Total allocations to others	<u>5,127,247</u>	<u>5,127,247</u>	<u>5,728,908</u>	<u>-</u>	<u>5,728,908</u>	<u>(601,661)</u>
Non-budgeted expenditures						
Capital assets purchased through:						
Library	-	-	8,084	-	8,084	(8,084)
Law Enforcement Center	-	-	26,003	-	26,003	(26,003)
Fire District	-	-	852,317	-	852,317	(852,317)
Total non-budgeted expenditures	<u>-</u>	<u>-</u>	<u>886,404</u>	<u>-</u>	<u>886,404</u>	<u>(886,404)</u>
Debt service						
Principal retirement	-	-	235,000	-	235,000	(235,000)
Interest and fiscal charges	-	-	38,592	-	38,592	(38,592)
Total debt service	<u>-</u>	<u>-</u>	<u>273,592</u>	<u>-</u>	<u>273,592</u>	<u>(273,592)</u>
Total expenditures	<u>31,584,282</u>	<u>34,247,209</u>	<u>33,702,630</u>	<u>(4,471)</u>	<u>33,698,159</u>	<u>549,050</u>
Excess (deficiency) of revenues over (under expenditures)	<u>214,080</u>	<u>(2,448,847)</u>	<u>(2,058,864)</u>	<u>4,471</u>	<u>(2,054,393)</u>	<u>394,454</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets	-	-	38,325	-	38,325	38,325
Transfers in	66,000	2,295,630	2,446,374	-	2,446,374	150,744
Transfers out	(280,080)	(280,080)	(124,577)	-	(124,577)	155,503
Total other financing sources (uses)	<u>(214,080)</u>	<u>2,015,550</u>	<u>2,360,122</u>	<u>-</u>	<u>2,360,122</u>	<u>344,572</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (433,297)</u>	301,258	4,471	305,729	<u>\$ 739,026</u>
Fund balances, beginning of year			1,865,896	(50,406)	1,815,490	
Prior period adjustment			7,608	-	7,608	
Fund balances, beginning of year as restated			<u>1,873,504</u>	<u>(50,406)</u>	<u>1,823,098</u>	
Fund balances, end of year			<u>\$ 2,174,762</u>	<u>\$ (45,935)</u>	<u>\$ 2,128,827</u>	
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				\$ 50,406		
Current year encumbrances				<u>(45,935)</u>		
Net decrease in fund balance - GAAP to budget				<u>\$ 4,471</u>		

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, 2011

	Project Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Sales tax	\$ 71,088,020	\$ 38,989,687	\$ 9,267,527	\$ 48,257,214
Investment income	-	10,806,190	1,877,110	12,683,300
Total revenues	<u>71,088,020</u>	<u>49,795,877</u>	<u>11,144,637</u>	<u>60,940,514</u>
EXPENDITURES				
General government	11,034,512	5,412,629	1,209,357	6,621,986
Public works	45,007,208	19,033,346	5,524,188	24,557,534
Public safety	807,376	641,191	5,726	646,917
Culture and recreation	14,238,924	5,183,280	268,330	5,451,610
Principal retirement	-	20,500,000	9,000,000	29,500,000
Interest and fiscal charges	-	9,168,914	2,074,750	11,243,664
Total expenditures	<u>71,088,020</u>	<u>59,939,360</u>	<u>18,082,351</u>	<u>78,021,711</u>
Excess (deficiency) of revenues over (under) expenditures	-	(10,143,483)	(6,937,714)	(17,081,197)
OTHER FINANCING SOURCES (USES)				
Capital project sales tax revenue bonds issued	-	67,154,611	-	67,154,611
Transfers out	-	-	(285,360)	(285,360)
Total other financing sources (uses)	<u>-</u>	<u>67,154,611</u>	<u>(285,360)</u>	<u>66,869,251</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 57,011,128</u>	<u>(7,223,074)</u>	<u>\$ 49,788,054</u>
Fund balances, beginning of year			57,011,128	
Fund balances, end of year			<u>\$ 49,788,054</u>	

NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

ORANGEBURG COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2011

Special Revenue Funds

	Roads & Bridges Maintenance	E911 Surcharge	New Brooklyn Lighting Tax District	Solid Waste	Victims' Assistance	Accommodations Tax	Brookdale Lighting Tax District
\$	-	\$ -	1,045	\$ 263,199	-	\$ -	\$ 704
	7,821	47,353	-	8,624	-	68,345	-
	-	32,413	-	520,947	-	-	-
	-	53,199	-	2,726,237	-	39,772	-
	-	-	-	-	10,164	-	-
	-	-	-	-	-	-	-
	-	20,000	-	-	-	-	-
\$	7,821	152,965	1,045	3,519,007	10,164	108,117	704

ASSETS

Receivables, net of allowance for uncollectibles:

- Property taxes
- Intergovernmental
- Other
- Due from general fund
- Due from agency funds
- Other assets
- Prepaid expenditures

Total assets

LIABILITIES AND FUND BALANCES

Liabilities

- Accounts payable
- Accrued salaries
- Due to general fund
- Deferred revenue
- Deferred revenue - Property taxes

Total liabilities

Fund balances

- Nonspendable
- Restricted
- Assigned
- Unassigned

Total fund balances

Total liabilities and fund balances

\$	33,403	\$ -	\$ 1,052	\$ 313,778	\$ -	\$ -	\$ 957
	41,304	2,608	-	46,368	6,970	-	-
	337,804	-	30,505	-	87,350	-	22,190
	-	-	-	-	-	-	-
	-	-	945	233,124	-	-	490
\$	412,511	2,608	32,502	593,270	94,320	22,551	23,637
	-	20,000	-	-	-	-	-
	-	130,357	-	2,925,011	-	85,566	-
	-	-	-	726	-	-	-
	(404,690)	-	(31,457)	-	(84,156)	-	(22,933)
\$	(404,690)	150,357	(31,457)	2,925,737	(84,156)	85,566	(22,933)
\$	7,821	152,965	1,045	3,519,007	10,164	108,117	704

(continued)

ORANGEBURG COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

Exhibit B-4

	Special Revenue Funds					Capital Projects Funds		
	Legislative Delegation Economic Development Projects	Special Education	Grant Subfunds	Whitaker Lighting Tax District	Sheriff's Subfunds	Sales Tax I	John Matthews Park Fund	
ASSETS								
Receivables, net of allowance for uncollectibles:								
Property taxes	\$ -	\$ 202,642	\$ -	\$ 2,899	\$ -	\$ -	\$ -	
Intergovernmental	-	-	807,119	-	-	-	-	
Other	-	44,166	485,801	-	-	-	-	
Due from general fund	2,073,149	-	1,106,543	56,105	199,371	6,051,352	359,570	
Due from agency funds	-	-	1,070	-	-	-	-	
Other assets	-	-	-	-	62,019	-	-	
Prepaid expenditures	-	-	-	-	-	-	-	
Total assets	\$ 2,073,149	\$ 246,808	\$ 2,400,533	\$ 59,004	\$ 261,390	\$ 6,051,352	\$ 359,570	
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ -	\$ 995	\$ 30,457	\$ 2,166	\$ -	\$ 26,981	\$ 13,145	
Accrued salaries	-	30,460	25,804	-	-	-	-	
Due to general fund	-	1,418,442	1,259,544	-	-	-	-	
Deferred revenue	-	-	169,429	-	-	-	-	
Deferred revenue - Property taxes	-	179,276	-	2,572	-	-	-	
Total liabilities	-	1,629,173	1,485,234	4,738	-	26,981	13,145	
Fund balances								
Nonspendable	-	-	123,706	-	62,019	-	-	
Restricted	2,073,149	-	791,593	54,266	199,371	6,024,371	346,425	
Assigned	-	-	-	-	-	-	-	
Unassigned	-	(1,382,365)	-	-	-	-	-	
Total fund balances	2,073,149	(1,382,365)	915,299	54,266	261,390	6,024,371	346,425	
Total liabilities and fund balances	\$ 2,073,149	\$ 246,808	\$ 2,400,533	\$ 59,004	\$ 261,390	\$ 6,051,352	\$ 359,570	

(continued)

ORANGEBURG COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2011

	Capital Projects Funds				Debt Service
	Orangeburg Water Expansion	Santee Cooper	Sistrunck Park Grant	Broadband Program	
ASSETS					Total
Receivables, net of allowance for uncollectibles:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 157,181
Intergovernmental	-	-	-	-	1,100,550
Other	-	-	-	-	1,203,515
Due from general fund	-	-	-	-	18,225,376
Due from agency funds	-	-	-	-	11,234
Other assets	-	-	-	-	62,019
Prepaid expenditures	-	-	-	-	20,000
Total assets	\$ -	\$ -	\$ -	\$ -	\$ 21,310,011
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 24,647	\$ 646,740
Accrued salaries	-	-	-	-	153,514
Due to general fund	6,622	-	-	459,937	3,778,160
Deferred revenue	-	-	-	-	186,569
Deferred revenue - Property taxes	-	-	-	-	607,643
Total liabilities	6,622	-	-	484,584	5,372,626
Fund balances					
Nonspendable	-	-	-	-	205,725
Restricted	-	-	-	-	18,278,432
Assigned	-	-	-	-	8,874
Unassigned	(6,622)	-	-	(484,584)	(2,555,646)
Total fund balances	(6,622)	-	-	(484,584)	15,937,385
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ -	\$ 21,310,011

ORANGEBURG COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2011

Exhibit B-5

	Special Revenue Funds						
	Roads & Bridges Maintenance	E911 Surcharge	New Brooklyn Lighting Tax District	Solid Waste	Victims' Assistance	Accommodations Tax	Brookdale Lighting Tax District
REVENUES							
Property taxes	\$ -	\$ -	\$ 6,110	\$ 2,938,599	\$ -	\$ -	\$ 7,123
Intergovernmental:							
Federal	-	-	-	-	-	-	-
State	-	191,210	-	39,115	-	205,524	-
Local	-	-	-	-	-	-	-
Charges for services	3,021,377	359,582	-	1,799,066	-	-	-
Fines, fees, and forfeitures	-	-	-	-	122,134	-	-
Investment income	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total revenues	<u>3,021,377</u>	<u>550,792</u>	<u>6,110</u>	<u>4,776,780</u>	<u>122,134</u>	<u>205,524</u>	<u>7,123</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-
Public works	3,060,822	-	12,628	-	-	-	11,482
Public safety	-	527,599	-	-	215,368	-	-
Social and Health	-	-	-	-	-	-	-
Sanitation	-	-	-	4,669,896	-	-	-
Allocation to Library	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	230,944	-
Debt service:							
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	<u>3,060,822</u>	<u>527,599</u>	<u>12,628</u>	<u>4,669,896</u>	<u>215,368</u>	<u>230,944</u>	<u>11,482</u>
Excess of revenues over (under) expenditures	<u>(39,445)</u>	<u>23,193</u>	<u>(6,518)</u>	<u>1,06,884</u>	<u>(93,234)</u>	<u>(25,420)</u>	<u>(4,359)</u>
OTHER FINANCING SOURCES (USES)							
Proceeds from notes payable	-	-	-	-	-	-	-
Transfers in	-	12,635	-	-	62,480	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>12,635</u>	<u>-</u>	<u>62,480</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(39,445)</u>	<u>35,828</u>	<u>(6,518)</u>	<u>1,06,884</u>	<u>(30,754)</u>	<u>(25,420)</u>	<u>(4,359)</u>
Fund balances, beginning of year	<u>(365,245)</u>	<u>114,529</u>	<u>(24,939)</u>	<u>2,818,853</u>	<u>(53,402)</u>	<u>110,986</u>	<u>(18,574)</u>
Prior period adjustment - Note 15	-	-	-	-	-	-	-
Fund balances, beginning of year as restated	<u>(365,245)</u>	<u>114,529</u>	<u>(24,939)</u>	<u>2,818,853</u>	<u>(53,402)</u>	<u>110,986</u>	<u>(18,574)</u>
Fund balances, end of year	<u>(404,690)</u>	<u>150,357</u>	<u>(31,457)</u>	<u>2,925,737</u>	<u>(84,156)</u>	<u>85,566</u>	<u>(22,933)</u>

