

COMPREHENSIVE ANNUAL FINANCIAL REPORT
COUNTY OF ORANGEBURG, SOUTH CAROLINA
FOR THE FISCAL YEAR ENDED
JUNE 30, 2012

Prepared by the Finance Office

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COUNTY OF ORANGEBURG, SOUTH CAROLINA
Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2012

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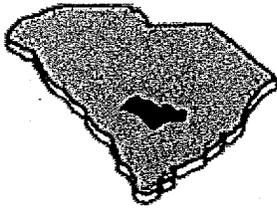
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INTRODUCTORY SECTION

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COUNTY OF ORANGEBURG

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TELEPHONE 803/533-6101
WWW.ORANGEBURGCOUNTY.ORG



COUNTY ADMINISTRATOR
HAROLD M. YOUNG

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

June 7, 2013

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, 2012. 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 (2010 census). 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 is the home 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, aircraft components, modular housing units, hand tools, garments, roller bearings, organic chemicals, Teflon tubing, processing systems, fabric printing, chemicals, electrical assembly components, undergarments, wooden products, bakery products, heating wire, cement, various lumber products, power cable, shipping containers, knitting machines, diesel engines, air conditioning units, and numerous other items. The largest industrial facilities in Orangeburg County include the plants of Husqvarna (2,000 employees), Food Lion Distribution Center #3 (498 employees), Zeus Industrial Products, Inc. (450 employees), Sara Lee Bakery Group (420 employees), Koyo Corporation of America (400 employees), Allied Air Enterprises (400 employees) and Albemarle Corporation (322 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 within the Town and the surrounding lakefront area. The Town of Santee recently completed construction of a Conference Center bringing additional tourism activity to the area.

Orangeburg County continues to recruit industry by placing a strong emphasis on buyer/supplier networks, retention of existing industries, and recruitment of new industries. A sophisticated marketing plan concentrating on the Orangeburg County/City Industrial Park located at the intersection of I-26 and US Highway 301 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 has grown to 400 employees. Other additions to the Orangeburg County/City Industrial Park (OCCIP) include H.T. Hackney, a distributor of wholesale grocery products (100 employees); Quality Models Plastics, a Canadian based manufacturer of plastic components (60 employees) and Monteferro USA, a manufacturer of elevator rail guides (20 employees). Two new companies located within 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 was also 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 not only enhances the industrial park, it has also facilitated commercial development near this busy interchange. 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 bringing the total developed area to 450 acres.

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 and businesses will be served with potable water as individual well systems are replaced 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 and presently serves customers within Orangeburg and Calhoun counties. An expansion into Dorchester County will be completed in 2014.

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 wastewater treatment facility is under construction and will be completed in 2013.

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 of the initial training facility within the Park was completed in 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 of US 301 that will enhance access to the Jafza site and enhance the future growth and development in the region. Design and engineering activity for the I-95/US 301 interchange enhancement project is underway with construction expected to begin in late 2013.

On November 2, 2010, Orangeburg County citizens voted in support of a referendum to extend the one-cent Capital Projects Sales Tax for an additional seven years extending to 2020. 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

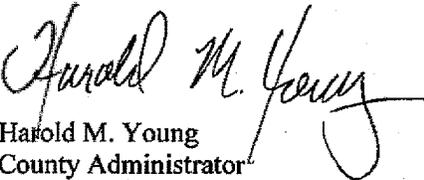
Independent Audit – South Carolina's state statutes require an annual audit by independent certified public accountants. The firm of McGregor & Company, LLP provided audit services for the County of Orangeburg for the fiscal year ended June 30, 2012. In addition to meeting the requirements set forth 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 County was selected to receive a prestigious civic award for the fiscal year ended June 30, 2012 when it was honored by the National Association of Counties with a 2012 Achievement Award for excellence in governmental service.

The County also received the prestigious All-American City designation from 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,


Harold M. Young
County Administrator

COUNTY OF ORANGEBURG, SOUTH CAROLINA

PRINCIPAL OFFICIALS For the year ended June 30, 2012

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

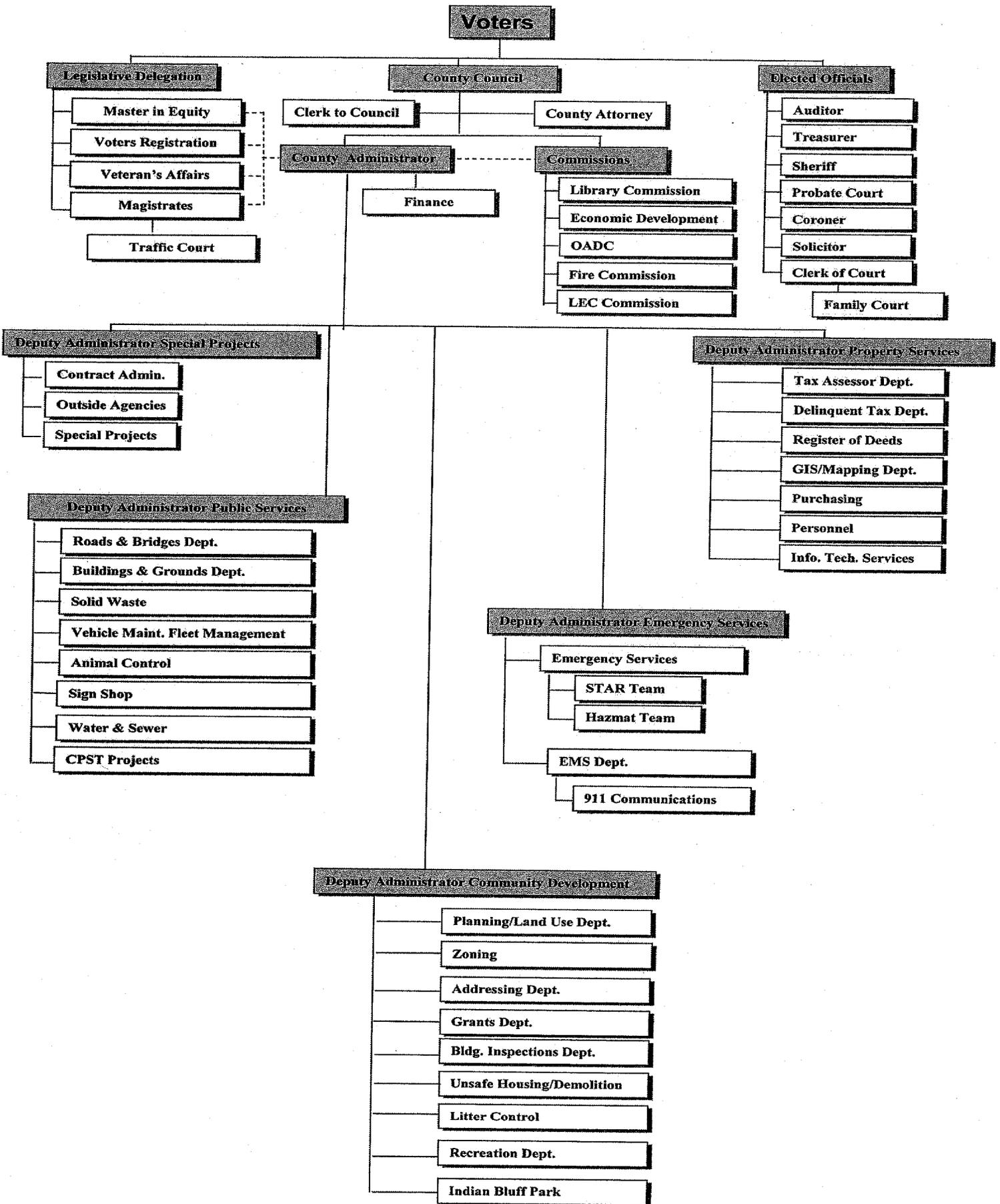
ELECTED OFFICIALS

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

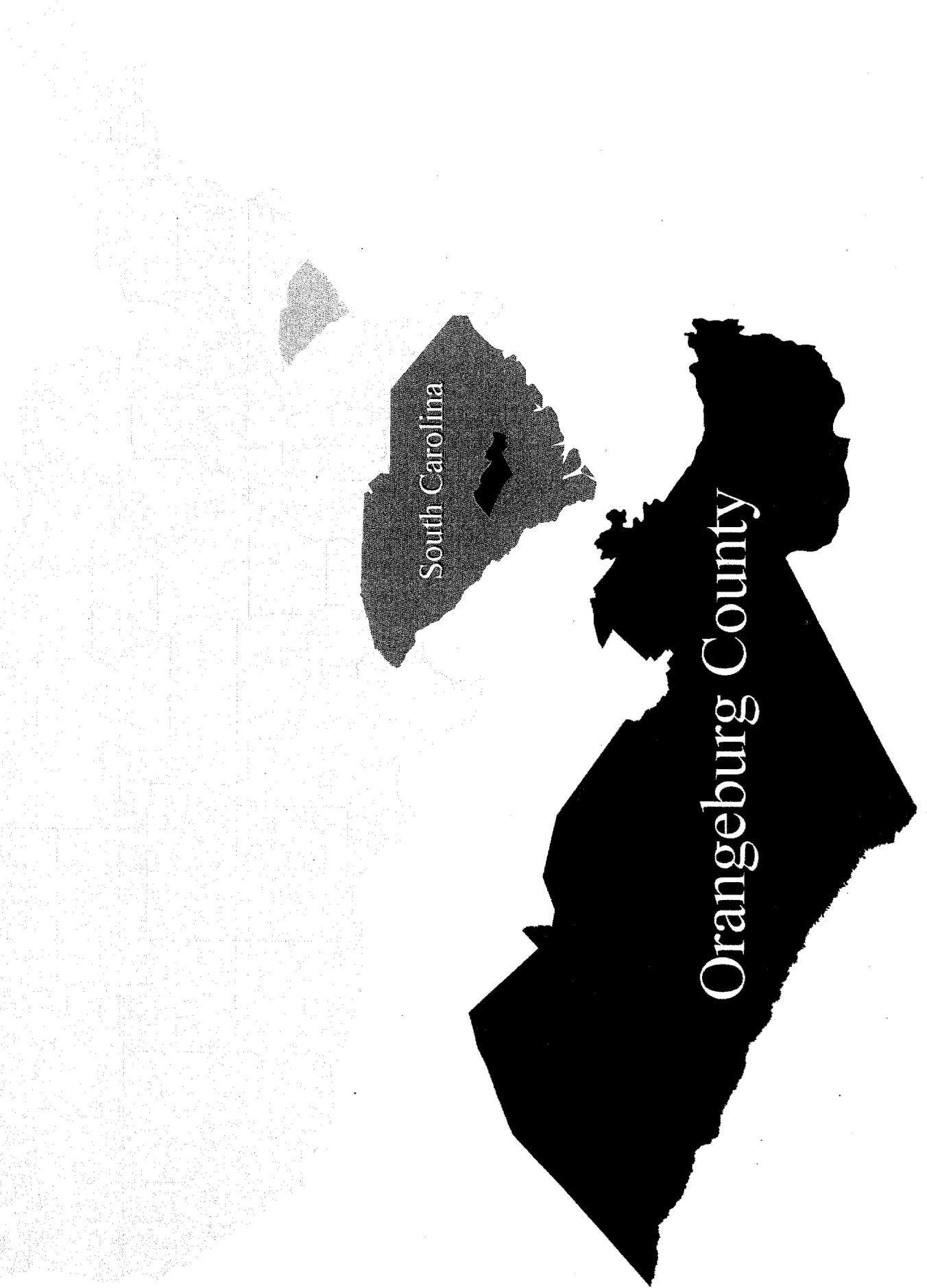
J. William Clark, County Administrator
Marion Lloyd, Senior Deputy County Administrator
Timothy E. Maybank, Deputy County Administrator
John Smith, Deputy County Administrator
Earl Whalen, Deputy County Administrator
Harold Young, Deputy County Administrator
D'Anne Haydel, County Attorney
Gloria Breland,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