ORANGEBURG COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2011

Exhibit B-5

	Special Revenue Funds					Capital Project Funds			
	Legislative Delegation Economic Dev Projects	Special Education	Grant Subfunds	Whittaker Lighting Tax District	Sheriff's Subfunds	Sales Tax I	John Matthews Park Fund		
REVENUES									
Property taxes	\$ -	\$ 2,464,019	\$ -	\$ 67,602	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental:									
Federal	-	-	1,264,103	-	-	-	-	-	-
State	199,948	22,813	756,952	-	-	-	-	-	-
Local	-	-	396,084	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines, fees, and forfeitures	-	-	372,139	-	174,218	-	-	-	-
Investment income	15,325	-	7,290	-	278	-	-	-	-
Other	-	-	26,621	-	-	-	-	-	162,000
Total revenues	215,273	2,486,832	2,823,189	67,602	174,496	-	-	-	162,000
EXPENDITURES									
Current:									
General government	-	-	122,324	-	-	-	-	-	32,050
Judicial	-	-	165,258	-	-	-	-	-	-
Public works	303,824	-	791,157	25,992	-	154,237	-	-	-
Public safety	-	-	982,492	-	141,078	-	-	-	-
Social and Health	-	-	149,433	-	-	-	-	-	-
Sanitation	-	-	1,083	-	-	-	-	-	-
Allocation to Library	-	940,229	-	-	-	-	-	-	-
Culture and recreation	-	1,462,228	2,434,911	-	-	479	-	-	-
Debt service:									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Total expenditures	303,824	2,402,457	4,646,658	25,992	141,078	154,716	-	-	32,050
Excess of revenues over (under) expenditures	(88,551)	84,375	(1,823,469)	41,610	33,418	(154,716)	-	-	129,950
OTHER FINANCING SOURCES (USES)									
Proceeds from notes payable	-	-	-	-	-	-	-	-	-
Transfers in	-	-	61,263	-	-	-	-	-	-
Transfers out	-	-	(1,258,215)	-	(4,989)	-	-	-	-
Total other financing sources (uses)	-	-	(1,196,952)	-	(4,989)	-	-	-	-
Net change in fund balances	(88,551)	84,375	(3,020,421)	41,610	28,429	(154,716)	-	-	129,950
Fund balances, beginning of year	2,161,700	(1,466,740)	3,881,290	12,656	337,617	6,179,087	-	-	216,475
Prior period adjustment - Note 15	-	-	54,430	-	(104,656)	-	-	-	-
Fund balances, beginning of year as restated	2,161,700	(1,466,740)	3,935,720	12,656	232,961	6,179,087	-	-	216,475
Fund balances, end of year	2,073,149	(1,382,365)	915,299	54,266	261,390	6,024,371	-	-	346,425

(continued)

ORANGEBURG COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2011

Exhibit B-5

	Capital Project Funds						Jafza Building
	Capital Improvements Fund	Economic Development Tobacco	Edisto Sewer Capital Projects	OCCIP Fund	2008 Bond Issue	Western Orangeburg Industrial Park	
REVENUES							
Property taxes	\$ 603,992	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental:							
Federal	-	-	453,368	-	-	-	-
State	99,275	-	-	44,250	-	-	-
Local	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines, fees, and forfeitures	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total revenues	<u>703,267</u>	<u>-</u>	<u>453,368</u>	<u>44,250</u>	<u>-</u>	<u>4,988</u>	<u>284,836</u>
							<u>284,836</u>
EXPENDITURES							
Current:							
General government	-	-	-	44,250	130,071	-	1,433,506
Judicial	-	-	-	-	-	-	-
Public works	516,246	-	528,848	-	-	-	-
Public safety	-	-	-	-	-	-	-
Social and Health	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Allocation to Library	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	<u>516,246</u>	<u>-</u>	<u>528,848</u>	<u>44,250</u>	<u>130,071</u>	<u>-</u>	<u>1,433,506</u>
Excess of revenues over (under) expenditures	<u>187,021</u>	<u>-</u>	<u>(75,480)</u>	<u>-</u>	<u>(130,071)</u>	<u>4,988</u>	<u>(1,150,670)</u>
OTHER FINANCING SOURCES (USES)							
Proceeds from notes payable	-	-	-	-	-	-	947,360
Transfers in	(215,322)	79,820	89,910	-	-	-	64,471
Transfers out	(215,322)	79,820	89,910	-	(1,195,806)	-	-
Total other financing sources (uses)	<u>(28,324)</u>	<u>159,640</u>	<u>179,820</u>	<u>-</u>	<u>(1,195,806)</u>	<u>-</u>	<u>1,011,831</u>
Net change in fund balances	<u>(28,301)</u>	<u>79,820</u>	<u>14,430</u>	<u>-</u>	<u>(1,325,877)</u>	<u>4,988</u>	<u>(138,839)</u>
Fund balances, beginning of year	3,705,556	(79,820)	(628,591)	96,699	1,873,270	150,000	-
Prior period adjustment - Note 15	-	-	628,591	-	-	-	-
Fund balances, beginning of year as restated	<u>3,705,556</u>	<u>(79,820)</u>	<u>-</u>	<u>96,699</u>	<u>1,873,270</u>	<u>150,000</u>	<u>-</u>
Fund balances, end of year	<u>3,677,255</u>	<u>\$ -</u>	<u>\$ 14,430</u>	<u>\$ 96,699</u>	<u>\$ 547,393</u>	<u>\$ 154,988</u>	<u>\$ (138,839)</u>

(continued)

ORANGEBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011

	Capital Project Funds				Debt Service	Total
	Orangeburg Water Expansion	Santee Cooper	Sistrunk Park Grant	Broadband Program		
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,898,953	\$ 7,986,398
Intergovernmental:						
Federal	-	-	-	-	-	-
State	-	-	3,338	-	-	1,717,471
Local	-	-	-	-	39,978	1,602,403
Charges for services	-	-	-	-	-	396,084
Fines, fees, and forfeitures	-	-	-	-	-	5,180,025
Investment income	-	-	-	-	-	668,491
Other	-	-	-	-	-	22,893
Total revenues	-	-	3,338	-	1,938,931	18,052,210
EXPENDITURES						
Current:						
General government	-	-	-	-	-	1,764,201
Judicial	-	-	-	-	-	165,258
Public works	6,622	1,163,689	-	484,584	-	7,060,131
Public safety	-	-	-	-	-	1,866,537
Social and Health	-	-	-	-	-	149,433
Sanitation	-	-	-	-	-	4,670,979
Allocation to Library	-	-	-	-	-	940,229
Culture and recreation	-	-	4,173	-	-	4,132,735
Debt service:						
Principal retirement	-	-	-	-	1,305,836	1,305,836
Interest and fiscal charges	-	-	-	-	608,622	608,622
Total expenditures	6,622	1,163,689	4,173	484,584	1,914,458	22,663,961
Excess of revenues over (under) expenditures	(6,622)	(1,163,689)	(835)	(484,584)	24,473	(4,611,751)
OTHER FINANCING SOURCES (USES)						
Proceeds from notes payable	-	1,163,689	-	-	-	2,111,049
Transfers in	-	-	835	-	-	371,414
Transfers out	-	(1,163,689)	(835)	-	-	(2,674,332)
Total other financing sources (uses)	-	-	-	-	-	(191,869)
Net change in fund balances	(6,622)	-	-	(484,584)	24,473	(4,803,620)
Fund balances, beginning of year	-	-	-	-	1,141,253	20,162,640
Prior period adjustment - Note 15	-	-	-	-	-	578,365
Fund balances, beginning of year as restated	-	-	-	-	1,141,253	20,741,005
Fund balances, end of year	(6,622)	-	-	(484,584)	1,165,726	15,937,385

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, 2011

Exhibit B-6

	<u>Budgeted Amounts</u>		<u>Actual Amounts GAAP Basis</u>	<u>GAAP to Budget Differences Over (Under)</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
REVENUES						
Charges for services	\$ 2,930,838	\$ 2,930,838	\$ 3,021,377	\$ -	\$ 3,021,377	\$ 90,539
EXPENDITURES						
Public works	2,930,838	2,930,838	3,060,822	417	3,061,239	(130,401)
Excess (deficiency) of revenues over (under) expenditures	-	-	(39,445)	(417)	(39,862)	(39,862)
Net change in fund balance	\$ -	\$ -	(39,445)	(417)	(39,862)	\$ (39,862)
Fund balances, beginning of year			(365,245)	(139)	(365,384)	
Fund balances, end of year			\$ (404,690)	\$ (556)	\$ (405,246)	

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	\$ 139
Current year encumbrances	(556)
Net decrease in fund balance - GAAP to budget	<u>\$ (417)</u>

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, 2011

Exhibit B-7

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental:				
State	\$ -	\$ -	\$ 191,210	\$ 191,210
Charges for services	508,178	508,178	359,582	(148,596)
Total revenues	<u>508,178</u>	<u>508,178</u>	<u>550,792</u>	<u>42,614</u>
EXPENDITURES				
Public safety	508,178	508,178	527,599	(19,421)
Total expenditures	<u>508,178</u>	<u>508,178</u>	<u>527,599</u>	<u>(19,421)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>23,193</u>	<u>23,193</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	12,635	12,635
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>12,635</u>	<u>12,635</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	35,828	<u>\$ 35,828</u>
Fund balances, beginning of year			<u>114,529</u>	
Fund balances, end of year			<u>\$ 150,357</u>	

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
NEW BROOKLYN LIGHTING TAX DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

Exhibit B-8

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 13,537	\$ 13,537	\$ 6,110	\$ (7,427)
EXPENDITURES				
Public works	13,537	13,537	12,628	909
Excess (deficiency) of revenues over (under) expenditures	-	-	(6,518)	(6,518)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(6,518)	<u>\$ (6,518)</u>
Fund balances, beginning of year			(24,939)	
Fund balances, end of year			<u>\$ (31,457)</u>	

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

Exhibit B-9

**SOLID WASTE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts GAAP Basis</u>	<u>GAAP to Budget Differences Over (Under)</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
REVENUES						
Property taxes	\$ 3,031,116	\$ 3,031,116	\$ 2,938,599	\$ -	\$ 2,938,599	\$ (92,517)
Licenses and Permits	1,000	1,000	-	-	-	(1,000)
Intergovernmental:						
State	30,000	30,000	39,115	-	39,115	9,115
Charges for services	1,802,000	1,802,000	1,799,066	-	1,799,066	(2,934)
Total revenues	<u>4,864,116</u>	<u>4,864,116</u>	<u>4,776,780</u>	<u>-</u>	<u>4,776,780</u>	<u>(87,336)</u>
EXPENDITURES						
Sanitation	4,922,082	5,422,082	4,669,896	(8,406)	4,661,490	760,592
Total expenditures	<u>4,922,082</u>	<u>5,422,082</u>	<u>4,669,896</u>	<u>(8,406)</u>	<u>4,661,490</u>	<u>760,592</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(57,966)</u>	<u>(557,966)</u>	<u>106,884</u>	<u>8,406</u>	<u>115,290</u>	<u>673,256</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	57,966	557,966	-	-	-	(557,966)
Total other financing sources (uses)	<u>57,966</u>	<u>557,966</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(557,966)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>106,884</u>	<u>8,406</u>	<u>115,290</u>	<u>\$ 115,290</u>
Fund balances, beginning of year			<u>2,818,853</u>	<u>(9,132)</u>	<u>2,809,721</u>	
Fund balances, end of year			<u>\$ 2,925,737</u>	<u>\$ (726)</u>	<u>\$ 2,925,011</u>	
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				\$ 9,132		
Current year encumbrances				<u>(726)</u>		
Net decrease in fund balance - GAAP to budget				<u>\$ 8,406</u>		

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
VICTIMS' ASSISTANCE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

Exhibit B-10

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines, fees, and forfeitures	\$ 96,000	\$ 96,000	\$ 122,134	\$ 26,134
EXPENDITURES				
Public safety	158,480	158,480	215,368	(56,888)
Excess (deficiency) of revenues over (under) expenditures	(62,480)	(62,480)	(93,234)	(30,754)
OTHER FINANCING SOURCES				
Transfers in	62,480	62,480	62,480	-
Total other financing sources (uses)	62,480	62,480	62,480	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(30,754)	<u>\$ (30,754)</u>
Fund balances, beginning of year			(53,402)	
Fund balances, end of year			<u>\$ (84,156)</u>	

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
ACCOMMODATIONS TAX
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011**

Exhibit - 11

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Intergovernmental:				
State	\$ 190,000	\$ 190,000	\$ 205,524	\$ 15,524
EXPENDITURES				
Culture and recreation	190,000	190,000	230,944	(40,944)
Excess (deficiency) of revenues over (under) expenditures	-	-	(25,420)	(25,420)
Net change in fund balance	\$ -	\$ -	(25,420)	\$ (25,420)
Fund balances, beginning of year			110,986	
Fund balances, end of year			\$ 85,566	

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, 2011

Exhibit B-12

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
REVENUES				
Property taxes	\$ 10,854	\$ 10,854	\$ 7,123	\$ (3,731)
EXPENDITURES				
Public works	10,854	10,854	11,482	(628)
Excess (deficiency) of revenues over (under) expenditures	-	-	(4,359)	(4,359)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(4,359)	<u>\$ (4,359)</u>
Fund balances, beginning of year			<u>(18,574)</u>	
Fund balances, end of year			<u>\$ (22,933)</u>	

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
SPECIAL EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

Exhibit B-13

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 2,551,638	\$ 2,551,638	\$ 2,464,019	\$ (87,619)
Intergovernmental:				
State	22,813	22,813	22,813	-
Total revenues	<u>2,574,451</u>	<u>2,574,451</u>	<u>2,486,832</u>	<u>(87,619)</u>
EXPENDITURES				
Culture and recreation	1,634,222	1,634,222	1,462,228	171,994
Allocation to Library	940,229	940,229	940,229	-
Total expenditures	<u>2,574,451</u>	<u>2,574,451</u>	<u>2,402,457</u>	<u>171,994</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>84,375</u>	<u>84,375</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>84,375</u>	<u>\$ 84,375</u>
Fund balances, beginning of year			<u>(1,466,740)</u>	
Fund balances, end of year			<u>\$ (1,382,365)</u>	

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
WHITAKER LIGHTING TAX DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

Exhibit B-14

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 27,291	\$ 27,291	\$ 67,602	\$ 40,311
EXPENDITURES				
Public works	27,291	27,291	25,992	1,299
Excess (deficiency) of revenues over (under) expenditures	-	-	41,610	41,610
Net change in fund balance	\$ -	\$ -	41,610	\$ 41,610
Fund balances, beginning of year			12,656	
Fund balances, end of year			\$ 54,266	

**ORANGEBURG COUNTY, SOUTH CAROLINA
NONMAJOR CAPITAL PROJECTS FUND**

Exhibit B-15

**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, 2011

	Project Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Sales tax	\$ 52,704,200	\$ 53,914,066	\$ -	\$ 53,914,066
Investment income	-	5,901,478	-	5,901,478
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	52,704,200	59,815,544	-	59,815,544
EXPENDITURES				
General government	3,044,058	3,099,450	-	3,099,450
Public works	37,833,221	33,223,375	154,237	33,377,612
Public safety	2,422,000	2,413,398	-	2,413,398
Culture and recreation	9,404,921	10,025,008	479	10,025,487
Principal retirement	-	8,435,000	-	8,435,000
Interest and fiscal charges	-	388,244	-	388,244
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	52,704,200	57,584,475	154,716	57,739,191
Excess (deficiency) of revenues over (under) expenditures	-	2,231,069	(154,716)	2,076,353
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)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	3,948,018	-	3,948,018
Net change in fund balances	<u>\$ -</u>	<u>\$ 6,179,087</u>	(154,716)	<u>\$ 6,024,371</u>
Fund balances, beginning of year			<u>6,179,087</u>	
Fund balances, end of year			<u>\$ 6,024,371</u>	

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, 2011

	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	\$ 588,004	\$ 588,004	\$ 603,992	\$ -	\$ 603,992	\$ 15,988
Intergovernmental	17,165	17,165	99,275	-	99,275	82,110
Total revenues	605,169	605,169	703,267	-	703,267	98,098
EXPENDITURES						
Public works	605,169	7,786,921	516,246	(1,274)	514,972	7,271,949
Total expenditures	605,169	7,786,921	516,246	(1,274)	514,972	7,271,949
Deficiency of revenues over expenditures	-	(7,181,752)	187,021	1,274	188,295	7,370,047
OTHER FINANCING SOURCES (USES)						
Transfers in	-	6,020,504	-	-	-	(6,020,504)
Transfers out	-	-	(215,322)	-	(215,322)	(215,322)
Net other financing sources (uses)	-	6,020,504	(215,322)	-	(215,322)	(6,235,826)
Net change in fund balances	\$ -	\$ (1,161,248)	(28,301)	1,274	(27,027)	\$ 1,134,221
Fund balances, beginning of year			3,705,536	(9,422)	3,696,114	
Fund balances, end of year			\$ 3,677,235	\$ (8,148)	\$ 3,669,087	

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	\$ 9,422
Current year encumbrances	(8,148)
Net decrease in fund balance - GAAP to budget	\$ 1,274

**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, 2011**

Exhibit B-17

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Property taxes	\$ 1,878,268	\$ 1,878,268	\$ 1,898,953	\$ 20,685
Intergovernmental:				
State	40,000	40,000	39,978	(22)
Total revenues	<u>1,918,268</u>	<u>1,918,268</u>	<u>1,938,931</u>	<u>20,663</u>
EXPENDITURES				
Principal retirement	1,320,500	1,320,500	1,305,836	14,664
Interest and fiscal charges	597,768	597,768	608,622	(10,854)
Total expenditures	<u>1,918,268</u>	<u>1,918,268</u>	<u>1,914,458</u>	<u>3,810</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>24,473</u>	<u>24,473</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>24,473</u>	<u>\$ 24,473</u>
Fund balances, beginning of year			<u>1,141,253</u>	
Fund balances, end of year			<u>\$ 1,165,726</u>	

THIS PAGE WAS INTENTIONALLY LEFT BLANK

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, 2011

Exhibit B-18

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
CONSOLIDATED SCHOOL DISTRICT 3				
Assets				
Cash	\$ 2,126,202	\$ 33,947,132	\$ 34,173,846	\$ 1,899,488
Property taxes receivable	1,029,009	13,533,161	13,503,010	1,059,160
Total Assets	\$ 3,155,211	\$ 47,480,293	\$ 47,676,856	\$ 2,958,648
Liabilities				
Due to taxing unit	\$ 3,155,211	\$ 47,480,293	\$ 47,676,856	\$ 2,958,648
Total Liabilities	\$ 3,155,211	\$ 47,480,293	\$ 47,676,856	\$ 2,958,648
CONSOLIDATED SCHOOL DISTRICT 4				
Assets				
Cash	\$ 3,844,004	\$ 29,403,945	\$ 30,183,855	\$ 3,064,094
Property taxes receivable	522,438	12,067,737	12,062,171	528,004
Total Assets	\$ 4,366,442	\$ 41,471,682	\$ 42,246,026	\$ 3,592,098
Liabilities				
Due to taxing unit	\$ 4,366,442	\$ 41,471,682	\$ 42,246,026	\$ 3,592,098
Total Liabilities	\$ 4,366,442	\$ 41,471,682	\$ 42,246,026	\$ 3,592,098
CONSOLIDATED SCHOOL DISTRICT 5				
Assets				
Cash	\$ 5,608,595	\$ 80,244,160	\$ 80,968,196	\$ 4,884,559
Property taxes receivable	2,527,015	33,829,586	33,672,121	2,684,480
Total Assets	\$ 8,135,610	\$ 114,073,746	\$ 114,640,317	\$ 7,569,039
Liabilities				
Due to taxing unit	\$ 8,135,610	\$ 114,073,746	\$ 114,640,317	\$ 7,569,039
Total Liabilities	\$ 8,135,610	\$ 114,073,746	\$ 114,640,317	\$ 7,569,039
COUNTY BOARD OF EDUCATION				
Assets				
Cash	\$ 12,383	\$ 8,314,783	\$ 8,148,432	\$ 178,734
Property taxes receivable	591,425	8,253,024	8,233,161	611,288
Total Assets	\$ 603,808	\$ 16,567,807	\$ 16,381,593	\$ 790,022
Liabilities				
Due to taxing unit	\$ 603,808	\$ 16,567,807	\$ 16,381,593	\$ 790,022
Total Liabilities	\$ 603,808	\$ 16,567,807	\$ 16,381,593	\$ 790,022