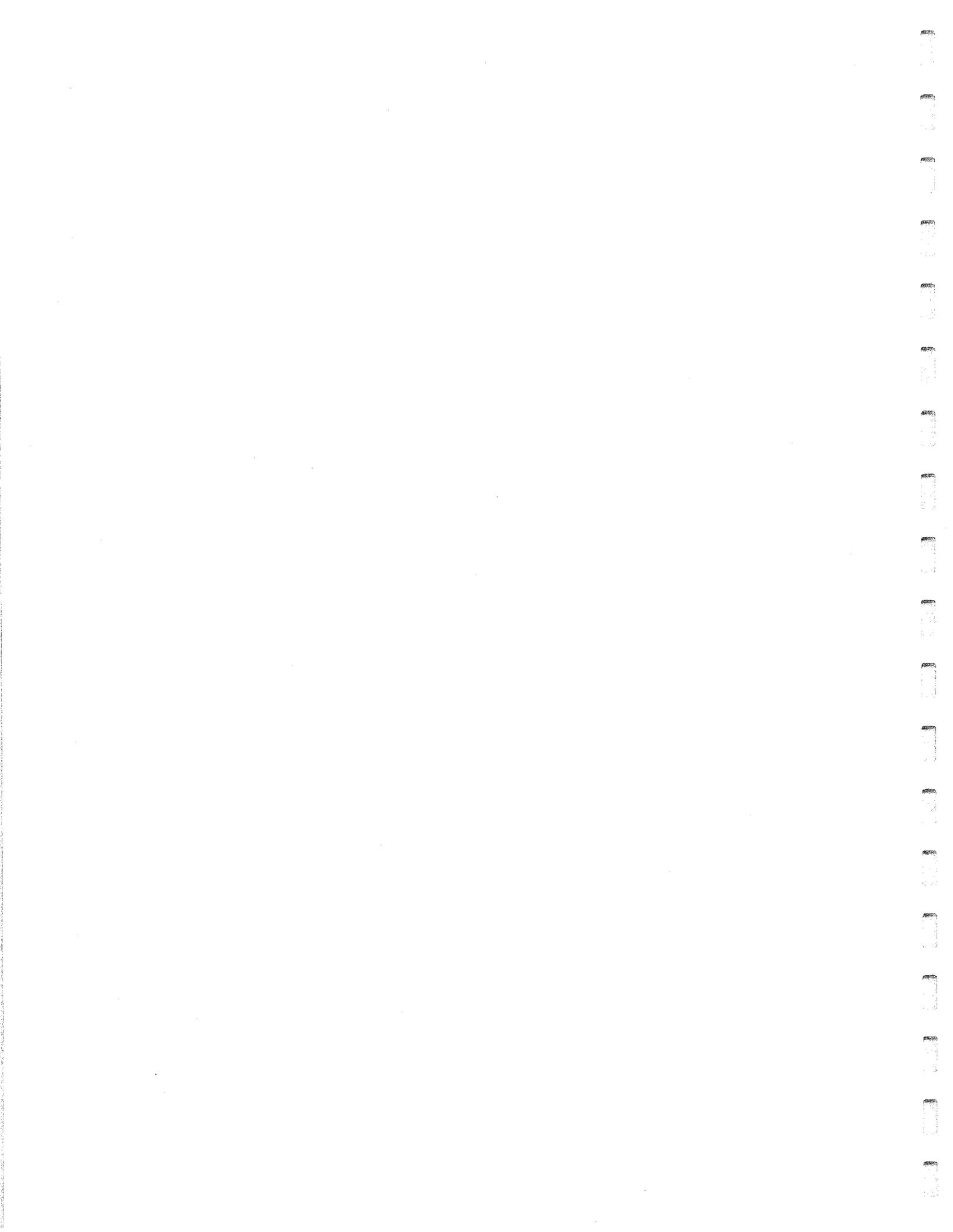
County of Orangeburg Organization Chart



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Orangeburg County Location Map





FINANCIAL SECTION

McGregor & COMPANY^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS | SINCE 1930

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

C.C. McGregor, CPA
1906-1968

PARTNERS

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K.B. Snipes, CPA
D.M. Herpel, CPA
J.R. Lebednik, CPA
H.O. Crider, Jr, 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, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Orangeburg, South Carolina's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the 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, 2012, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2013, 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.

INDEPENDENT AUDITOR'S REPORT

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 14 through 20, and the Required Supplemental Information on page 71 (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 them.

McGregor + Company LLP

Orangeburg, South Carolina
June 7, 2013

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, 2012. 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, 2012 by \$98.1 million (net assets). Of this amount there is a deficit of \$13.9 million (unrestricted net assets) for the use of meeting the government's ongoing obligations.
- The County's repaid \$15 million of bond, note and capital lease obligations during the year.
- The County's total net assets increased \$4.6 million over the course of this year's operations.
- During the year, the County's general fund balance increased \$345,960.
- The general fund actual revenues were \$902,607 more than budgeted and general fund expenditures were \$828,355 less than budgeted; however, other financing sources less uses were \$1,357,117 less than budgeted.
- At the end of the current fiscal year, unassigned general fund balance was \$1,405,062 or 4.3 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 increased by \$4.6 million between fiscal years 2011 and 2012 ending at approximately \$98 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>	
	2012	Restated 2011	2012	2011	2012	Restated 2011
Current and other assets	\$ 79,409	\$ 73,725	\$ 9	\$ 8	\$ 79,418	\$ 73,733
Capital assets (net)	<u>102,921</u>	<u>91,176</u>	<u>5,479</u>	<u>4,610</u>	<u>108,400</u>	<u>95,786</u>
Total assets	<u>182,330</u>	<u>164,901</u>	<u>5,488</u>	<u>4,618</u>	<u>187,818</u>	<u>169,519</u>
Long-term debt outstanding	83,880	70,913	294	299	84,184	71,212
Other liabilities	<u>4,923</u>	<u>4,295</u>	<u>554</u>	<u>467</u>	<u>5,467</u>	<u>4,762</u>
Total liabilities	<u>88,803</u>	<u>75,208</u>	<u>848</u>	<u>766</u>	<u>89,651</u>	<u>75,974</u>

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	Restated				Restated	
	2012	2011	2012	2011	2012	2011
Net assets:						
Invested in capital assets, net of debt	54,740	35,612	5,184	4,310	59,924	39,922
Restricted	52,160	59,525	-	-	52,160	59,525
Unrestricted (deficit)	<u>(13,373)</u>	<u>(5,444)</u>	<u>(544)</u>	<u>(458)</u>	<u>(13,917)</u>	<u>(5,902)</u>
Total net assets	<u>\$ 93,527</u>	<u>\$ 89,693</u>	<u>\$ 4,640</u>	<u>\$ 3,852</u>	<u>\$ 98,167</u>	<u>\$ 93,545</u>

Changes in net assets. The County's total revenues increased by 7.5 percent to \$65 million. (See Table A-2.) Approximately 46 percent of the County's revenue comes from property taxes and 15 percent comes from capital projects sales and accommodations tax. Approximately 15 percent comes from fees charged for services, and 7 percent is from state and federal aid.

The total cost of all programs, services and capital improvements decreased approximately \$1.5 million or .3 percent. The County's expenses cover a range of services, with about 31 percent related to public safety and 16 percent related to public works.

GOVERNMENTAL ACTIVITIES

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	Restated				Restated	
	2012	2011	2012	2011	2012	2011
Revenue:						
Program revenues:						
Charges for services	\$ 9,710	\$ 9,963	\$ 124	\$ 97	\$ 9,834	\$ 10,060
Operating grants	2,725	1,835	-	-	2,725	1,835
Capital grants and contributions	2,597	1,675	1,083	-	3,680	1,675
General revenues:						
Property taxes	30,519	30,036	-	-	30,519	30,036
Other taxes	9,738	9,473	-	-	9,738	9,473
Intergovernmental	4,580	5,260	-	-	4,580	5,260
Other	<u>4,424</u>	<u>2,563</u>	<u>-</u>	<u>-</u>	<u>4,424</u>	<u>2,563</u>
Total revenues	<u>64,293</u>	<u>60,805</u>	<u>1,207</u>	<u>97</u>	<u>65,500</u>	<u>60,902</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>	
	<u>2012</u>	<u>Restated 2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>Restated 2011</u>
Expenses:						
General government	14,654	13,903	-	-	14,654	13,903
Judicial	3,953	3,911	-	-	3,953	3,911
Public works	9,917	8,415	-	-	9,917	8,415
Public safety	18,877	19,204	-	-	18,877	19,204
Social and health	1,564	1,527	-	-	1,564	1,527
Sanitation	5,119	5,105	-	-	5,119	5,105
Culture and recreation	4,452	6,399	-	-	4,452	6,399
Interest and fiscal charges	1,923	2,218	-	-	1,923	2,218
Water and Sewer	-	-	419	353	419	353
	<u>60,459</u>	<u>60,682</u>	<u>419</u>	<u>353</u>	<u>60,878</u>	<u>61,035</u>
Total expenses						
Increase (decrease) in net assets before transfers	3,834	123	788	(256)	4,622	(133)
Transfers	-	(266)	-	266	-	-
Net assets July 1	<u>89,693</u>	<u>89,836</u>	<u>3,852</u>	<u>3,842</u>	<u>93,545</u>	<u>93,678</u>
Net assets June 30	<u>\$ 93,527</u>	<u>\$ 89,693</u>	<u>\$ 4,640</u>	<u>\$ 3,852</u>	<u>\$ 98,167</u>	<u>\$ 93,545</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 \$72.8 million, an increase of \$4.9 million in comparison with the prior year. Of the total ending fund balances, there is a deficit of \$4.3 million constituting *Unassigned fund balance*, which is available for spending at the government's discretion. *Restricted Fund Balance* is \$75.7 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 million to fund capital assets for the County; *Assigned Fund Balance* is \$28,148 for prior year encumbrances; and *Nonspendable Fund Balance* is \$214,965 which represents note receivables, inventories, 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 \$1.4 million. 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 4 percent of total general fund expenditures.

The fund balance of the County's general fund increased by \$345 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. The unassigned general fund balance increased \$472 thousand, primarily due to this transfer.

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 \$43 thousand.

The County's three capital projects sales tax funds had a total combined fund balance of \$65 million. Approximately \$11 million of this amount is reserved for the payment of debt service. The remaining \$54 million is reserved to improve, repair and construct infrastructure in the County. The net combined increase in fund balances during the current year was \$9 million.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were approximately \$2.3 million increase in appropriations.

Actual general fund expenditures were \$828 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 \$902,607 more than budgeted amounts as follows:

- Other revenues were \$109 thousand less than budgeted.
- Property taxes were \$649 thousand more than budgeted.
- Intergovernmental income was \$943 thousand more than budgeted.
- Charges for services were \$10 thousand more than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2012, the County had invested \$108 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 \$12 million, or 13.2 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>	
	2012	2011	2012	2011	2012	2011
Land	\$ 7,170	\$ 7,019	\$ -	\$ -	\$ 7,170	\$ 7,019
Construction in process	11,547	10,350	-	-	11,547	10,350
Buildings and improvements	66,719	65,420	-	-	66,719	65,420
Furniture, fixtures, and equipment	45,776	43,530	-	-	45,776	43,530
Infrastructure	51,318	42,976	6,845	5,762	58,163	48,738
Accumulated depreciation	<u>(79,609)</u>	<u>(78,119)</u>	<u>(1,366)</u>	<u>(1,152)</u>	<u>(80,975)</u>	<u>(79,271)</u>
	<u>\$ 102,921</u>	<u>\$ 91,176</u>	<u>\$ 5,479</u>	<u>\$ 4,610</u>	<u>\$ 108,400</u>	<u>\$ 95,786</u>

This year's major capital asset additions included:

- \$1.3 million in additions of buildings and improvements.
- \$9.4 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 \$66 million in bonds, notes, and capital lease obligations outstanding – an increase of 15% 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 \$19.9 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>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
General obligation bonds	\$ 12,445	\$ 14,005	\$ -	\$ -	\$ 12,445	\$ 14,005
Revenue bonds	44,099	35,978	294	299	44,393	36,277
Notes payable	2,575	2,609	-	-	2,575	2,609
Capital lease obligations	<u>6,726</u>	<u>4,687</u>	<u>-</u>	<u>-</u>	<u>6,726</u>	<u>4,687</u>
	<u>\$ 65,845</u>	<u>\$ 57,279</u>	<u>\$ 294</u>	<u>\$ 299</u>	<u>\$ 66,139</u>	<u>\$ 57,578</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Unemployment now stands at 14.5 percent, compared to 14.9 percent a year ago. This compares unfavorably with the state's rate of 8.4 percent and the national rate of 7.6 percent.
- Inflationary trends in the region compare favorably to national indices.