ORANGEBURG COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

Exhibit B-18

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
TOWNS				
Assets				
Cash	\$ 45,809	\$ 2,029,835	\$ 2,035,745	\$ 39,899
Property taxes receivable	177,568	1,794,139	1,791,160	180,547
Total Assets	\$ 223,377	\$ 3,823,974	\$ 3,826,905	\$ 220,446
Liabilities				
Due to taxing unit	\$ 223,377	\$ 3,823,974	\$ 3,826,905	\$ 220,446
Total Liabilities	\$ 223,377	\$ 3,823,974	\$ 3,826,905	\$ 220,446
DELINQUENT TAX COLLECTOR				
Assets				
Cash	\$ 2,096,348	\$ 10,308,319	\$ 10,368,737	\$ 2,035,930
Total Assets	\$ 2,096,348	\$ 10,308,319	\$ 10,368,737	\$ 2,035,930
Liabilities				
Due to General Fund	\$ -	\$ 7,936,971	\$ 7,497,897	\$ 439,074
Due to General Fund - overage / (deficit)	-	3,456	-	3,456
Due to others	2,096,348	2,367,892	2,870,840	1,593,400
Total Liabilities	\$ 2,096,348	\$ 10,308,319	\$ 10,368,737	\$ 2,035,930
SANTEE FIRE DISTRICT				
Assets				
Cash	\$ 3,588	\$ -	\$ 1,435	\$ 2,153
Property taxes receivable	23,336	-	501	22,835
Total Assets	\$ 26,924	\$ -	\$ 1,936	\$ 24,988
Liabilities				
Due to taxing unit	\$ 26,924	\$ -	\$ 1,936	\$ 24,988
Total Liabilities	\$ 26,924	\$ -	\$ 1,936	\$ 24,988
HOLLY HILL HEALTH AND DRAINAGE				
Assets				
Cash	\$ 125	\$ 234	\$ -	\$ 359
Property taxes receivable	1,112	46	-	1,158
Total Assets	\$ 1,237	\$ 280	\$ -	\$ 1,517
Liabilities				
Due to taxing unit	\$ 1,237	\$ 280	\$ -	\$ 1,517
Total Liabilities	\$ 1,237	\$ 280	\$ -	\$ 1,517

ORANGEBURG COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

Exhibit B-18

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
HORSE RANGE WATER SHED				
Assets				
Cash	\$ 16,759	\$ 10,690	\$ -	\$ 27,449
Property taxes receivable	2,264	-	106	2,158
Total Assets	\$ 19,023	\$ 10,690	\$ 106	\$ 29,607
Liabilities				
Due to taxing unit	\$ 19,023	\$ 10,584	\$ -	\$ 29,607
Total Liabilities	\$ 19,023	\$ 10,584	\$ -	\$ 29,607
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	\$ 39,392	\$ 4,103	\$ -	\$ 43,495
Total Assets	\$ 39,392	\$ 4,103	\$ -	\$ 43,495
Liabilities				
Due to (from) other Agency Funds	\$ (1,698)	\$ 1,448	\$ -	\$ (250)
Due to others	41,090	2,655	-	43,745
Total Liabilities	\$ 39,392	\$ 4,103	\$ -	\$ 43,495
FIREMAN'S INSURANCE PREMIUM FUND				
Assets				
Cash	\$ 3,220	\$ 172,183	\$ 172,183	\$ 3,220
Total Assets	\$ 3,220	\$ 172,183	\$ 172,183	\$ 3,220
Liabilities				
Due to others	\$ 3,220	\$ 172,183	\$ 172,183	\$ 3,220
Total Liabilities	\$ 3,220	\$ 172,183	\$ 172,183	\$ 3,220

ORANGEBURG COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

Exhibit B-18

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
SHERIFF EXECUTIONS AND FEES				
As Restated				
Assets				
Cash	\$ 103,993	\$ 49,670	\$ 54,128	\$ 99,535
Total Assets	\$ 103,993	\$ 49,670	\$ 54,128	\$ 99,535
Liabilities				
Due to General Fund	\$ 32,675	\$ 3,000	\$ -	\$ 35,675
Due to General Fund - overage / (deficit)	46,670	10,808	-	57,478
Due to others	24,648	35,862	54,128	6,382
Total Liabilities	\$ 103,993	\$ 49,670	\$ 54,128	\$ 99,535
COURT FINES AND ASSESSMENTS				
Assets				
Cash	\$ 57,857	\$ 10,932	\$ -	\$ 68,789
Total Assets	\$ 57,857	\$ 10,932	\$ -	\$ 68,789
Liabilities				
Due to (from) other Agency Funds	\$ (101,519)	\$ 10,070	\$ -	\$ (91,449)
Due to others	159,376	862	-	160,238
Total Liabilities	\$ 57,857	\$ 10,932	\$ -	\$ 68,789
SOLICITOR'S DRUG FUND				
Assets				
Cash	\$ 27,399	\$ 11,839	\$ -	\$ 39,238
Total Assets	\$ 27,399	\$ 11,839	\$ -	\$ 39,238
Liabilities				
Due to others	\$ 27,399	\$ 11,839	\$ -	\$ 39,238
Total Liabilities	\$ 27,399	\$ 11,839	\$ -	\$ 39,238
CLERK OF COURT TRUST FUND				
Assets				
Cash	\$ 1,244,506	\$ 1,005,589	\$ 1,761,163	\$ 488,932
Total Assets	\$ 1,244,506	\$ 1,005,589	\$ 1,761,163	\$ 488,932
Liabilities				
Due to General Fund	\$ 19,666	\$ 124,613	\$ 128,823	\$ 15,456
Due to General Fund - overage / (deficit)	100,420	-	2,082	98,338
Due to Special Revenue Fund	2,478	39,982	38,942	3,518
Due to (from) other Agency Funds	27,453	310,906	317,287	21,072
Due to others	1,094,489	530,935	1,274,876	350,548
Total Liabilities	\$ 1,244,506	\$ 1,006,436	\$ 1,762,010	\$ 488,932

ORANGEBURG COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

Exhibit B-18

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
MASTER IN EQUITY TRUST FUND				
Assets				
Cash	\$ 36,840	\$ 836,868	\$ 769,975	\$ 103,733
Total Assets	\$ 36,840	\$ 836,868	\$ 769,975	\$ 103,733
Liabilities				
Due to General Fund	\$ 18,304	\$ 113,843	\$ 111,370	\$ 20,777
Due to General Fund - overage / (deficit)	3,215	570	-	3,785
Due to others	15,321	722,455	658,605	79,171
Total Liabilities	\$ 36,840	\$ 836,868	\$ 769,975	\$ 103,733
PROBATE COURT TRUST FUND				
Assets				
Cash	\$ 132,855	\$ 100,784	\$ 43,050	\$ 190,589
Total Assets	\$ 132,855	\$ 100,784	\$ 43,050	\$ 190,589
Liabilities				
Due to General Fund - overage / (deficit)	\$ 262	\$ -	\$ -	\$ 262
Due to others	132,593	100,784	43,050	190,327
Total Liabilities	\$ 132,855	\$ 100,784	\$ 43,050	\$ 190,589
FAMILY COURT TRUST FUND				
Assets				
Cash	\$ 1,551	\$ 12,116,065	\$ 12,076,098	\$ 41,518
Total Assets	\$ 1,551	\$ 12,116,065	\$ 12,076,098	\$ 41,518
Liabilities				
Due to (from) General Fund	\$ (10,992)	\$ 732,387	\$ 723,536	\$ (2,141)
Due to others	12,543	11,383,678	11,352,562	43,659
Total Liabilities	\$ 1,551	\$ 12,116,065	\$ 12,076,098	\$ 41,518
Register of Deeds				
Assets				
Cash	\$ -	\$ -	\$ -	\$ -
Liabilities				
Due to General Fund	\$ -	\$ -	\$ -	\$ -

ORANGEBURG COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

Exhibit B-18

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
MAGISTRATE'S TRUST FUND				
Assets				
Cash	\$ 234,905	\$ 1,915,662	\$ 1,966,873	\$ 183,694
Total Assets	\$ 234,905	\$ 1,915,662	\$ 1,966,873	\$ 183,694
Liabilities				
Due to General Fund	\$ 78,137	\$ 806,580	\$ 816,104	\$ 68,613
Due to General Fund - overage / (deficit)	1,275	129	1,355	49
Due to Special Revenue Fund	7,985	94,560	94,829	7,716
Due to (from) other Agency Funds	75,764	834,407	839,544	70,627
Due to others	71,744	179,985	215,040	36,689
Total Liabilities	\$ 234,905	\$ 1,915,661	\$ 1,966,872	\$ 183,694
OADC TRUST FUND				
Assets				
Cash	\$ 2,248	\$ 10,504	\$ 9,395	\$ 3,357
Total Assets	\$ 2,248	\$ 10,504	\$ 9,395	\$ 3,357
Liabilities				
Due to others	\$ 2,248	\$ 10,504	\$ 9,395	\$ 3,357
Total Liabilities	\$ 2,248	\$ 10,504	\$ 9,395	\$ 3,357
TOTALS - ALL AGENCY FUNDS				
	As Restated			
Assets				
Cash	\$ 15,665,419	\$ 180,493,297	\$ 182,733,111	\$ 13,425,605
Property taxes receivable	4,874,167	69,477,693	69,262,230	5,089,630
Total Assets	\$ 20,539,586	\$ 249,970,990	\$ 251,995,341	\$ 18,515,235
Liabilities				
Due to General Fund	\$ 137,790	\$ 9,717,394	\$ 9,277,730	\$ 577,454
Due to General Fund - overage / (deficit)	151,842	14,963	3,437	163,368
Due to Special Revenue Fund	10,463	134,542	133,771	11,234
Due to (from) other Agency Funds	-	1,156,831	1,156,831	-
Due to taxing units	16,558,472	223,428,366	224,773,633	15,213,205
Due to others	3,681,019	15,519,634	16,650,679	2,549,974
Total Liabilities	\$ 20,539,586	\$ 249,971,730	\$ 251,996,081	\$ 18,515,235

THIS PAGE WAS INTENTIONALLY LEFT BLANK

DISCRETELY PRESENTED COMPONENT UNITS

The County has three discretely presented component units.