These indicators were taken into account when adopting the general fund budget for 2013. Amounts available for appropriation in the general fund budget are at nearly \$32.7 million, an increase of about 4.28 percent over the final 2012 budget of \$31.3 million.

Budgeted expenditures are expected to increase approximately 2.97 percent to \$33.7 million over the actual 2012 expenditures and other uses of \$32.7 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 2013.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2012

Exhibit A-1

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 21,795,080	\$ -	\$ 21,795,080	\$ 64,842
Cash and cash equivalents with fiscal agent	17,607,154	-	17,607,154	98,750
Investment with fiscal agent	27,447,344	-	27,447,344	2,165
Receivables, net of allowance for uncollectibles:				
Taxes	2,576,973	-	2,576,973	191,133
Other	2,067,548	9,173	2,076,721	64,828
Internal balances	553,203	(553,203)	-	-
Due from primary government	-	-	-	258,832
Due from other governments	6,240,562	-	6,240,562	260,412
Due from component units	1,023,788	-	1,023,788	-
Other assets	82,019	-	82,019	-
Due from fiduciary funds	-	-	-	-
Inventories	15,309	-	15,309	-
Capital assets:				
Land - nondepreciable	7,170,737	-	7,170,737	-
Construction in progress - nondepreciable	11,547,004	-	11,547,004	-
Infrastructure	51,317,847	6,844,766	58,162,613	-
Buildings and improvements	66,718,668	-	66,718,668	-
Furniture and equipment	45,776,340	-	45,776,340	-
Accumulated depreciation	(79,609,299)	(1,365,805)	(80,975,104)	-
Total assets	182,330,277	4,934,931	187,265,208	940,962
LIABILITIES				
Accounts payable	2,909,598	-	2,909,598	70,657
Accrued salaries and benefits	1,141,800	-	1,141,800	189,460
Due to other governments	202	-	202	-
Due to primary government	-	-	-	1,023,788
Due to component units	258,832	-	258,832	-
Due to fiduciary fund	-	-	-	3,185
Accrued interest payable	564,105	552	564,657	-
Revenue received in advance	49,160	-	49,160	-
Noncurrent liabilities:				
Due within one year	15,408,864	294,267	15,703,131	151,948
Due in more than one year	51,856,325	-	51,856,325	209,151
Net OPEB obligation	16,614,740	-	16,614,740	3,345,643
Total liabilities	88,803,626	294,819	89,098,445	4,993,832
NET ASSETS				
Invested in capital assets net of related debt	54,739,557	5,184,142	59,923,699	-
Restricted for:				
Debt service	12,409,128	-	12,409,128	-
Capital outlay	39,751,101	-	39,751,101	-
Unrestricted	(13,373,135)	(544,030)	(13,917,165)	(4,052,870)
Total net assets	\$ 93,526,651	\$ 4,640,112	\$ 98,166,763	\$ (4,052,870)

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, 2012

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Component Units
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Business-type Activities	
PRIMARY GOVERNMENT						
Governmental activities						
General government	\$ 14,653,542	\$ 957,743	\$ 280,862	\$ (13,414,937)	\$ -	\$ (13,414,937)
Judicial	3,952,938	1,653,157	615,868	(1,683,913)	-	(1,683,913)
Public works	9,916,683	2,989,909	-	(4,400,986)	-	(4,400,986)
Public safety	18,877,044	2,563,944	1,645,091	(14,599,999)	-	(14,599,999)
Social and health	1,564,171	-	68,010	(1,520,659)	-	(1,520,659)
Sanitation	5,119,396	1,545,025	43,512	(3,497,454)	-	(3,497,454)
Culture and recreation	4,451,684	-	76,917	(4,426,143)	-	(4,426,143)
Interest and fiscal charges	1,923,866	-	22,813	(1,883,889)	-	(1,883,889)
Total governmental activities	60,459,324	9,709,778	2,725,040	(45,427,980)	-	(45,427,980)
Business-type activities						
Water and sewer	418,105	123,705	-	-	788,459	788,459
Total Primary Government	\$ 60,877,429	\$ 9,833,483	\$ 2,725,040	\$ (45,427,980)	\$ 788,459	\$ (44,639,521)
Component units						
Orangeburg County Fire District	\$ 2,466,892	\$ -	\$ -	-	-	\$ (2,466,892)
Orangeburg County Public Library	1,442,417	51,682	93,888	-	-	(1,296,847)
Orangeburg-Calhoun Regional Detention Center	6,644,160	103,075	-	-	-	(6,541,085)
Total Component units	\$ 10,553,469	\$ 154,757	\$ 93,888	\$ -	\$ -	\$ (10,304,824)
GENERAL REVENUES:						
Property taxes levied for:						
General purposes				23,089,822	-	23,089,822
Debt services				5,083,795	-	5,083,795
Special revenue and capital projects				2,345,607	-	2,345,607
Sales tax				9,530,732	-	9,530,732
Payment from Primary Government				-	-	-
Payment from Other Government				-	-	-
Accommodations tax				206,834	-	206,834
Interest and investment income				1,191,220	-	1,191,220
Intergovernmental not restricted to special programs				4,579,919	-	4,579,919
Gain (loss) on sale of capital assets				2,596,555	-	2,596,555
Miscellaneous				637,289	-	637,289
Total general revenues and transfers				49,261,773	-	49,261,773
Change in net assets				3,833,793	788,459	4,622,252
Net assets beginning of year, previously reported				89,727,130	3,851,653	93,578,783
Prior period adjustment				(34,272)	-	(34,272)
Net assets beginning of year, as restated				89,692,858	3,851,653	93,544,511
Net assets end of year				\$ 93,526,651	\$ 4,640,112	\$ 98,166,763

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

COUNTY OF ORANGEBURG, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

Exhibit A-3

	General	Capital Projects Sales Tax II	Capital Projects Sales Tax III	Capital Projects Broadband Program	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 21,784,378	-	-	-	10,702	\$ 21,795,080
Cash and cash equivalents with fiscal agent	-	5,715,920	11,891,234	-	-	17,607,154
Investment with fiscal agent	-	27,447,344	-	-	-	27,447,344
Receivables, net of allowance for uncollectibles:						
Taxes	1,892,362	-	-	-	-	-
Intergovernmental	836,603	2,740,658	-	-	684,611	2,576,973
Other	1,126,595	-	-	-	2,663,301	6,240,562
Due from other funds	6,149,062	6,683,763	5,093,156	2,524,154	940,953	2,067,548
Due from component units	1,023,788	-	-	-	17,439,677	37,889,812
Prepaid expenditures	-	-	-	-	-	1,023,788
Inventories	15,309	-	-	-	20,000	20,000
Other assets	-	-	-	-	-	15,309
	-	-	-	-	62,019	62,019
Total assets	\$ 32,828,097	\$ 42,587,685	\$ 16,984,390	\$ 2,524,154	\$ 21,821,263	\$ 116,745,589

	General	Capital Projects Sales Tax II	Capital Projects Sales Tax III	Capital Projects Broadband Program	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 381,801	118,394	402,453	1,339,939	667,011	\$ 2,909,598
Accrued salaries and benefits	959,204	14,124	-	-	168,472	1,141,800
Due to other governments	-	-	-	-	202	202
Due to other funds	27,078,249	-	-	4,662,501	5,595,859	37,336,609
Due to component units	258,832	-	-	-	-	258,832
Deferred revenues:						
Property taxes	1,629,289	-	-	-	608,258	2,237,547
Other	-	-	-	-	49,160	49,160
Total liabilities	30,307,375	132,518	402,453	6,002,440	7,088,962	43,933,748
FUND BALANCES						
Nonspendable	15,309	-	-	-	199,656	214,965
Restricted	-	42,455,167	16,581,937	-	16,710,951	75,748,055
Committed	1,082,301	-	-	-	-	1,082,301
Assigned	18,050	-	-	-	-	18,050
Unassigned	1,405,062	-	-	(3,478,286)	(2,188,404)	(4,261,628)
Total fund balances	2,520,722	42,455,167	16,581,937	(3,478,286)	14,732,301	72,811,841
Total liabilities and fund balances	\$ 32,828,097	\$ 42,587,685	\$ 16,984,390	\$ 2,524,154	\$ 21,821,263	\$ 116,745,589

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, 2012

Exhibit A-4

Total fund balances - Governmental funds \$ 72,811,841

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	7,170,737
Construction in progress	11,547,004
Infrastructure	51,317,847
Buildings and improvements	66,718,668
Furniture, fixtures, and equipment	45,776,340
Accumulated depreciation	<u>(79,609,299)</u>

Total capital assets	<u>102,921,297</u>
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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>2,237,547</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	(12,445,000)
Capital leases payable	(6,726,074)
Revenue bonds	(43,245,000)
Notes payable	(2,575,240)
Accrued interest	(564,105)
Landfill closure and post closure costs	(247,326)
Premium on revenue bonds	(853,907)
Compensated absences	(1,172,642)
Net OPEB liability	<u>(16,614,740)</u>

Total long-term liabilities	<u>(84,444,034)</u>
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Net assets of governmental activities	<u><u>\$ 93,526,651</u></u>
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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, 2012

	General	Capital Projects Sales Tax II	Capital Projects Sales Tax III	Broadband Program	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 22,953,131	\$ -	\$ -	\$ -	\$ 7,428,788	\$ 30,381,919
Sales tax		9,530,732				9,530,732
Intergovernmental	4,579,919			236,647	5,291,753	10,108,319
Licenses and permits	587,491					587,491
Charges for services	2,106,618				4,831,819	6,938,437
Fines, fees, and forfeitures	1,600,875				582,975	2,183,850
Investment income	9,436	1,169,781	757		11,246	1,191,220
Other	409,422				226,332	635,754
Total revenues	32,246,892	10,700,513	757	236,647	18,372,913	61,557,722
EXPENDITURES						
Current:						
General government	11,033,356	1,022,012	407,230		541,090	13,003,688
Judicial	3,427,043				154,879	3,581,922
Public works	991,205	5,328,742	402,453	3,230,349	9,338,175	19,290,924
Public safety	15,638,301	10,181			2,709,942	18,358,424
Social and health	1,260,445				148,620	1,409,065
Sanitation					4,882,523	4,882,523
Culture and recreation	148,628	1,047,715			2,329,532	3,525,875
Debt services:						
Principal retirement	245,000	9,000,000			1,362,691	10,607,691
Interest and fiscal charges	16,770	1,624,750	109,137		545,918	2,296,575
Total expenditures	32,760,748	18,033,400	918,820	3,230,349	22,013,370	76,956,687
Excess (deficiency) of revenues over (under) expenditures	(513,856)	(7,332,887)	(918,063)	(2,993,702)	(3,640,457)	(15,398,965)
OTHER FINANCING SOURCES (USES):						
Proceeds from sale of capital assets	12,571				2,798,034	2,810,605
Proceeds from issuance of revenue bond			17,500,000			17,500,000
Transfers in	961,616				170,250	1,131,866
Transfers out	(114,371)				(1,017,495)	(1,131,866)
Total other financing sources (uses)	859,816		17,500,000		1,950,789	20,310,605
Net change in fund balances	345,960	(7,332,887)	16,581,937	(2,993,702)	(1,689,668)	4,911,640
Fund balances, beginning of year	2,174,762	49,788,054		(484,584)	16,421,969	67,900,201
Fund balances, end of year	\$ 2,520,722	\$ 42,455,167	\$ 16,581,937	\$ (3,478,286)	\$ 14,732,301	\$ 72,811,841

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, 2012

Net change in fund balances - Total government funds \$ 4,911,640

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	12,478,753
Capital disposals, net of accumulated depreciation	(212,515)
Depreciation expense	(5,837,799)
Excess of capital outlay over depreciation expense	6,428,439

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 increased by this amount this year.