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

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

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

COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING STATEMENT OF NET ASSETS
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2011

Exhibit B-19

	Orangeburg County Fire Commission	Orangeburg County Public Library	Orangeburg- Calhoun Regional Detention Center	Totals
ASSETS				
Cash and cash equivalents	\$ 500	\$ 163,077	\$ 66,586	\$ 230,163
Property taxes receivable	263,372	-	-	263,372
Other receivables	-	-	98,864	98,864
Intergovernmental receivable	-	-	411,672	411,672
Due from primary government	265,971	(44,679)	(88,124)	133,168
Total assets	529,843	118,398	488,998	1,137,239
LIABILITIES				
Accounts payable	4,397	2,138	176,073	182,608
Accrued salaries and benefits	11,687	-	225,921	237,608
Due to fiduciary fund	-	-	3,185	3,185
Noncurrent liabilities:				
Due within one year	17,124	23,696	132,574	173,394
Due in more than one year	15,806	30,158	190,777	236,741
Net OPEB obligation	116,751	478,207	1,665,736	2,260,694
Total liabilities	165,765	534,199	2,394,266	3,094,230
NET ASSETS				
Unrestricted (deficit)	364,078	(415,801)	(1,905,268)	(1,956,991)
	<u>\$ 364,078</u>	<u>\$ (415,801)</u>	<u>\$ (1,905,268)</u>	<u>\$ (1,956,991)</u>

ORANGEBURG COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF ACTIVITIES
 DISCRETELY PRESENTED COMPONENT UNITS
 FOR THE YEAR ENDED JUNE 30, 2011

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Orangeburg County Fire District	Orangeburg County Public Library	Orangeburg Regional Detention Center	Totals
Orangeburg County Fire District							
Governmental activities:							
Public safety	\$ -	\$ -	\$ -	\$ (2,457,766)			\$ (2,457,766)
Total Orangeburg County Fire District	<u>2,457,766</u>	<u>-</u>	<u>-</u>	<u>(2,457,766)</u>			<u>(2,457,766)</u>
Orangeburg County Public Library							
Governmental activities:							
Culture and recreation	1,392,142	125,498	-		\$ (1,210,582)		(1,210,582)
Total Library Foundation	<u>1,392,142</u>	<u>125,498</u>	<u>-</u>		<u>(1,210,582)</u>		<u>(1,210,582)</u>
Orangeburg-Calhoun Regional Detention Center							
Governmental activities:							
Public safety	6,668,228	70,549	-		\$ (6,597,679)		(6,597,679)
Total Detention Center	<u>6,668,228</u>	<u>70,549</u>	<u>-</u>		<u>(6,597,679)</u>		<u>(6,597,679)</u>
Business-type activities:							
Orangeburg-Calhoun Regional Detention Center							
Regional Detention Center	99,839	98,964	-		(875)		(875)
Total Detention Center	<u>99,839</u>	<u>98,964</u>	<u>-</u>		<u>(875)</u>		<u>(875)</u>
Total component units	<u>\$ 10,617,975</u>	<u>\$ 225,575</u>	<u>\$ 125,498</u>	<u>(2,457,766)</u>	<u>(1,210,582)</u>	<u>(6,598,554)</u>	<u>(10,266,902)</u>
General Revenues:							
Payment from Primary Government	-	-	-	-	940,229	4,874,283	5,814,512
Payment from Other Governments	-	-	-	-	-	806,700	806,700
Property taxes	2,297,392	-	-	2,297,392	-	-	2,297,392
Total general revenues	<u>2,297,392</u>	<u>-</u>	<u>-</u>	<u>2,297,392</u>	<u>940,229</u>	<u>5,680,983</u>	<u>8,918,604</u>
Change in net assets				(160,374)	(270,353)	(917,571)	(1,348,298)
Net assets - beginning				524,452	(145,448)	(987,697)	(608,693)
Net assets - ending				<u>\$ 364,078</u>	<u>\$ (415,801)</u>	<u>\$ (1,905,268)</u>	<u>\$ (1,956,991)</u>

ORANGEBURG COUNTY, SOUTH CAROLINA
PROPRIETARY COMPONENT UNIT
ORANGEBURG-CALHOUN REGIONAL DETENTION CENTER
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2011

Exhibit B-21

Operating Revenues:	
Canteen sales	\$ 51,342
Telephone revenue	38,452
Miscellaneous revenue	9,170
	<hr/>
Total operating revenues	98,964
	<hr/>
Operating Expenses:	
Work release	9,800
Administration	24,432
Benefits for inmates	61,277
Capital expenditures	4,330
	<hr/>
Total operating expenses	99,839
	<hr/>
Operating Income (Loss)	(875)
	<hr/>
Change in net assets	(875)
	<hr/>
Total net assets - beginning	78,150
	<hr/>
Total net assets - ending	\$ 77,275
	<hr/> <hr/>

ORANGEBURG COUNTY, SOUTH CAROLINA
PROPRIETARY COMPONENT UNIT
ORANGEBURG-CALHOUN REGIONAL DETENTION CENTER
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2011

Exhibit B-22

Cash Flows From Operating Activities:	
Cash received from customers	\$ 106,273
Cash paid to suppliers	<u>(99,839)</u>
Net Cash Provided (Used) by Operating Activities	<u>6,434</u>
Cash Flows From Noncapital Financing Activities:	
Transfers	<u>3,185</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>3,185</u>
Net Increase (Decrease) in Cash and Equivalents	9,619
Cash and Equivalents at Beginning of Year	<u>56,967</u>
Cash and Equivalents at End of Year	<u><u>\$ 66,586</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (875)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) decrease in accounts receivables	<u>7,309</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 6,434</u></u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2011**

Exhibit B-23

	<u>Governmental Funds</u>			<u>Proprietary Fund</u>	<u>Totals</u>
	<u>Orangeburg County Fire Commission</u>	<u>Orangeburg County Public Library</u>	<u>Orangeburg- Calhoun Regional Detention Center</u>	<u>Orangeburg- Calhoun Regional Detention Center</u>	
ASSETS					
Cash and cash equivalents	\$ 500	\$ 163,077	\$ -	\$ 66,586	\$ 230,163
Property taxes receivable	263,372	-	-	-	263,372
Other receivables	-	-	84,990	13,874	98,864
Intergovernmental receivable	-	-	411,672	-	411,672
Due from primary government	265,971	-	-	-	265,971
Total assets	<u>\$ 529,843</u>	<u>\$ 163,077</u>	<u>\$ 496,662</u>	<u>\$ 80,460</u>	<u>\$ 1,270,042</u>
LIABILITIES AND FUND EQUITY					
Liabilities					
Accounts payable	\$ 4,397	\$ 2,138	\$ 176,073	\$ -	\$ 182,608
Accrued salaries and benefits	11,687	-	225,921	-	237,608
Deferred revenue - Property taxes	157,575	-	-	-	157,575
Due to fiduciary funds	-	-	-	3,185	3,185
Due to primary government	-	44,679	88,124	-	132,803
Total liabilities	<u>173,659</u>	<u>46,817</u>	<u>490,118</u>	<u>3,185</u>	<u>713,779</u>
Fund Equity					
Fund balances / Net assets					
Assigned	3,454		7,650		11,104
Unassigned / Unrestricted	352,730	116,260	(1,106)	77,275	545,159
Total fund equity	<u>356,184</u>	<u>116,260</u>	<u>6,544</u>	<u>77,275</u>	<u>556,263</u>
Total liabilities and fund equity	<u>\$ 529,843</u>	<u>\$ 163,077</u>	<u>\$ 496,662</u>	<u>\$ 80,460</u>	<u>\$ 1,270,042</u>

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, 2011

Exhibit B-24

	<u>Orangeburg County Fire Commission</u>	<u>Orangeburg County Public Library</u>	<u>Orangeburg- Calhoun Regional Detention Center</u>	<u>Totals</u>
REVENUE				
Property taxes	\$ 2,298,199	\$ -	\$ -	\$ 2,298,199
Intergovernmental	-	1,055,240	5,751,532	6,806,772
Interest	-	-	-	-
Other	-	66,549	-	66,549
	<u>2,298,199</u>	<u>1,121,789</u>	<u>5,751,532</u>	<u>9,171,520</u>
EXPENDITURES				
Current:				
Public safety	2,395,875	-	5,751,532	8,147,407
Culture and recreation	-	1,209,992	-	1,209,992
	<u>2,395,875</u>	<u>1,209,992</u>	<u>5,751,532</u>	<u>9,357,399</u>
Excess of revenues over (under) expenditures	<u>(97,676)</u>	<u>(88,203)</u>	<u>-</u>	<u>(185,879)</u>
Net change in fund balance	<u>(97,676)</u>	<u>(88,203)</u>	<u>-</u>	<u>(185,879)</u>
Fund balances, beginning of year	<u>453,860</u>	<u>204,463</u>	<u>6,544</u>	<u>664,867</u>
Fund balances, end of year	<u>\$ 356,184</u>	<u>\$ 116,260</u>	<u>\$ 6,544</u>	<u>\$ 478,988</u>

THIS PAGE WAS INTENTIONALLY LEFT BLANK

**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.

THIS PAGE WAS INTENTIONALLY LEFT BLANK

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES
SPECIAL REVENUE FUND - VICTIMS' ASSISTANCE FUND
FOR THE YEAR ENDED JUNE 30, 2011

Exhibit B-25

	Clerk of Court	Magistrates	Total
Court Fines			
Court fines collected	\$ 89,302	\$ 1,042,979	\$ 1,132,281
Court fines retained by County	<u>17,261</u>	<u>570,689</u>	<u>587,950</u>
Court fines remitted to State Treasurer	<u>\$ 72,041</u>	<u>\$ 472,290</u>	<u>\$ 544,331</u>
Court Assessments			
Court assessments collected	\$ 28,192	\$ 409,870	\$ 438,062
Court assessments retained by County	<u>6,308</u>	<u>59,178</u>	<u>65,486</u>
Court assessments remitted to State Treasurer	<u>\$ 21,884</u>	<u>\$ 350,692</u>	<u>\$ 372,576</u>
Court Surcharges			
Court surcharges collected	<u>\$ 29,444</u>	<u>\$ 27,204</u>	<u>\$ 56,648</u>
Court surcharges retained by County	<u>\$ 29,444</u>	<u>\$ 27,204</u>	<u>\$ 56,648</u>
Victims Services			
Court assessments allocated to Victim Services	\$ 6,308	\$ 59,178	\$ 65,486
Court surcharges allocated to Victim Services	<u>29,444</u>	<u>27,204</u>	<u>56,648</u>
Funds allocated to Victim Services	<u>\$ 35,752</u>	<u>\$ 86,382</u>	122,134
Victim Services expenditures			(215,368)
Transfers in			<u>62,480</u>
			<u>\$ (30,754)</u>
Beginning balance - July 1, 2010		\$ (53,402)	
Excess of revenues over expenditures for current year		<u>(30,754)</u>	
Ending Balance - June 30, 2011		<u>\$ (84,156)</u>	