137,304

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	(6,940,000)
Note payable retirement	34,074
Capital lease payments	3,276,695
Total long-term debt repayment	(3,629,231)

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	32,963
Change in postclosure care costs	5,669
Amortization on bond premium	379,514
Change in OPEB obligation	(4,439,317)
	(4,021,171)

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

6,812

Change in net assets of governmental activities

\$ 3,833,793

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, 2012

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	\$ 22,303,920	\$ 22,303,920	\$ 22,953,131	\$ -	\$ 22,953,131	\$ 649,211
Intergovernmental revenue	3,634,467	3,636,495	4,579,919	-	4,579,919	943,424
Licenses and permits	592,152	592,152	587,491	-	587,491	(4,661)
Charges for services	2,097,000	2,097,000	2,106,618	-	2,106,618	9,618
Fines, fees and forfeitures	2,146,076	2,146,076	1,600,875	-	1,600,875	(545,201)
Investment income	50,473	50,473	9,436	-	9,436	(41,037)
Other	518,169	518,169	409,422	-	409,422	(108,747)
Total revenues	<u>31,342,257</u>	<u>31,344,285</u>	<u>32,246,892</u>	<u>-</u>	<u>32,246,892</u>	<u>902,607</u>
EXPENDITURES						
Current:						
General government	10,891,584	13,254,498	11,033,356	1,445	11,034,801	2,219,697
Judicial	3,445,192	3,448,483	3,427,043	(1,402)	3,425,641	22,842
Public works	1,163,539	1,164,028	991,205	7,986	999,191	164,837
Public safety	14,215,733	14,205,375	15,638,301	(39,231)	15,599,070	(1,393,695)
Social and health	1,331,326	1,330,402	1,260,445	3,317	1,263,762	66,640
Culture and recreation	159,232	158,432	148,628	-	148,628	9,804
Debt service:						
Principal retirement	-	-	245,000	-	245,000	(245,000)
Interest and fiscal charges	-	-	16,770	-	16,770	(16,770)
Total expenditures	<u>31,206,606</u>	<u>33,561,218</u>	<u>32,760,748</u>	<u>(27,885)</u>	<u>32,732,863</u>	<u>828,355</u>
Excess (deficiency) of revenues over (under) expenditures	<u>135,651</u>	<u>(2,216,933)</u>	<u>(513,856)</u>	<u>27,885</u>	<u>(485,971)</u>	<u>1,730,962</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets	-	-	12,571	-	12,571	12,571
Transfers in	-	2,453,657	961,616	-	961,616	(1,492,041)
Transfers out	(135,651)	(236,724)	(114,371)	-	(114,371)	122,353
Total other financing sources (uses)	<u>(135,651)</u>	<u>2,216,933</u>	<u>859,816</u>	<u>-</u>	<u>859,816</u>	<u>(1,357,117)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>345,960</u>	<u>27,885</u>	<u>373,845</u>	<u>\$ 373,845</u>
Fund balances, beginning of year			<u>2,174,762</u>	<u>(45,935)</u>	<u>2,128,827</u>	
Fund balances, end of year			<u>\$ 2,520,722</u>	<u>\$ (18,050)</u>	<u>\$ 2,502,672</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				\$ 45,935		
Current year encumbrances				<u>(18,050)</u>		
Net decrease in fund balance - GAAP to budget				<u>\$ 27,885</u>		

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2012

Exhibit A-8

	<u>Business-Type Activities/ Enterprise Fund</u>
ASSETS	
Current Assets:	
Accounts receivable	\$ 9,173
Total Current Assets	<u>9,173</u>
Noncurrent Assets:	
Capital assets:	
Infrastructure	6,844,766
Accumulated depreciation	<u>(1,365,805)</u>
Total Noncurrent Assets	<u>5,478,961</u>
Total Assets	<u>5,488,134</u>
LIABILITIES	
Current Liabilities:	
Due to general fund	553,203
Accrued interest payable	552
Revenue bond payable - Note 10	<u>294,267</u>
Total Current Liabilities	<u>848,022</u>
Total Liabilities	<u>848,022</u>
Net Assets	
Invested in capital assets, net of related debt	5,184,142
Unrestricted	<u>(544,030)</u>
Total Net Assets	<u>\$ 4,640,112</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, 2012

Exhibit A-9

	<u>Business-Type Activities/ Enterprise Fund</u>
Operating Revenues:	
Charges for services	\$ 123,705
Total Operating Revenues	<u>123,705</u>
Operating Expenses:	
Operating and maintenance	191,336
Depreciation expense	<u>213,422</u>
Total Operating Expenses	<u>404,758</u>
Operating Income (Loss)	<u>(281,053)</u>
Nonoperating Revenues (Expenses):	
Interest expense	<u>(13,347)</u>
Total Nonoperating Revenues (Expenses)	<u>(13,347)</u>
Income (Loss) before Capital Contributions	(294,400)
Capital contributions	<u>1,082,859</u>
Change in Net Assets	788,459
Net Assets - Beginning of Year	<u>3,851,653</u>
Net Assets - End of Year	<u><u>\$ 4,640,112</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, 2012

Exhibit A-10

	<u>Business-Type Activities/ Enterprise Fund</u>
Cash Flows From Operating Activities:	
Cash received from customers	\$ 122,516
Cash paid to suppliers for goods and services	(218,516)
Net Cash Provided by (Used For) Operating Activities	<u>(96,000)</u>
Cash Flows from Noncapital Financing Activities:	
Transfers (to) from other funds	113,951
Cash Flows From Capital and Related Financing Activities:	
Principal paid on bonds	(4,596)
Interest paid on bonds	(13,355)
Net Cash Used in Capital and Related Financing Activities	<u>(17,951)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-
Cash and Cash Equivalents at Beginning of Year	-
Cash and Cash Equivalents at End of Year	<u>\$ -</u>
Reconciliation of Net Operating Income (Loss)	
Net Cash Provided by Operating Activities	
Operating income (loss)	\$ (281,053)
Adjustments to reconcile operating income by operating activities:	
Depreciation expense	213,422
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(1,189)
Increase (decrease) in accounts payable	(27,180)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (96,000)</u>

Noncash capital and related financing activities:

During the fiscal year, the Enterprise Fund received \$1,082,859 noncash capital contributions from the Governmental Activities consisting of water and sewer infrastructure.

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

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012

Exhibit A-11

ASSETS

Cash and cash equivalents	\$ 12,846,269
Property taxes receivable	5,372,990
Total assets	<u>18,219,259</u>

LIABILITIES

Due to taxing units	15,697,258
Due to others	2,522,001
Total liabilities	<u>18,219,259</u>

NET ASSETS

\$ -

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 funds II and III* account 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, 2012 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, property tax 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 assigned 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, 2012 were as follows:

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Property taxes receivable	\$ 2,102,624	\$ 760,679	\$ 2,863,303
Less: Allowance	<u>(210,262)</u>	<u>(76,068)</u>	<u>(286,330)</u>
Net	<u>\$ 1,892,362</u>	<u>\$ 684,611</u>	<u>\$ 2,576,973</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.

I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Capital assets (Continued)

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

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

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

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

L. Fund Balances/Net Assets

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, 2012, the Capital Project Broadband Program, which is a major fund, had a deficit fund balance of \$3,478,286. As of June 30, 2012, Roads and Bridges Maintenance, New Brooklyn Lighting Tax District, Victims' Assistance, Brookdale Lighting Tax District, Special Education, and grant subfunds non-major special revenue funds had deficit fund balances of \$16,945, \$37,958, \$220,120, \$26,980, \$1,184,346, and \$70,920, respectively. As of June 30, 2012, Jafza Building and Orangeburg Water Expansion Non-major Capital Projects funds had deficit fund balances of \$162,707 and \$350,791 respectively.

Excess of expenditures over appropriations – For the year ended June 30, 2012, expenditures in the following general fund divisions exceeded appropriations:

General Government	
County attorney	\$ 83,471
Orangeburg County Development Commission	10,854
Judicial	
Clerk of Court	3,893
Master-in-Equity	4,867
Probate court	10,479
Public Safety	
Sheriff	401,098
E-911 Communication Center	18,087
Emergency Medical Service	183,269
Social and health	
Allocations to social agencies	22,753
Capital assets purchased through	
Library	2,563
Law Enforcement Center	37,516
Fire District	791,917
Debt Service	
Principal retirement	245,000
Interest and fiscal charges	16,770

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, 2012, the carrying amount of the County’s deposits was \$52,245,654 and the bank balance was \$52,072,190. 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, 2012, the County’s bank deposits were either fully insured or collateralized.

As of June 30, 2012, 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	\$ 13,191,906	\$ 13,191,906	\$ -	\$ -
Guaranteed investment contracts	<u>14,255,438</u>	<u>-</u>	<u>14,255,438</u>	<u>-</u>
	<u>\$ 27,447,344</u>	<u>\$ 13,191,906</u>	<u>\$ 14,255,438</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, 2012, the County held \$14,255,438 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 \$14,255,438 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	\$ 52,245,654
Cash on hand	2,849
Fair value of investments	<u>27,447,344</u>
	<u>\$ 79,695,847</u>

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 1 – DEPOSITS AND INVESTMENTS (Continued)

Primary Government:	
Cash and cash equivalents – Exhibit A-1	\$ 21,795,080
Cash and cash equivalents with fiscal agent – Exhibit A-1	17,607,154
Investments with fiscal agent – Exhibit A-1	27,447,344
Cash and cash equivalents – Exhibit A-11	<u>12,846,269</u>
	<u>\$ 79,695,847</u>

NOTE 2 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Reductions/ Transfers</u>	<u>Balance</u> <u>June 30, 2012</u>
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 7,018,995	\$ 151,742	\$ -	\$ 7,170,737
Construction in progress	<u>10,350,378</u>	<u>5,013,694</u>	<u>(3,817,068)</u>	<u>11,547,004</u>
Total capital assets not being depreciated	<u>\$ 17,369,373</u>	<u>\$ 5,165,436</u>	<u>\$ (3,817,068)</u>	<u>\$ 18,717,741</u>
Capital assets being depreciated				
Infrastructure	\$ 42,976,290	\$ 6,183,676	\$ 2,157,881	\$ 51,317,847
Building and improvements	65,420,057	508,198	790,413	66,718,668
Furniture and equipment	<u>43,530,296</u>	<u>6,806,231</u>	<u>(4,560,187)</u>	<u>45,776,340</u>
Total capital assets being depreciated	<u>151,926,643</u>	<u>13,498,105</u>	<u>(1,611,893)</u>	<u>163,812,855</u>
Less accumulated depreciation for:				
Infrastructure	(8,736,171)	(1,639,424)	-	(10,375,595)
Building and improvements	(31,024,532)	(1,846,540)	-	(32,871,072)
Furniture and equipment	<u>(38,358,468)</u>	<u>(2,351,835)</u>	<u>4,347,671</u>	<u>(36,362,632)</u>
Total accumulated depreciation	<u>(78,119,171)</u>	<u>(5,837,799)</u>	<u>4,347,671</u>	<u>(79,609,299)</u>
Total capital assets being depreciated, net	<u>73,807,472</u>	<u>7,660,306</u>	<u>2,735,778</u>	<u>84,203,556</u>
Governmental activities capital assets net	<u>\$ 91,176,845</u>	<u>\$ 12,825,742</u>	<u>\$ (1,081,290)</u>	<u>\$ 102,921,297</u>