THIS PAGE WAS INTENTIONALLY LEFT BLANK

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.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
 NET ASSETS BY COMPONENT
 LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (Unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	As Previously Shown									
Governmental Activities										
Invested in capital assets, net of related debt	\$ -	\$ 42,829,299	\$ 37,623,896	\$ 55,407,327	\$ 51,595,231	\$ 43,345,928	\$ 40,346,895	\$ 37,883,060	\$ 38,042,095	\$ 35,645,907
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	59,524,729
Unrestricted	-	7,938,536	9,379,497	12,340,319	11,523,929	8,988,868	12,285,216	4,376,044	678,976	(5,443,506)
Total governmental activities 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	\$ 89,727,130
Business-type activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,310,103
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
Total business-type activities net assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (458,450)
Primary Government										
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	\$ 39,956,010
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	59,524,729
Unrestricted	-	7,938,536	9,379,497	12,340,319	11,523,929	8,988,868	12,285,216	4,376,044	678,976	(5,901,956)
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	\$ 93,578,783

*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
(accrual basis of accounting)
(Unaudited)

Table 2

Expenses	2002*	2003	2004	2005	2006	2007	2008	2009	2010	2011
						As Previously Shown				
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	\$ 18,776,901
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	3,911,278
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	8,381,152
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	14,330,223
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	1,527,316
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	5,104,378
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	940,229
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	5,459,124
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	2,217,738
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	60,648,339
Business-type activities										
Water and sewer	-	-	-	-	-	-	-	-	-	353,385
Total business-type activities expenses	-	-	-	-	-	-	-	-	-	353,385
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	61,001,724
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	907,240
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	1,596,319
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	3,021,377
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	2,638,812
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	1,799,066
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	9,962,814
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	1,835,030
Capital grants and contributions	-	9,910,661	335,839	492,150	-	176,542	5,434,489	1,730,118	1,848,607	1,675,404
Total governmental activities 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	13,473,248
Business-type activities										
Charges for services:										
Water and sewer	-	-	-	-	-	-	-	-	-	96,822
Total business-type activities program revenues	-	-	-	-	-	-	-	-	-	96,822
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	13,570,070

COUNTY OF ORANGEBURG, SOUTH CAROLINA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (Unaudited)

	2002*	2003	2004	2005	2006	2007	2008	2009	2010	2011
					As Previously Shown					
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)	\$(47,175,091)
Business-type activities	-	-	-	-	-	-	-	-	-	(256,563)
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)	(47,431,654)
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	30,036,420
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	9,267,527
Accommodations Tax	-	206,234	194,721	196,884	204,268	221,736	217,481	219,989	194,123	205,524
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	1,924,168
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	5,260,443
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	627,265
Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	-	116,283	47,240	(54,209)	11,918
Transfers	-	-	-	-	-	-	-	1,126,439	-	(266,481)
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	47,066,784
Business-type activities:										
Transfers	-	-	-	-	-	-	-	-	-	266,481
Total business-type activities	-	-	-	-	-	-	-	-	-	266,481
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	47,333,265
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	(108,307)
Business activities	-	-	-	-	-	-	-	-	-	9,918
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	\$ (98,389)

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

COUNTY OF ORANGEBURG, SOUTH CAROLINA
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(Unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	As Previously Shown									
General Fund										
Nonspendable	\$ 74,397	\$ 100,375	\$ 93,532	\$ 84,691	\$ 147,962	\$ 3,734	\$ 38,856	\$ 34,365	\$ 32,233	\$ -
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	27,260	28,260	316,366	477,754	1,008,441	-	29,025	66,740	50,406	1,195,806
Unassigned	4,461,691	5,570,655	6,691,172	9,209,044	7,582,624	6,255,041	4,500,985	1,898,489	1,783,257	45,935
Total general fund	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	2,174,762
All Other Governmental Funds										
Nonspendable	261,688	239,812	226,900	214,437	200,066	185,953	911,330	150,933	159,783	205,725
Restricted	22,071,748	54,342,744	54,542,243	47,581,017	42,537,839	101,862,113	104,363,329	91,742,330	79,632,742	68,066,486
Assigned	13,339	-	-	-	-	-	80,478	112,679	18,693	8,874
Unassigned	(1,750,469)	(275,089)	(342,016)	(570,870)	(1,206,935)	(1,526,008)	(1,932,950)	(2,499,945)	(2,637,450)	(2,555,646)
Total all other governmental funds	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	65,725,439
Total all governmental funds	\$ 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	\$ 67,900,201

Reclassified categories for implementation of GASB 54 in fiscal year 2010-2011; previous year amounts not restated

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(Unaudited)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Property taxes	\$ 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	\$ 30,082,438
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	9,267,527
Intergovernmental	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	8,976,401
Licenses and permits	562,124	564,977	619,798	646,720	670,587	859,138	653,242	589,683	591,366	591,611
Charges for services	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	7,156,353
Fines, fees and forfeitures	1,060,609	1,032,694	676,892	719,247	654,992	770,617	2,269,562	2,095,470	2,122,108	2,214,850
Investment income	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	1,924,168
Other	1,528,658	2,039,031	1,265,472	1,562,839	862,499	283,392	449,843	512,131	783,873	627,265
Total revenues	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	60,840,613
Expenditures										
General government	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	13,539,054
Judicial	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	3,574,256
Public works	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	13,648,793
Public safety	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	12,225,691
Social and health	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	1,401,410
Sanitation	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	4,670,979
Internal services	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	1,750,518	2,141,657	6,410,470	7,100,742	4,235,473	936,326	5,469,666	3,824,396	5,408,096	5,728,908
Allocation to Library	408,489	340,340	1,368,492	564,662	-	3,986,393	989,848	1,102,819	900,931	940,229
Culture and recreation	-	-	-	-	-	-	9,289,471	6,054,209	3,804,601	4,570,418
Non-budgeted expenditures	-	-	-	-	-	-	2,256,689	859,249	952,316	886,404
Tourism promotion	154,431	-	-	-	-	-	-	-	-	-
Debt service:										
Interest	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	2,721,964
Principal	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	10,540,836
Total expenditures	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	74,448,942
Excess of revenues over (under) expenditures	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)	(13,608,329)
Other Financing Sources (Uses)										
Bond proceeds	-	36,018,647	11,185,000	-	-	67,154,611	9,715,000	-	-	-
Note proceeds	-	750,000	-	-	-	-	-	-	-	2,111,049
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	38,325
Transfers in	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	2,817,788
Transfers out	(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)	(3,084,269)
Total other financing sources (uses)	3,944,354	34,159,228	10,372,360	-	1,463,589	76,442,934	11,971,689	1,223,138	41,285	1,882,893
Net change in fund balances	\$ 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)	\$ (11,725,436)
Debt service as a percentage of noncapital expenditures	5%	11%	18%	15%	13%	10%	15%	19%	17%	18%

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	
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%									
2011	71,398,010	57,844,490	4,114,462	108,670,192	242,027,154	125	3,848,124,536	6.29%									

Source: Auditor, Roger Cleckley 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.

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

Table 6

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
SCE&G	\$ 28,928,032	1	11.95%	\$ 6,256,400	1	2.74%
Albemarle	2,944,816	2	1.22%	3,259,290	3	1.42%
Husquvarna	2,359,190	3	0.97%	-	-	-
Bellsouth Telecommunications	2,216,760	4	0.92%	3,083,510	2	1.35%
American Koyo	1,976,074	5	0.82%	1,845,204	5	0.81%
Okonite	1,803,912	6	0.75%	1,446,294	6	0.63%
Tri County Electric Co-Op	1,565,240	7	0.65%	-	-	-
Delahaize	1,372,710	8	0.57%	-	-	-
CSX Railroad	1,125,346	9	0.46%	-	-	-
Holcim	1,040,434	10	0.43%	2,044,484	4	0.89%
Total	\$ 45,332,514		18.74%	\$ 17,935,182		7.84%

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		Collections in Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy
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%
2011	28,735,562	25,470,742	88.64%	2,799,357	28,270,099	98.38%

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

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**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
County Direct Rates										
County Debt General	73	78	74	74	74	75	78	78	78	78
Bond Indebtedness	7	7	7	6	6	6	7	7	7	7
Capital Improvement Fund	5	5	3	3	3	3	3	3	3	3
Total direct rate	85	90	84	83	83	84	88	88	88	88
City and Town Rates										
City of Orangeburg	72	72	73	73	79	84	75	88	87	87
Town of Branchville	66	66	66	66	66	66	68	68	68	68
Town of Bowman	60	60	60	60	60	70	70	90	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	60	65	67	70	72	75	75
Town of Eutawville	60	60	60	60	60	60	60	60	60	60
Town of Holly Hill	70	70	66	66	66	68	70	70	70	70
Town of Livingston	20	20	20	20	20	20	20	20	20	20
Town of Neeses	28	28	28	28	28	33	33	33	33	33
Town of Norway	42	42	42	42	50	50	52	52	52	52
Town of North	84	84	64	64	75	75	77	79	81	81
Town of Rowesville	20	30	30	40	40	40	40	40	40	40
Town of Santee	46	48	48	48	90	90	83	93	93	93
Town of Springfield	58	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	7	7	7	7	7	7	15	10	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	173	179	175	188	198	203	223	223	230	230
District Four	166	175	175	178	178	185	195	199	184	184
District Five	183	192	191	193	196	209	216	219	219	219
Sewer District Rates										
Drainage	3	3	3	3	3	3	3	3	3	3
Holly Hill Watershed	10	10	10	10	9	12	12	12	12	12
Other Special District Rates										
Special Education	8	8	8	9	9	9	9	9	9	9
Solid Waste	14	14	13	13	13	12	12	12	12	12
Board of Education	31	31	30	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**

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Revenue Bonds	Capital Leases	Notes Payable	Certificates of Participation	Revenue Bonds				
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	5,637,037	534,101	-	-	65,729,395	2.89%	733	
2011	14,005,000	34,745,000	4,686,755	2,609,314	-	298,863	56,344,932	4.69%	609	

* As previously shown

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

Table 10

<u>Fiscal Year</u>	<u>General Bonded Debt Outstanding</u>		<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Total</u>		
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	7.34%	199
2009	16,965,000	16,965,000	6.53%	189
2010	15,510,000	15,510,000	6.09%	173
2011	14,005,000	14,005,000	5.79%	151

Source: County Treasurer, J. Steve Summers

COUNTY OF ORANGEBURG, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2011

Table 11

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Orangeburg County	\$ 14,005,000	100.00%	\$ 14,005,000
Orangeburg School District 3	32,295,000	100.00%	32,295,000
Orangeburg School District 4	29,115,942	100.00%	29,115,942
Orangeburg School District 5	37,714,370	100.00%	37,714,370
Total direct and overlapping debt			<u>\$ 113,130,312</u>

Source: County Treasurer, J. Steve Summers

Table 12

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

	2002*	2003*	2004*	2005*	2006*	2007*	2008*	2009*	2010	2011
Debt Limit	\$ 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	\$ 19,362,172
Total net Debt applicable to limit	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	13,225,000
Legal debt margin	\$ 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	\$ 6,137,172

Total net debt applicable to the limit as a percentage of debt limit
 37.50% 13.96% 56.25% 62.25% 58.41% 43.50% 84.59% 75.63% 69.09% 68.30%

Legal Debt Margin Calculation
 for Fiscal Year 2011

Assessed Value - Net of exemptions	\$ 242,027,154
Debt Limit (8 % of assessed value)	19,362,172
Debt applicable to limit:	
General obligation bonds	14,005,000
Less: Debt excluded by referendum	780,000
Total net debt applicable to limit	13,225,000
Legal debt margin	\$ 6,137,172

* 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
2011	92,501	\$ 2,640,164	\$ 28,542	38	15,134	14.90%
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%

Source: Community Economic Alliance, Inc.