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 2 – CAPITAL ASSETS (Continued)

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Reductions/ Transfers</u>	<u>Balance June 30, 2012</u>
<u>Business-type Activities:</u>				
Capital assets not being depreciated				
Infrastructure	\$ 5,761,909	\$ 214,083	\$ 868,774	\$ 6,844,766
Less accumulated depreciation for:				
Infrastructure	<u>(1,152,383)</u>	<u>(213,422)</u>	-	<u>(1,365,805)</u>
Total capital assets being depreciated/Business-type activities capital assets net	<u>\$ 4,609,526</u>	<u>\$ 661</u>	<u>\$ 868,774</u>	<u>\$ 5,478,961</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 893,864
Judicial	21,600
Public works	1,177,679
Public safety	3,400,421
Social and health	30,162
Sanitation	199,555
Culture and recreation	<u>114,518</u>
Total	<u>\$ 5,837,799</u>

Depreciation of \$213,422 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 Commission</u>	<u>Public Library</u>	<u>Regional Detention Center</u>	<u>Total Component Units</u>
Total Fund Balances – Component Units	\$ 263,630	\$ (47,780)	\$ (724,610)	\$ (508,760)
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	162,632	-	-	162,632

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>(202,191)</u>	<u>(716,203)</u>	<u>(2,788,348)</u>	<u>(3,706,742)</u>
Net assets of component units' activities	<u>\$ 224,071</u>	<u>\$ (763,983)</u>	<u>\$ (3,512,958)</u>	<u>\$ (4,052,870)</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	\$ (92,554)	\$ (164,040)	\$ (808,429)	\$ (1,065,023)
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.	5,058	-	-	5,058
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>(52,511)</u>	<u>(184,142)</u>	<u>(799,261)</u>	<u>(1,035,914)</u>
Changes in net assets of component units' activities	<u>\$ (140,007)</u>	<u>\$ (348,182)</u>	<u>\$ (1,607,690)</u>	<u>\$ (2,095,879)</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 2012:

The Orangeburg County Fire District reimbursed \$261,770 to the County for payment of principal and interest on a general obligation bond held by the County for Fire District related assets and \$791,917 for capital asset acquisitions maintained by the County on its capital asset listing.

The Orangeburg-Calhoun Regional Detention Center reimbursed \$37,516 to the County for capital asset acquisitions maintained by the County on its capital asset listing.

The Orangeburg County Public Library reimbursed \$2,563 to the County for capital asset acquisitions maintained by the County on its capital asset listing.

During the year ended June 30, 2012, the LEC's original budgeted appropriation was \$4,237,786 from Orangeburg County. No additional amount was appropriated to cover excess expenditures over budgeted in 2012. The LEC owes Orangeburg County \$845,173 at June 30, 2012.

Additionally, it receives approximately 14 percent of its general fund revenue from Calhoun County. During the year ended June 30, 2012, the appropriation was \$695,609. No additional amount was appropriated to cover excess expenditures over budget in 2012. The amount receivable from Calhoun County is \$259,421 at June 30, 2012 which includes \$100,000 of prior years additional appropriation. The LEC wrote-off \$219,618 of prior year additional appropriations which will not be paid by Calhoun County.

Subsequent to year-end, Orangeburg County Council and Calhoun County Council approved to abolish the Orangeburg-Calhoun Regional Law Enforcement Commission and to devolve all powers to Orangeburg County. The agreement became effective December 4, 2012. Orangeburg will solely operate and fund the Detention Center. Calhoun County retains liability for 14.1% of potential liabilities arising from any lawsuit on file at that time and pending against the LEC and any known or unknown liability arising from an incident that may have occurred during the time the Commission was the governing body of the facility.

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 4 – INTERFUND BALANCES AND TRANSFERS

The balances of interfund receivables and payables at June 30, 2012 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental	\$ 5,595,859
General Fund	Enterprise Fund	553,203
Nonmajor Governmental	General Fund	17,439,677
Capital Project Sales Tax II	General Fund	6,683,763
Capital Project Broadband Program	General Fund	2,524,154
Capital Project Sales tax III	Capital Project Broadband Program	4,662,501
Capital Project Sales tax III	General Fund	<u>430,655</u>
		<u>\$ 37,889,812</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.

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, 2012 consisted of the following individual amounts:

<u>Transfer In Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 961,616
Nonmajor Governmental Fund	General Fund	114,371
Nonmajor Governmental Fund	Nonmajor Governmental Fund	<u>55,879</u>
		<u>\$ 1,131,866</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, 2012:

Furniture, fixtures and equipment	\$ 7,588,003
Less: accumulated depreciation	<u>(2,444,631)</u>
Carrying value	<u>\$ 5,143,372</u>

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 5 – LEASES (Continued)

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2012 were as follows:

2013	\$ 1,076,599
2014	1,149,015
2015	1,149,015
2016	1,149,015
2017	2,903,374
Thereafter	<u>64,139</u>
Total minimum lease payments	7,491,157
Less, amount representing interest	<u>765,083</u>
Present value of minimum lease payments	<u>\$ 6,726,074</u>

Capital leases payable at June 30, 2012 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 changing to \$32,069.46, including principal and interest at 5.17%. This agreement matures in September 2017.	\$ 1,670,290
Lease purchase agreement with a commercial credit corporation entered into November 2011 for \$4,252,155, collateralized by heavy equipment. Quarterly payments of \$142,885, including principal and interest at 3.10%. The agreement matures in November 2016.	4,031,501
Lease purchase agreement with a commercial credit corporation entered into March 2012 for \$1,063,859, collateralized by heavy equipment. Quarterly payments of \$48,190, including principal and interest at 3.10%. The agreement matures in March 2017.	<u>1,024,283</u>
	<u>\$ 6,726,074</u>

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, 2012 are composed of the following individual issues:

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2012</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.	\$ 780,000	\$ -	\$ 245,000	\$ 535,000	\$ 260,000
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.	6,085,000	-	405,000	5,680,000	420,000
General obligation bonds of 2008 due in annual installments ranging from \$840,000 - \$1,145,000 through April 1, 2018; interest at 3.75% to 5.0% - original issue was \$9,715,000.	<u>7,140,000</u>	<u>-</u>	<u>910,000</u>	<u>6,230,000</u>	<u>945,000</u>
Total	<u>\$ 14,005,000</u>	<u>\$ -</u>	<u>\$ 1,560,000</u>	<u>\$ 12,445,000</u>	<u>\$ 1,625,000</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, 2012, 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>
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	335,262	1,855,262
2017	1,585,000	276,148	1,861,148
2018 - 2022	3,925,000	631,260	4,556,260
2023 - 2024	<u>635,000</u>	<u>31,750</u>	<u>666,750</u>
	<u>\$ 12,445,000</u>	<u>\$ 2,643,762</u>	<u>\$ 15,088,762</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, 2012 are composed of the following individual issues:

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2012</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.	\$ 298,863	\$ -	\$ 4,596	\$ 294,267	\$ 294,267
<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.	34,745,000	-	9,000,000	25,745,000	11,200,000

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 6 – LONG-TERM DEBT (Continued)

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Amount due</u> <u>in one year</u>
Capital Project Sale and the Use Tax Revenue Bond Anticipation Note – \$17,500,000 original issue interest at 1.57% due in semiannual installments beginning May 1, 2012. Principal due November 1, 2013.	-	17,500,000	-	17,500,000	-
Total	<u>\$ 35,043,863</u>	<u>\$ 17,500,000</u>	<u>\$ 9,004,596</u>	<u>\$ 43,539,267</u>	<u>\$ 11,494,267</u>

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

Annual requirements to amortize revenue bond and revenue bond anticipation note debt outstanding at June 30, 2012 are summarized as follows:

<u>Year ended</u> <u>June 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2013	\$ 11,200,000	\$ 1,422,000	\$ 294,267	\$ 240,471	\$ 13,156,738
2014	28,700,000	724,625	-	-	29,424,625
2015	<u>3,345,000</u>	<u>83,625</u>	-	-	<u>3,428,625</u>
	<u>\$ 43,245,000</u>	<u>\$ 2,230,250</u>	<u>\$ 294,267</u>	<u>\$ 240,471</u>	<u>\$ 46,009,988</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% and at January 1, 2012 was 1.97%. 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. No additional draws were made during the 2012 fiscal year.

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 6 – LONG-TERM DEBT (Continued)

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, Tri-County has not required issuance of a revenue bond.

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 County commenced making monthly principal payments of \$9,868.33 in November 2012. In February 2013, the County paid the entire balance due to Tri-County. Therefore, the entire balance is reflected as due within one year in these financial statements.

The building was completed in June 2011. Principal payments to Tri County will begin in November, 2012 at which time, Jafza will commence paying the County rent in an equivalent amount.

Notes payable at June 30, 2012 are composed of the following:

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Amount due</u> <u>in one year</u>
Loan from Lower Savannah Regional Development Corporation. The note terms originally were \$3,974.27 for 120 monthly principal and interest payments with balloon due October 2012. Refinanced with new monthly payment of \$4,234.23 including interest at 2.5% with final payment due October, 2022.	\$ 498,265	\$ -	\$ 34,074	\$ 464,191	\$ 39,099
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. and Rural Economic Development. See above for loan terms.	<u>947,360</u>	<u>-</u>	<u>-</u>	<u>947,360</u>	<u>947,360</u>
	<u>\$ 2,609,314</u>	<u>\$ -</u>	<u>\$ 34,074</u>	<u>\$ 2,575,240</u>	<u>\$ 986,459</u>

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 6 – LONG-TERM DEBT (Continued)

Annual requirements to amortize notes payable debt at June 30, 2012 are summarized as follows:

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2013	\$ 986,459	\$ 10,672	\$ 997,131
2014	40,647	10,163	50,810
2015	41,675	9,135	50,810
2016	42,729	8,081	50,810
2017	43,809	7,001	50,810
2018-2021	1,399,925	291,042	1,690,967
2022	<u>19,996</u>	<u>120</u>	<u>20,116</u>
	<u>\$ 2,575,240</u>	<u>\$ 336,214</u>	<u>\$ 2,911,454</u>

There are a number of limitations and restrictions contained in the various bond and certificate indentures, such as type of authorized investments, promise to levy tax sufficient to cover debt service, and establishment of sinking fund, if necessary. The County is 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 \$294,267. 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 \$2,989.96 and the total unrestricted net assets deficit of that account is \$544,030 at June 30, 2012. The County is reviewing the current rate schedule and operational expenditures to determine a course of action to implement. Due to the covenant not being met, the entire balance is reflected as current.

Changes in general long-term liabilities – The following is a summary of debt transactions of the County for the year ended June 30, 2012:

	<u>Restated Balance June 30, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2012</u>	<u>Amount due in one year</u>
<u>Governmental Activities:</u>					
General obligation					
bonds	\$ 14,005,000	\$ -	\$ 1,560,000	\$ 12,445,000	\$ 1,625,000
Revenue bond	34,745,000	-	9,000,000	25,745,000	11,200,000
Revenue bond anticipation note	-	17,500,000	-	17,500,000	-
Premium on revenue bonds	1,233,421	-	379,514	853,907	379,515
Notes payable /Line credit	2,609,314	-	34,074	2,575,240	986,459
Capital leases	4,686,755	5,316,014	3,276,695	6,726,074	845,092
Landfill closure and post-closure costs	252,995	4,032	9,701	247,326	15,163
Compensated absences	<u>1,205,605</u>	<u>715,270</u>	<u>748,233</u>	<u>1,172,642</u>	<u>357,635</u>
	<u>\$ 58,738,090</u>	<u>\$ 23,535,316</u>	<u>\$ 15,008,217</u>	<u>\$ 67,265,189</u>	<u>\$ 15,408,864</u>

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 6 – LONG-TERM DEBT (Continued)

	Restated Balance <u>June 30, 2011</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2012</u>	Amount due <u>in one year</u>
<u>Business-type Activities:</u>					
Revenue bond	\$ 298,863	\$ -	\$ 4,596	\$ 294,267	\$ 294,267

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

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

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

The County liability for closure and postclosure care costs is based on landfill capacity used to date. Since the landfill was closed as of July 1995, the County considers it to be at 100% capacity. The County paid to cover the landfill in fiscal 1996. Accordingly, long term liabilities reflect a \$209,022 liability for estimated postclosure care costs. This amount includes a reduction of \$9,701 during fiscal year 2012 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.