Table 14

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

	2011			2002		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Husqvarna	2,300	1	2.56%			
Koyo Corp of USA	745	2	0.59%			
Sara Lee Bakery Group	550	3	0.61%			
Food Lion Distribution Center #3	498	4	0.55%			Not Available
Zeus Industrial Products Inc.	450	5	0.61%			
Albemarle Corporation	450	6	0.38%			
Allied Air Enterprise, Inc.	400	7	0.39%			
Federal Mogul Friction Products	400	8	0.44%			
The Okonite Company	233	9	0.26%			
Holcim	200	10	0.22%			
Total	6,226		6.61%			

Table 15
COUNTY OF ORANGEBURG, SOUTH CAROLINA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION / PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government	-	-	-	-	161	178	182	178	161	183
Public Safety	-	-	-	-	242	225	193	170	205	220
Public Works	-	-	-	-	81	100	92	92	89	144
Public Health	-	-	-	-	52	46	42	43	53	79
Culture and Recreation	-	-	-	-	35	-	-	17	16	12
Total	-	-	-	-	571	549	509	500	524	638

Source: Marion Boyd, Personnel Director

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General										
Number of building permits	*	*	*	*	*	1,940	2,245	2,379	2,331	2,481
Public Safety										
Police										
Calls for Service	*	*	*	*	*	17,531	31,656	19,325	21,386	28,972
EMS										
Calls for Service	*	*	*	*	*	12,968	13,542	13,183	15,562	16,224
Fire										
Number of Calls Answered	*	*	*	*	*	5,910	3,981	4,712	4,227	4,767
Number of Inspections Conducted	*	*	*	*	*	*	*	*	*	*
Number of Investigations Conducted	*	*	*	*	*	*	*	*	*	*
Sanitation										
Number of Active Waste Accounts	*	*	*	*	*	432	439	410	405	414

*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 Marshal
- Sanitation information provided by Orangeburg County Finance Department

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

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety										
Fire stations	*	*	*	*	*	35	38	38	38	35
EMS stations	*	*	*	*	*	4	4	4	4	4
Police vehicles	*	*	*	*	*	177	213	204	233	175
Police stations (including substations)	*	*	*	*	*	5	7	7	7	7
Public Works										
County and State maintained paved roads (miles)	*	*	*	*	*	1,807	1,895	1,907	1,918	1,945
County and State maintained unpaved roads (miles)	*	*	*	*	*	934	902	895	884	857
Culture & Recreation										
Parks acreage	*	*	*	*	*	35	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

THIS PAGE WAS INTENTIONALLY LEFT BLANK

SINGLE AUDIT SECTION

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2011

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	\$ 135,437
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through S.C. Department of Commerce:			
CDBG Eastern Orangeburg County Planning Study	14.228	4-W-09-007	95,825
CDBG Edisto Sewer Extension Phase III	14.228	4-CI-09-013	226,781
ARRA-CDBG Edisto Sewer Extension Phase II	14.255	4-S-08-010	226,587
Cluster Total			<u>549,193</u>
DEPARTMENT OF JUSTICE			
Edward Byrne Memorial Grant:			
FY 2009 JAG Magistrate Security	16.738	2009-DJ-BX-1469	1,763
FY 2007 JAG Project	16.738	2007-DJ-BX-1386	20,000
JAG OCSO Youth Initiative	16.738	2010-DJ-BX-0911	200
ARRA-COPS Hiring Recovery Program	16.710	2009-RK-WX-0770	127,295
COPS 2010 Technology Program	16.710	2010-CK-WX-0110	40,000
ARRA-Edward Byrne Memorial Assistance Grants	16.808	2009-SB-B9-3340	61,074
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	77,700
Federal Financial Assistance	93.563	G-04SC404	213,107
Clerk of Court Incentive (IV-D)	93.563	G-04SC404	83,227
Family Court Filing Fees	93.563	G-04SC404	504,833
Sheriff's Department	93.563	G-04SC404	627
DEPARTMENT OF HOMELAND SECURITY			
Passed through S.C. Emergency Management Agency:			
LEMPG/ FY 2010	97.042	10EMPG01	49,528
LEMPG/ Competitive Project	97.042	8EMPG01	10,120
LEMPG/FY 2011	97.042	11EMPG01	5,528
Citizens Corps.	97.067	8CCP01	2,135
DEPARTMENT OF AGRICULTURE			
Passed through S.C. Department of Social Services:			
At Risk After School Snack Program	10.558		26,940
Passed through Tri-County Electric Cooperative, Inc. to County of Orangeburg as subrecipient:			
Rural Economic Development - Loan	10.870		
	Beginning Balance	Additions	Amortization of Principal
	\$ -	\$ 647,360	\$ -
			<u>647,360</u>
			<u>\$ 2,556,067</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTE TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
YEAR END JUNE 30, 2011**

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, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

McGregor & COMPANY^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS | SINCE 1930

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

C.C. McGregor, CPA
1906-1968

PARTNERS

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

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

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

ASSOCIATES

V.K. Laroche, CPA
G.N. Mundy, CPA
M.L. Layman, CPA
P.A. Betette, Jr., CPA
S. Wo, CPA
C.D. Hinchee, CPA

J.R. Matthews, II, CPA
D.E. Knobloch, CPA
M.J. Binnicker, Jr., CPA
G.P. Davis, CPA
H.J. Darver, CPA

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

To County Council
County of Orangeburg, South Carolina

We have audited the financial statements of the governmental activities, the business-type 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, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 23, 2012. 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

Management of the County is responsible for establishing and maintaining effective 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 statements 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 2011-9 through 2011-13 to be material weaknesses.

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 2011-1 through 2011-8 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as items 2011-3 and 2011-11.

We noted certain matters that we reported to management of the County of Orangeburg, South Carolina in a separate letter dated April 23, 2012.

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 be used by anyone other than these specified parties.

McGregor + Company LLP

Orangeburg, South Carolina
April 23, 2012

McGregor & COMPANY_{LLP}

CERTIFIED PUBLIC ACCOUNTANTS | SINCE 1930

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

C.C. McGregor, CPA
1906-1968

PARTNERS

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

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

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

ASSOCIATES

V.K. Laroche, CPA
G.N. Mundy, CPA
M.L. Layman, CPA
P.A. Betette, Jr., CPA
S. Wo, CPA
C.D. Hinchee, CPA

J.R. Matthews, II, CPA
D.E. Knobloch, CPA
M.J. Binnicker, Jr., CPA
G.P. Davis, CPA
H.J. Darver, CPA

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, 2011. 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.

In our opinion, 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, 2011.

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.

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.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type 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, 2011, and have issued our report thereon dated April 23, 2012, 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.

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

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2011**

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Federal Awards

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

CFDA Numbers

Name of federal program or cluster

11.555	2007 Public Safety
14.228	CDBG Eastern Orangeburg County Planning Study
14.228	CDBG Edisto Sewer Extension Phase III
14.255	ARRA – CDBG Edisto Sewer Extension Phase II
10.870	Rural Economic Development Loan

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

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2011**

II. FINDINGS - FINANCIAL STATEMENT AUDIT

2011-1 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	1,585
2 Bond accounts	60,879
Restitution account	16,409
Restitution account	592
Fine account	<u>391</u>
	<u>\$ 98,338</u>

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 continue to 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. Research during the year resulted in identifying \$2,081 of these funds since the prior year.

Response: The Clerk of Court office will continue to research these accounts to determine the origin of these funds held in trust.

2011-2 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.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2011

II. FINDINGS - FINANCIAL STATEMENT AUDIT

2011-2 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, 2011, the County transferred \$11,046.73 into this fund to offset the costs not reimbursed under grant.

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: Measures will be taken for the Finance Department to reconcile the expenditures incurred to the reimbursements requested in a timely manner. The program will be re-evaluated and only eligible applicants will be given an opportunity to participate.

2011-3 Internal Controls over Federal Claims

Significant Deficiency

Conditions: Grant reimbursement requests for the COPS Hiring Recovery (Fund 127) and the Edward Byrne Memorial (Fund 181) grants were over claimed by \$127,218 and \$42,211 respectively. Adjustments were proposed and posted to reclass these amounts from current revenue to deferred revenue. In some instances, reports from the payroll system were used to prepare reimbursements requests and in other instances reports from the general ledger were used. Year to date amounts were used rather than backing out the prior quarters already claimed for reimbursement from the totals.

Receivables of \$42,741.18 for the LEMPG (10EMPG01 and 11EMPG01) programs were not recorded in the LEMPG Special Revenue Fund. A transfer from the General Fund of \$27,221 was recorded in the fund to compensate for this unrecorded grant revenue which had to be reversed after the unrecorded grant revenue was discovered.

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

Effect: Grant fund revenues were misstated and two grants were over claimed based on actual expenditures.

Recommendation: The grant reimbursement requests should be reconciled with the fund activity prior to filing claims to ensure the expenditures and revenue are recorded in the proper fund and time period and the proper reimbursement is claimed.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2011

II. FINDINGS - FINANCIAL STATEMENT AUDIT

2011-3 Internal Controls over Federal Claims (continued)

Significant Deficiency

Response: Grant reimbursement requests will be reconciled with the fund prior to filing claims to ensure the expenditures and revenue are recorded in the proper fund and time period and the proper reimbursement is claimed.

2011-4 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 \$88,748. 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: Allocations to the Library are calculated at the beginning of the fiscal year using budgeted figures. Allocations to the Library will be reviewed more carefully during the year against the actual budget to ensure agreement at year-end.

2011-5 Dawn Center Transactions

Significant Deficiency

Conditions: During the prior fiscal year, 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. These receivables remain for the year ended June 30, 2011 for these withheld funds.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2011**

II. FINDINGS - FINANCIAL STATEMENT AUDIT

2011-5 Dawn Center Transactions (continued)

Significant Deficiency

The County is owed \$209,866 from the Dawn Center for payrolls processed through the County's payroll system for the Dawn Center employees. We recommended 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. On June 30, 2011, the County stopped running the payrolls of the Dawn Center, but a total receivable of \$221,100 and \$26,311 for the County and Detention Center, respectively, remain.