The County also operates a C & D Landfill which has an estimated remaining life expectancy of 47 years. The filled capacity at June 30, 2012 is estimated to be 11.4%. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The County estimates the total costs for closure and postclosure monitoring for the C & D Landfill to be \$336,000. At June 30, 2012 the costs to be recognized as a liability based on engineering estimates of filled capacity at the C & D Landfill is \$38,404 which is an increase of \$4,032 for the fiscal year. The prior period government wide net assets are restated to reflect the June 30, 2011 C & D Landfill postclosure liability of \$34,272.

III – DETAILED NOTES ON ALL FUNDS (Continued)

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	\$ 102,921,297
Less: Revenue bonds	(43,245,000)
Premium on revenue bonds	(853,907)
General obligation bonds	(12,445,000)
Note payable	(2,575,240)
Capital leases	(6,726,074)
Add: Unspent debt proceeds	<u>17,663,481</u>
	<u>54,739,557</u>

Restricted for capital activity and debt service:

Restricted cash and receivables	
Debt service	12,409,128
Capital proceeds	57,414,582
Less: Unspent debt proceeds	<u>(17,663,481)</u>
	<u>52,160,229</u>

Unrestricted (13,373,135)

Total net assets \$ 93,526,651

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, 2012, the aggregate principal payable on these bonds was approximately \$12,420,000.

III – DETAILED NOTES ON ALL FUNDS (Continued)

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 SCRS and PORS 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.

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, 2011, the employer contribution rate is 9.385% to SCRS and 11.363% 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, 2010, 2011, and 2012 were as follows:

	2010		2011		2012	
	SCRS	PORS	SCRS	PORS	SCRS	PORS
Employer contributions	\$ 1,382,324	\$ 729,544	\$ 1,353,304	\$ 791,350	\$ 1,152,182	\$ 804,825
Group Life contributions	\$ 22,440	\$ 27,401	\$ 21,969	\$ 28,440	\$ 18,415	\$ 28,331

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 11 – EMPLOYEE RETIREMENT PLANS (Continued)

The County's 2011 – 2012 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, 2012 separately issued report.

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.

III – DETAILED NOTES ON ALL FUNDS (Continued)

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

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 4.1 percent.

The County's annual OPEB cost and the net OPEB obligation is calculated using a 4.0% discount rate, which is based upon the anticipated long-term rate of return of the general funds of the employer used to pay the plan benefits and an annual healthcare cost trend rate of 10% 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	\$ 4,649,797	\$ 62,582	\$ 215,196	\$ 835,015
Interest on net OPEB obligation	499,890	3,632	18,546	55,378
Adjustment to annual required contribution	<u>(520,318)</u>	<u>(3,780)</u>	<u>(19,304)</u>	<u>(57,641)</u>
Annual OPEB cost (expense)	4,629,369	62,434	214,438	832,752
Estimated pay-as-you-go annual employer contributions	<u>(190,052)</u>	<u>-</u>	<u>(21,989)</u>	<u>(2,686)</u>
Increase (decrease) in net OPEB obligation	4,439,317	62,434	192,449	830,066
Net OPEB obligation, beginning of year	<u>12,175,423</u>	<u>116,751</u>	<u>478,207</u>	<u>1,665,736</u>
Net OPEB obligation, end of year	<u>\$ 16,614,740</u>	<u>\$ 179,185</u>	<u>\$ 670,656</u>	<u>\$ 2,495,802</u>

III – DETAILED NOTES ON ALL FUNDS (Continued)

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

Actuarial Methods and Assumptions

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

The Projected Unit Credit 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.

Trend Information:

The County's and its component units' annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended June 30, 2010, 2011 and 2012 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Primary Government			
June 30, 2010	\$ 4,088,709	3.3%	\$ 7,996,716
June 30, 2011	\$ 4,351,266	3.9%	\$ 12,175,423
June 30, 2012	\$ 4,629,369	4.1%	\$ 16,614,740
Discretely presented Component units:			
Fire Commission			
June 30, 2010	\$ 28,915	0%	\$ 58,106
June 30, 2011	\$ 58,645	0%	\$ 116,751
June 30, 2012	\$ 62,434	0%	\$ 179,185

III – DETAILED NOTES ON ALL FUNDS (Continued)

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Library			
June 30, 2010	\$ 156,146	8.1%	\$ 296,672
June 30, 2011	\$ 201,500	9.9%	\$ 478,207
June 30, 2012	\$ 214,438	10.3%	\$ 670,656
Detention Center			
June 30, 2010	\$ 445,305	1.0%	\$ 885,871
June 30, 2011	\$ 782,304	0.3%	\$1,665,736
June 30, 2012	\$ 832,752	0.3%	\$ 2,495,802

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>\$ 3,9021,138</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%

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.

III – DETAILED NOTES ON ALL FUNDS (Continued)

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, 2012, 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 four 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 four 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. Additionally, there is a civil action pending under the Fair Labor Standards Act. Management is seeking a court approved resolution. An evaluation of the likelihood of an unfavorable outcome and an estimate of the range of potential loss has not been provided at this time as the case is too early in discovery. If liability is found, the loss will be borne by Orangeburg County at 85.9% and Calhoun County at 14.1%.

NOTE 15 – PRIOR PERIOD ADJUSTMENTS

	<u>Net Assets</u>
	<u>Governmental</u>
	<u>Activities</u>
Net Assets as previously reported, June 30, 2011	\$ 89,727,130
C & D Landfill Postclosure liability	(34,272)
Net Assets, as restated, June 30, 2011	<u>\$ 89,692,858</u>

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 16 - CONSTRUCTION COMMITMENTS

The County was committed under construction contracts at June 30, 2012 as follows:

	Contracted Price	Costs Incurred through June 30, 2012	Balance to Complete
Edisto Sewer Phase II	\$ 1,726,316	\$ 1,584,535	\$ 141,781
Road Construction	<u>2,074,334</u>	<u>168,989</u>	<u>1,905,345</u>
	<u>\$ 3,800,650</u>	<u>\$ 1,753,524</u>	<u>\$ 2,047,126</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 2012, the County implemented or considered qualifications of the following GASB statements:

Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 5*. Some governments have entered into interest rate swap agreements and commodity swap agreements in which a swap counterparty, or the swap counterparty’s credit support provider, commits or experiences either an act of default or a termination event as both are described in the swap agreement. Many of those governments have replaced their swap counterparty, or swap counterparty’s credit support providers, either by amending existing swap agreements or by entering into new swap agreements. When these swap agreements have been reported as hedging instruments, questions have arisen regarding the application of the termination of hedge accounting provisions in Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Those provisions require a government to cease hedge accounting upon the termination of the hedging derivative instrument, resulting in the immediate recognition of the deferred outflows of resources or deferred inflows of resources as a component of investment income. They 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. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This statement will become effective for the County in fiscal year 2014. Management has not yet determined the impact of this statement on the financial statements.

Statement No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement will become effective for the County in fiscal year 2014. 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. This debt was issued in January 2013.

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. This debt was issued in December 2012.

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 19 - SUBSEQUENT EVENTS (Continued)

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. This debt was issued in October 2012.

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. In February 2013, the debt was issued as interim funding for this project.

In December 2011, the County approved creation of a lighting district for the Creekmoor Subdivision. Tax millage assessment to residents of Creekmoor to cover the costs of street lighting for the served area began July 1, 2012.

During the 2011 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 received a grant and is constructing the facility on this land. In November, 2012 Council approved resolution to accept the transit building built with federal transit administration funding through a grant to the Lower Savannah Council of Governments. At the building's completion, the property ownership and control reverts to the County.

In June 2012, the County approved a capital lease purchase of radio equipment with a total value of \$1,419,355 with 108 monthly lease payments of \$15,674.61. The lease commenced July 1, 2012.

In July 2012, the County approved a loan/grant agreement from USDA for a wastewater treatment project for Goodby's Creek with a total project cost of \$12,300,000. The County would receive grant funds of \$1,960,000 from USDA and incur a \$6,741,000 loan from USDA which would be repaid over 40 years at 2.7%. The balance of the project costs of \$3,599,000 would be the County's match to be paid from one percent sales tax funds. User rates would be established sufficient to cover the costs of operations and debt service. In October 2012, the County approved acquiring interim funding up to the \$6,741,000 for the project. This debt was issued as bond anticipation notes of \$2,672,646 in December 2012 and \$4,068,354 in February 2013.

In November 2012, Council approved ordinances to transfer two phases of wastewater lines to the Department of Public Utilities of the City of Orangeburg along with full management control at no cost exchanged between the two parties.

On December 5, 2012, Council authorized the issuance of up to \$3,000,000 in general obligation bonds for the purchase of ambulances, tow trucks, cars for the Sheriff's Department and inspection vehicles. This debt was issued in February 2013. In April, 2013, bids were accepted to purchase these vehicles.

III – DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 19 - SUBSEQUENT EVENTS (Continued)

In February 2013, the County agreed to a settlement regarding its lawsuit filed against two parties in which the County alleged conversion of Orangeburg County Sheriff's Office funds during a former Sheriff's tenure. Under the agreement, the County will receive a total of \$70,000 from the two parties as final settlement of all claims against the parties. The County also filed a claim under its fidelity bond for the misappropriated funds during the former Sheriff's tenure. In February 2013, the insurance company agreed to a payment of \$20,000 to the County under the bond.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

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ORANGEBURG COUNTY
 ORANGEBURG, SOUTH CAROLINA
 SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
 REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
 YEAR ENDED JUNE 30, 2012

	(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.

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**COMBINING AND INDIVIDUAL
FUND STATEMENTS
AND SCHEDULES**

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GENERAL FUND AND MAJOR CAPITAL PROJECTS 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 projects sales tax funds* account 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, the Capital Projects Sales Tax II Fund and the Capital Projects Sales Tax III 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, 2012

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	\$ 22,303,920	\$ 22,303,920	\$ 22,953,131	\$ -	\$ 22,953,131	\$ 649,211
Intergovernmental revenue - Note 4	3,634,467	3,636,495	4,579,919	-	4,579,919	943,424
Licenses and permits	592,152	592,152	587,491	-	587,491	(4,661)
Charges for services						
Emergency Medical Services	1,885,000	1,885,000	1,991,839	-	1,991,839	106,839
Other	212,000	212,000	114,779	-	114,779	(97,221)
Fines, fees and forfeitures	2,146,076	2,146,076	1,600,875	-	1,600,875	(545,201)
Investment income	50,473	50,473	9,436	-	9,436	(41,037)
Other	518,169	518,169	409,422	-	409,422	(108,747)
Total revenues	31,342,257	31,344,285	32,246,892	-	32,246,892	902,607
EXPENDITURES						
General government						
Executive	262,990	257,030	255,371	-	255,371	1,659
Administrator	795,828	790,974	738,558	(48)	738,510	52,464
County attorney	234,410	234,410	317,881	-	317,881	(83,471)
Personnel	295,993	295,968	270,540	(1,204)	269,336	26,632
Election Commission	298,646	298,080	283,271	-	283,271	14,809
Delinquent tax collector	259,281	257,501	241,128	107	241,235	16,266
Treasurer	340,605	335,726	322,523	(37)	322,486	13,240
Finance	410,682	408,855	298,979	-	298,979	109,876
Auditor	248,904	247,940	231,649	(137)	231,512	16,428
Tax assessor	651,996	693,151	558,322	4,366	562,688	130,463
Information technology	934,505	928,952	854,302	-	854,302	74,650
Planning and building inspections	693,320	694,405	556,911	(324)	556,587	137,818
Orangeburg County Development Commission	686,862	686,862	697,716	-	697,716	(10,854)
Purchasing	124,221	123,800	113,661	-	113,661	10,139
Register of deeds	270,777	232,817	193,956	(80)	193,876	38,941
Other	3,797,595	6,183,058	4,513,619	(1,198)	4,512,421	1,670,637
Allocations to outside agencies	584,969	584,969	584,969	-	584,969	-
Total general government	10,891,584	13,254,498	11,033,356	1,445	11,034,801	2,219,697
Judicial						
Clerk of court	219,726	217,759	221,652	-	221,652	(3,893)
Family Court	403,603	414,434	383,320	-	383,320	31,114
Master-in-equity	142,049	141,980	146,847	-	146,847	(4,867)
Probate Court	322,598	321,502	333,271	(1,290)	331,981	(10,479)
Circuit court	5,613	3,413	217	-	217	3,196
Magistrates	1,273,027	1,270,819	1,263,160	(112)	1,263,048	7,771
Public Defender	539,288	539,288	539,288	-	539,288	-
Solicitor	539,288	539,288	539,288	-	539,288	-
Total judicial	3,445,192	3,448,483	3,427,043	(1,402)	3,425,641	22,842
Public works						
Building and Grounds	1,107,624	1,108,148	938,704	7,986	946,690	161,458
Sign shop	55,915	55,880	52,501	-	52,501	3,379
Total public works	1,163,539	1,164,028	991,205	7,986	999,191	164,837
Public safety						
Sheriff	6,066,661	6,066,389	6,467,783	(296)	6,467,487	(401,098)
E-911 communications center	665,851	665,634	683,794	(73)	683,721	(18,087)
Emergency Medical Services	2,960,430	2,957,370	3,177,897	(37,258)	3,140,639	(183,269)
Coroner	285,005	278,196	241,608	(1,604)	240,004	38,192
Allocations to Law Enforcement Center	4,237,786	4,237,786	4,237,786	-	4,237,786	-
Non-budgeted expenditures						
Capital assets purchased through:						
Law Enforcement Center	-	-	37,516	-	37,516	(37,516)
Fire District	-	-	791,917	-	791,917	(791,917)
Total public safety	14,215,733	14,205,375	15,638,301	(39,231)	15,599,070	(1,393,695)

(continued)

COUNTY OF ORANGEBURG, SOUTH CAROLINA
GENERAL FUND

Exhibit B-2

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	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						
Social and health						
Health services	853,684	852,760	806,181	4,000	810,181	42,579
Animal control	273,342	273,342	227,211	(683)	226,528	46,814
Allocations to social agencies	204,300	204,300	227,053	-	227,053	(22,753)
Total social and health	1,331,326	1,330,402	1,260,445	3,317	1,263,762	66,640
Culture and recreation						
Recreation	159,232	158,432	146,065	-	146,065	12,367
Non-budgeted expenditures						
Capital assets purchased through:						
Library	-	-	2,563	-	2,563	(2,563)
Total culture and recreation	159,232	158,432	148,628	-	148,628	9,804
Debt service						
Principal retirement	-	-	245,000	-	245,000	(245,000)
Interest and fiscal charges	-	-	16,770	-	16,770	(16,770)
Total debt service	-	-	261,770	-	261,770	(261,770)
Total expenditures	31,206,606	33,561,218	32,760,748	(27,885)	32,732,863	828,355
Excess (deficiency) of revenues over (under) expenditures	135,651	(2,216,933)	(513,856)	27,885	(485,971)	1,730,962
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets	-	-	12,571	-	12,571	12,571
Transfers in	-	2,453,657	961,616	-	961,616	(1,492,041)
Transfers out	(135,651)	(236,724)	(114,371)	-	(114,371)	122,353
Total other financing sources (uses)	(135,651)	2,216,933	859,816	-	859,816	(1,357,117)
Net change in fund balance	\$ -	\$ -	345,960	27,885	373,845	\$ 373,845
Fund balances, beginning of year			2,174,762	(45,935)	2,128,827	
Fund balances, end of year			\$ 2,520,722	\$ (18,050)	\$ 2,502,672	
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				\$ 45,935		
Current year encumbrances				(18,050)		
Net decrease in fund balance - GAAP to budget				\$ 27,885		

ORANGEBURG COUNTY, SOUTH CAROLINA

Exhibit B-3

MAJOR CAPITAL PROJECTS FUND

CAPITAL PROJECTS SALES TAX II

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

From inception and for the year ended June 30, 2012

	Project Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Sales tax	\$ 71,088,020	\$ 48,257,214	\$ 9,530,732	\$ 57,787,946
Investment income	-	12,683,300	1,169,781	13,853,081
Total revenues	<u>71,088,020</u>	<u>60,940,514</u>	<u>10,700,513</u>	<u>71,641,027</u>
EXPENDITURES				
General government	11,034,512	6,621,986	1,022,012	7,643,998
Public works	45,007,208	24,557,534	5,328,742	29,886,276
Public safety	807,376	646,917	10,181	657,098
Culture and recreation	14,238,924	5,451,610	1,047,715	6,499,325
Principal retirement	-	29,500,000	9,000,000	38,500,000
Interest and fiscal charges	-	11,243,664	1,624,750	12,868,414
Total expenditures	<u>71,088,020</u>	<u>78,021,711</u>	<u>18,033,400</u>	<u>96,055,111</u>
Excess (deficiency) of revenues over (under) expenditures	-	(17,081,197)	(7,332,887)	(24,414,084)
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>66,869,251</u>	<u>-</u>	<u>66,869,251</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 49,788,054</u>	<u>(7,332,887)</u>	<u>\$ 42,455,167</u>
Fund balances, beginning of year			<u>49,788,054</u>	
Fund balances, end of year			<u>\$ 42,455,167</u>	

ORANGEBURG COUNTY, SOUTH CAROLINA

Exhibit B-4

MAJOR CAPITAL PROJECTS FUND

CAPITAL PROJECTS SALES TAX III

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

From inception and for the year ended June 30, 2012

	Project Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Sales tax	\$ 84,000,000	\$ -	\$ -	\$ -
Investment income	-	-	757	757
Total revenues	<u>84,000,000</u>	<u>-</u>	<u>757</u>	<u>757</u>
EXPENDITURES				
General government	16,786,017	-	407,230	407,230
Social and Health	1,650,000	-	-	-
Judicial	260,390	-	-	-
Public works	45,088,747	-	402,453	402,453
Public safety	1,680,000	-	-	-
Culture and recreation	18,534,846	-	-	-
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	109,137	109,137
Total expenditures	<u>84,000,000</u>	<u>-</u>	<u>918,820</u>	<u>918,820</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(918,063)	(918,063)
OTHER FINANCING SOURCES (USES)				
Capital project sales tax revenue bonds issued	-	-	17,500,000	35,000,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>17,500,000</u>	<u>35,000,000</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	16,581,937	<u>\$ 34,081,937</u>
Fund balances, beginning of year			-	
Fund balances, end of year			<u>\$ 16,581,937</u>	

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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, 2012

Special Revenue Funds

	Roads & Bridges Maintenance	E911 Surcharge	New Brooklyn Lighting Tax District	Solid Waste	Victims' Assistance	Accommodations Tax
\$	-	-	-	-	9,252	-
	3,806	45,126	1,132	262,088	-	-
	-	32,804	-	10,763	-	68,237
	51,197	264,413	-	389,310	1,483	-
	-	-	-	2,502,889	-	47,120
	-	20,000	-	-	-	-
\$	55,003	362,343	1,132	3,165,050	10,735	115,357

ASSETS
 Cash and cash equivalents
 Receivables, net of allowance for uncollectibles:
 Property taxes
 Intergovernmental
 Other
 Due from other governmental funds
 Other assets
 Prepaid expenditures

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LIABILITIES AND FUND BALANCES

	Accounts payable	Accrued salaries	Due to other governments	Due to other governmental funds	Deferred revenue	Deferred revenue - Property taxes	Total liabilities	Fund balances	Nonspendable	Restricted	Assigned	Unassigned	Total fund balances	Total liabilities and fund balances
\$	28,396	43,552	-	-	-	-	71,948	-	-	-	-	(16,945)	(16,945)	-
	23,293	2,884	1,054	197,902	-	-	26,177	20,000	316,166	2,679,593	7,111	336,166	3,165,050	3,165,050
	-	-	-	47,104	-	-	39,090	-	-	-	-	(37,958)	2,686,704	2,686,704
	-	-	37,045	-	217,097	-	991	-	-	-	-	(220,120)	(220,120)	(220,120)
	-	-	-	-	-	233,340	233,340	-	-	-	-	-	3,165,050	3,165,050
\$	28,396	43,552	37,045	197,902	217,097	233,340	71,948	-	-	-	-	(16,945)	(16,945)	92,823
	-	-	-	47,104	-	-	26,177	20,000	316,166	2,679,593	7,111	336,166	3,165,050	3,165,050
	-	-	37,045	-	217,097	-	991	-	-	-	-	(220,120)	(220,120)	(220,120)
	-	-	-	-	-	233,340	233,340	-	-	-	-	-	3,165,050	3,165,050
\$	28,396	43,552	37,045	197,902	217,097	233,340	71,948	-	-	-	-	(16,945)	(16,945)	92,823

(continued)

ORANGEBURG COUNTY, SOUTH CAROLINA
 COMBINING-BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2012

		Special Revenue Funds						
		Brookdale Lighting Tax District	Legislative Delegation Economic Development Projects	Special Education	Grant Subfunds	Whitaker Lighting Tax District	Sheriff's Subfunds	
ASSETS								
Cash and cash equivalents	\$	-	\$	-	\$	1,450	\$	
Receivables, net of allowance for uncollectibles:								
Property taxes		720		201,251		3,340		
Intergovernmental		-	-	-	2,535,369	-	-	
Other		-	-	-	454,368	-	2,988	
Due from general fund		-	2,061,733	-	634,602	96,257	216,014	
Other assets		-	-	-	-	-	62,019	
Prepaid expenditures		-	-	-	-	-	-	
Total assets	\$	720	\$	2,061,733	\$	3,625,789	\$	
				201,251		99,597	281,021	
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$	957	\$	6,500	\$	48,833	\$	
Accrued salaries		-	-	33,064	27,654	-	-	
Due to other governments		-	-	-	202	-	-	
Due to general fund		26,364	-	1,172,602	3,587,693	-	41,560	
Deferred revenue		-	-	-	32,327	-	-	
Deferred revenue - Property taxes		379	-	178,736	-	3,154	-	
Total liabilities		27,700	6,500	1,385,597	3,696,709	7,020	41,560	
Fund balances								
Nonspendable		-	-	-	117,637	-	62,019	
Restricted		-	2,055,233	-	-	92,577	177,442	
Assigned		-	-	-	-	-	-	
Unassigned		(26,980)	-	(1,184,346)	(188,557)	-	-	
Total fund balances		(26,980)	2,055,233	(1,184,346)	(70,920)	92,577	239,461	
Total liabilities and fund balances	\$	720	\$	2,061,733	\$	3,625,789	\$	
				201,251		99,597	281,021	

(continued)