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

Effect: 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: The County has ceased running Dawn Center employees through their payroll system. All funds except federal funds withheld have been received.

2011-6 Sheriff's Office Executions and Fees Account

Significant Deficiency

Conditions: The Sheriff's Office collects and holds funds dealing with executions of court orders and assesses fees for the services. The fees are turned over to the County's Treasurer for inclusion in the General Fund and the court ordered funds are held until remitted per the court order. The bank account for these funds had a balance of \$99,535 at June 30, 2011 of which \$35,675 was fees to be turned over to the Treasurer and \$6,382 were identified cases. The remaining \$57,478 funds held in the bank account could not be identified.

Criteria: All funds received for the execution of court orders and related fees 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.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2011

II. FINDINGS - FINANCIAL STATEMENT AUDIT

2011-6 Sheriff's Office Executions and Fees Account (continued)

Significant Deficiency

Response: The County has repeatedly recommended and offered County employees help to the office to research the accounts to determine the origin of these funds and reconcile monthly the cash held to the listings of the funds.

2011-7 Delinquent Tax Office Account Reconciliations

Significant Deficiency

Conditions: A new bank account was opened in July, 2010 to deposit the Delinquent Tax payments received by the office. The office would turn over the delinquent tax payments to the Treasurer's office by writing a check the first of the following month and the County's fees would be turned over to the Treasurer's office each quarter. This would provide a better accounting trail for the collections of each tax receipt. The June reconciliation did not include \$82,329.43 in outstanding deposits. The bank account was not being reconciled properly each month to account for the money held in the bank account, whereby the correct reconciled bank balance was \$439,749.80 of which \$403,067.54 was attributed to June tax payments and April to June collection costs to be turned over to the Treasurer in July. Of the remaining \$36,682.26 difference, \$33,226.43 were determined to be collections costs, clean up fees, credit card fees not turned over to the Treasurer and returned checks, checks drawn in error from this account, and service charges not returned to this account. The remaining \$3,455.83 remains as an unknown overage in the account.

The Delinquent Tax office has 2 bankruptcy accounts with listings of the funds held in each. Neither account reconciled to the listing of funds held. The older account previously had an unidentified "overage" which was transferred to the General Fund. During the year, \$3,215.99 of these old unidentified funds were disbursed for closed cases but were not reimbursed from the General Fund. The new account had a reconciled bank balance of \$5,991.36 but the listing of funds held showed \$15,210.49. After investigation of the transactions, a corrected listing of \$5,958.23 was determined with the remaining \$33.13 comprised of interest, service fees, and corrections.

Criteria: All funds received for delinquent tax payments should reconcile to the collection reports generated and turned over to the Treasurer's office accordingly. All funds received and held for bankruptcy cases should be reconciled to a listing of cases so as to document as to whom they are owed.

Effect: Accounts are not being reconciled properly to determine funds to be held and collections to be turned over to the Treasurer's office.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2011**

II. FINDINGS - FINANCIAL STATEMENT AUDIT

2011-7 Delinquent Tax Office Account Reconciliations (continued)

Significant Deficiency

Recommendation: We recommend the tax payment account be reconciled monthly to the tax collection reports and all differences be investigated and resolved. We also recommend that monthly when the bankruptcy bank account is reconciled that the cards are totaled and the total is agreed to the reconciled bank balance. This procedure will ensure that entries on the cards are made correctly and that all moneys held for bankruptcies are placed in the proper account.

Response: Measures will be taken to ensure reconciliations are completed on a monthly basis and all differences are investigated with a goal of finding a resolution.

2011-8 Deferred Revenue

Significant Deficiency

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 \$82,110 was needed to reclass and recognize current year revenue in the Capital Improvement Fund.

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

Effect: The revenues were overstated at year end.

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

Response: Grant revenues will be reviewed and recorded on a monthly basis.

2011-9 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.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2011

II. FINDINGS - FINANCIAL STATEMENT AUDIT

2011-9 Preparation of Financial Statements (continued)

Material Weakness

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

Recommendation: Appropriate County personnel should attend training courses that will enhance their ability to prepare the County's annual financial statements and footnote disclosures in accordance with GAAP.

Response: The County recognizes this need. However, limited financial resources have restricted the County's training abilities. Training for all pertinent personnel will resume when resources become available.

2011-10 Fund Balance Deficits

Material Weakness

Conditions: During 2011 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	2011 Excess of Expenditures over Revenues	June 30, 2011 Fund Deficit
Road and Bridges Maintenance	\$ (39,445)	\$ (404,690)
New Brooklyn Lighting Tax District	(6,518)	(31,457)
Brookdale Lighting Tax District	(4,359)	(22,933)
Victims' Assistance	(30,754)	(84,156)
Jafza Building	(138,839)	(138,839)
Orangeburg Water Expansion	(6,622)	(6,622)
Broadband Program	(484,584)	(484,584)

In addition, the Special Education has a fund deficit of \$1,382,365 at June 30, 2011. The fund deficit in this fund did decrease during the 2011 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.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2011**

II. FINDINGS - FINANCIAL STATEMENT AUDIT

2011-10 Fund Balance Deficits (continued)

Material Weakness

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

Response: All funds will be reviewed before incurring expenditures. Means of addressing current fund deficits will be addressed during the budgeting process.

2011-11 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. Since the user fees are not sufficient to cover costs of operations, loan payments, and establish a reserve for depreciation and improvements, the County is in violation of the loan covenant.

Criteria: User fees should cover operational costs of the sewer system, loan payments, and build a reserve for depreciation and improvements.

Effect: Due to user fees not being increased in relation to cost increases, the loan covenants are violated.

Recommendation: The user fees should be increased to cover costs and build a reserve.

Response: The system is currently under review. Discussions of having the Department of Public Utilities become owners of this system are in process.

2011-12 Capital Asset Corrections

Material Weakness

Conditions: The County purchased \$12,465,912 in capital assets in the fiscal year ended June 30, 2011. Only \$8,004,613 was recorded by the County leaving \$4,461,299 of corrections to the capital asset system to be recorded.

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 totaling \$398,947 had to be reclassified after auditors requested County review the CIP listing and update.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2011

II. FINDINGS - FINANCIAL STATEMENT AUDIT

2011-12 Capital Asset Corrections (continued)

Material Weakness

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. Asset categories should be reviewed so that assets qualifying as depreciable either by cost or type, can 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. 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, unrecorded additions, reasonable remaining life, and date construction in process items are placed into service.

Response: A listing of the County's capital assets will be printed by location. The list will be reviewed by the department head for that location for any unrecorded disposals, unrecorded additions, reasonable remaining life and date construction in process items are placed into service.

2011-13 Material Audit Adjustments

Material Weakness

Conditions: Several significant audit adjustments were proposed and posted to the County's general ledgers to correct material misstatements for which there is more than a remote likelihood that they would not have been detected and corrected by the County's internal control prior to issuance of the County's financial statements. These included the following:

- 1) \$1,120,552 – transferring unspent DSS Incentive Funds at year end from the DSS Incentive Special Revenue Fund to the General Fund
- 2) \$371,229 – additional appropriation from the General Fund to the Detention Center for the County's share of the budget overruns at year-end netted against Detention Center expenditures paid and recorded in the General Fund.
- 3) \$258,810 – School Resource Officer reimbursements from schools not accrued
- 4) \$4,470,326 – Sewer activity was moved from a capital projects fund to an Enterprise Fund but the related capital assets, accumulated depreciation, and debt were not recorded in this Enterprise Fund.
- 5) \$164,618 – current year depreciation for the Enterprise Fund.

Criteria: The auditor's identification of material misstatements in the County's working trial balance which were not detected and corrected by the County's internal control indicates material weakness in those internal controls.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2011**

II. FINDINGS - FINANCIAL STATEMENT AUDIT

2011-13 Material Audit Adjustments (continued)

Material Weakness

Effect: Without the proposed audit adjustments, the County's financial statements would have been materially misstated as of and for the year ended June 30, 2011.

Recommendation: Trial balances of all funds should be reviewed for all year end type journal entries necessary prior to presenting the auditors with a final working trial balance.

Response: Trial balances of all funds will be run and reviewed for all year end type journal entries. New GASB 54 regulations resulted in staff being unaware of the recording of fixed assets in the newly created Enterprise Fund.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2011**

III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

None

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2011**

Findings – Financial Statements Audit

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	<u>391</u>
	<u>\$ 100,419</u>

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.

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 2011-1.

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 by \$10,524.63 which the County paid. All program expenditures should be paid by the County and then received back from DSS through reimbursement.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2011

Findings – Financial Statements Audit

2010-2 Orangeburg Area Development Commission Program (continued)

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.

Current Status: Sustained in current year. See Finding 2011-2.

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.

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.

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

Current Status: Not sustained in current year.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2011

Findings – Financial Statements Audit

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

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

Current Status: Sustained in current year. See Finding 2011-4.

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

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.

Current Status: Sustained in current year. See Finding 2011-5.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2011

Findings – Financial Statements Audit

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

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, an adjustment of \$(232,929) was made.

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.

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 2011-3.

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.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2011**

Findings – Financial Statements Audit

2010-7 Preparation of Financial Statements (continued)

Criteria: Internal controls over financial reporting should be in place to provide reasonable assurance that financial statements are prepared 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 2011-9.

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.

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

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 2011-10.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2011

Findings – Financial Statements Audit

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

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

Current Status: Sustained in current year. See Finding 2011-11.

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.

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

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.

Current Status: Not sustained in current year.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2011

Findings – Financial Statements Audit

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.

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

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

Current Status: Not sustained in current year.

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 was 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 reclassified 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 depreciation calculations for assets acquired during the fiscal year 2009 included an extra year of depreciation. The County corrected the errors and resubmitted the system's reports to the auditors.

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.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2011

Findings – Financial Statements Audit

2010-12 Capital Asset Corrections (continued)

Recommendation: All capital assets acquired, including those capital project assets which the County maintains ownership, should be examined for inclusion in the capital asset system. 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 2011-12.

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.

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

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

Current Status: Not sustained in current year.

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.

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

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2011**

Findings – Financial Statements Audit

2010-14 Unrecorded Bank Accounts (continued)

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.

Current Status: Not sustained in current year.

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.

The County was advanced the entire amount for two multi-year grants and the unearned portion had to be reclassified 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.

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

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

Current Status: Sustained in current year. See Finding 2011-8.

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.

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.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2011**

Findings – Financial Statements Audit

2010-16 Sheriff's Office Bank Accounts Transactions (continued)

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.

Current Status: Not sustained in current year.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2011

FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS

See 2010-6 and 2010-9.

THIS PAGE WAS INTENTIONALLY LEFT BLANK