ORANGEBURG COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2012

Capital Projects Funds

	Sales Tax I	John Matthews Park Fund	Capital Improve- ments Fund	Edisto Sewer Capital Projects	OCCIP Fund	2008 Bond Issue
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables, net of allowance for uncollectibles:						
Property taxes	-	-	52,574	-	-	-
Intergovernmental	-	-	-	-	-	-
Other	-	-	-	-	60,000	-
Due from general fund	5,939,146	330,195	3,629,601	185,742	136,699	-
Other assets	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-
Total assets	\$ 5,939,146	\$ 330,195	\$ 3,682,175	\$ 185,742	\$ 196,699	\$ -
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 26,502	\$ 60,100	\$ 35,087	\$ 185,742	\$ 25,050	\$ -
Accrued salaries	456	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Due to general fund	-	-	-	-	-	-
Deferred revenue	-	-	16,833	-	-	-
Deferred revenue - Property taxes	-	-	48,199	-	-	-
Total liabilities	26,958	60,100	100,119	185,742	25,050	-
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	5,912,188	270,095	3,579,069	-	171,649	-
Assigned	-	-	2,987	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	5,912,188	270,095	3,582,056	-	171,649	-
Total liabilities and fund balances	\$ 5,939,146	\$ 330,195	\$ 3,682,175	\$ 185,742	\$ 196,699	\$ -

(continued)

ORANGEBURG COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2012

	Capital Projects Funds			Debt Service	Total
	Western Orangenburg Industrial Park	Jafza Building	Orangenburg Water Expansion		
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 10,702
Receivables, net of allowance for uncollectibles:					
Property taxes	-	-	-	-	684,611
Intergovernmental	-	-	163,506	-	2,663,301
Other	-	-	-	-	940,953
Due from general fund	154,988	-	-	-	17,439,677
Other assets	-	-	1,189,081	-	62,019
Prepaid expenditures	-	-	-	-	20,000
Total assets	\$ 154,988	\$ -	\$ -	\$ 1,352,587	\$ 21,821,263
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 667,011
Accrued salaries	-	-	-	-	168,472
Due to other governments	-	-	-	-	202
Due to general fund	-	162,707	350,791	-	5,595,859
Deferred revenue	-	-	-	-	49,160
Deferred revenue - Property taxes	-	-	-	143,459	608,258
Total liabilities	-	162,707	350,791	143,459	7,088,962
Fund balances					
Nonspendable	-	-	-	-	199,656
Restricted	154,988	-	-	1,209,128	16,710,951
Assigned	-	-	-	-	10,098
Unassigned	-	(162,707)	(350,791)	-	(2,188,404)
Total fund balances	154,988	(162,707)	(350,791)	1,209,128	14,732,301
Total liabilities and fund balances	\$ 154,988	\$ -	\$ -	\$ 1,352,587	\$ 21,821,263

ORANGEBURG COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2012

Exhibit B-6

		Special Revenue Funds						
	Roads & Bridges Maintenance	E911 Surcharge	New Brooklyn Lighting Tax District	Solid Waste	Victims' Assistance	Accommodations Tax		
REVENUES								
Property taxes	\$ -	\$ -	\$ 6,128	\$ 2,764,057	\$ -	\$ -		
Intergovernmental:								
Federal	-	-	-	-	-	-		
State	-	479,747	-	76,917	-	-	206,834	
Local	-	-	-	-	14,843	-	-	
Charges for services	2,989,909	296,885	-	1,545,025	-	-	-	
Fines, fees, and forfeitures	-	-	-	-	112,632	-	-	
Investment income	-	-	-	-	-	-	46	
Other	-	-	-	15,618	-	-	-	
Total revenues	2,989,909	776,632	6,128	4,401,617	127,475	-	206,880	
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	
Judicial	-	-	-	-	-	-	-	
Public works	5,160,818	-	12,629	-	-	-	-	
Public safety	-	590,823	-	-	263,439	-	-	
Social and Health	-	-	-	-	-	-	-	
Sanitation	-	-	-	4,880,030	-	-	-	
Allocation to Library	-	-	-	-	-	-	-	
Culture and recreation	-	-	-	-	-	-	-	
Debt service:								
Principal retirement	-	-	-	-	-	-	199,623	
Interest and fiscal charges	-	-	-	-	-	-	-	
Total expenditures	5,160,818	590,823	12,629	4,880,030	263,439	-	199,623	
Excess of revenues over (under) expenditures	(2,170,909)	185,809	(6,501)	(478,413)	(135,964)	-	7,257	
OTHER FINANCING SOURCES (USES)								
Sale of Property	2,558,654	-	-	239,380	-	-	-	
Transfers in	-	-	-	-	-	-	-	
Transfers out	-	-	-	-	-	-	-	
Total other financing sources (uses)	2,558,654	-	-	239,380	-	-	-	
Net change in fund balances	387,745	185,809	(6,501)	(239,033)	(135,964)	-	7,257	
Fund balances, beginning of year	(404,690)	150,357	(31,457)	2,925,737	(84,156)	-	85,566	
Fund balances, end of year	\$ (16,945)	\$ 336,166	\$ (37,958)	\$ 2,686,704	\$ (220,120)	\$ -	\$ 92,823	

(continued)

ORANGEBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012

	Special Revenue Funds						
	Brookdale Lighting Tax District	Legislative Delegation Economic Dev Projects	Special Education	Grant Subfunds	Whitaker Lighting Tax District	Sheriff's Subfunds	
REVENUES							
Property taxes	\$ 7,434	\$ -	\$ 2,231,760	\$ -	\$ 69,400	\$ -	
Intergovernmental:							
Federal	-	-	-	1,728,997	-	-	-
State	-	193,838	22,813	2,105,418	-	-	-
Local	-	-	-	367,405	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines, fees, and forfeitures	-	-	-	333,977	-	-	136,366
Investment income	-	8,704	-	2,429	-	-	67
Other	-	-	-	6,026	-	-	-
Total revenues	<u>7,434</u>	<u>202,542</u>	<u>2,254,573</u>	<u>4,544,252</u>	<u>69,400</u>	<u>-</u>	<u>136,433</u>
EXPENDITURES							
Current:							
General government	-	-	-	280,864	-	-	-
Judicial	-	-	-	154,879	-	-	-
Public works	11,481	220,458	-	2,845,056	31,089	-	-
Public safety	-	-	-	1,106,014	-	-	116,802
Social and Health	-	-	-	148,620	-	-	-
Sanitation	-	-	-	2,493	-	-	-
Allocation to Library	-	-	948,665	-	-	-	-
Culture and recreation	-	-	1,107,889	73,355	-	-	-
Debt service:	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	<u>11,481</u>	<u>220,458</u>	<u>2,056,554</u>	<u>4,611,281</u>	<u>31,089</u>	<u>-</u>	<u>116,802</u>
Excess of revenues over (under) expenditures	<u>(4,047)</u>	<u>(17,916)</u>	<u>198,019</u>	<u>(67,029)</u>	<u>38,311</u>	<u>-</u>	<u>19,631</u>
OTHER FINANCING SOURCES (USES)							
Sale of Property	-	-	-	-	-	-	-
Transfers in	-	-	-	867	-	-	-
Transfers out	-	-	-	(920,057)	-	-	(41,560)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(919,190)</u>	<u>-</u>	<u>-</u>	<u>(41,560)</u>
Net change in fund balances	<u>(4,047)</u>	<u>(17,916)</u>	<u>198,019</u>	<u>(986,219)</u>	<u>38,311</u>	<u>-</u>	<u>(21,929)</u>
Fund balances, beginning of year	<u>(22,933)</u>	<u>2,073,149</u>	<u>(1,382,365)</u>	<u>915,299</u>	<u>54,266</u>	<u>-</u>	<u>261,390</u>
Fund balances, end of year	<u>\$(26,980)</u>	<u>\$ 2,055,233</u>	<u>\$ (1,184,346)</u>	<u>\$ (70,920)</u>	<u>\$ 92,577</u>	<u>\$ -</u>	<u>\$ 239,461</u>

(continued)

ORANGEBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012

	Capital Project Funds						2008 Bond Issue
	John Mathews Park Fund	Capital Improvements Fund	Edisto Sewer Capital Projects	OCCIP Fund			
REVENUES							
Property taxes	\$ -	\$ 437,975	\$ -	\$ -	\$ -	\$ -	
Intergovernmental:							
Federal	-	-	-	-	-	-	
State	-	17,472	37,492	-	-	-	
Local	-	-	-	-	-	-	
Charges for services	-	-	-	-	-	-	
Fines, fees, and forfeitures	-	-	-	-	-	-	
Investment income	-	-	-	-	-	-	
Other	-	-	-	-	-	-	
Total revenues	<u>104,688</u>	<u>455,447</u>	<u>37,492</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	
	181,018						
EXPENDITURES							
Current:							
General government	2,256	-	-	25,050	-	-	28,034
Judicial	-	-	-	-	-	-	-
Public works	109,927	494,748	107,800	-	-	-	632,864
Public safety	-	-	-	-	-	-	-
Social and Health	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Allocation to Library	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	<u>112,183</u>	<u>494,748</u>	<u>107,800</u>	<u>25,050</u>	<u>660,898</u>	<u>-</u>	
Excess of revenues over (under) expenditures	(112,183)	(39,301)	(70,308)	74,950			(660,898)
OTHER FINANCING SOURCES (USES)							
Sale of Property	-	-	-	-	-	-	-
Transfers in	-	-	55,878	-	-	-	113,505
Transfers out	-	(55,878)	-	-	-	-	-
Total other financing sources (uses)							
Net change in fund balances	(112,183)	(95,179)	(14,430)	74,950			(547,393)
Fund balances, beginning of year	6,024,371	3,677,235	14,430	96,699			547,393
Fund balances, end of year	\$ 5,912,188	\$ 3,582,056	\$ -	\$ 171,649	\$ -	\$ -	\$ -

(continued)

ORANGEBURG COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2012

	Capital Project Funds				Debt Service	Total
	Western Orangeburg Industrial Park	Jafza Building	Orangeburg Water Expansion			
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ 1,912,034	\$	7,428,788
Intergovernmental:						
Federal	-	-	-	-	-	1,766,489
State	-	-	-	39,977	-	3,143,016
Local	-	-	-	-	-	382,248
Charges for services	-	-	-	-	-	4,831,819
Fines, fees, and forfeitures	-	-	-	-	-	582,975
Investment income	-	-	-	-	-	11,246
Other	-	-	-	-	-	226,332
Total revenues	-	-	-	1,952,011	-	18,372,913
EXPENDITURES						
Current:						
General government	-	23,868	-	-	-	541,090
Judicial	-	-	-	-	-	154,879
Public works	-	-	344,169	-	-	9,338,175
Public safety	-	-	-	-	-	2,709,942
Social and Health	-	-	-	-	-	148,620
Sanitation	-	-	-	-	-	4,882,523
Allocation to Library	-	-	-	-	-	948,665
Culture and recreation	-	-	-	-	-	1,380,867
Debt service:						
Principal retirement	-	-	-	1,362,691	-	1,362,691
Interest and fiscal charges	-	-	-	545,918	-	545,918
Total expenditures	-	23,868	344,169	1,908,609	-	22,013,370
Excess of revenues over (under) expenditures	-	(23,868)	(344,169)	43,402	-	(3,640,457)
OTHER FINANCING SOURCES (USES)						
Sale of Property	-	-	-	-	-	2,798,034
Transfers in	-	-	-	-	-	170,250
Transfers out	-	-	-	-	-	(1,017,495)
Total other financing sources (uses)	-	-	-	-	-	1,950,789
Net change in fund balances	-	(23,868)	(344,169)	43,402	-	(1,689,668)
Fund balances, beginning of year	154,988	(138,839)	(6,622)	1,165,726	-	16,421,969
Fund balances, end of year	\$ 154,988	\$ (162,707)	\$ (350,791)	\$ 1,209,128	\$	\$ 14,732,301

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, 2012

Exhibit B-7

	<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	\$ 3,122,933	\$ 3,122,933	\$ 2,989,909	\$ -	\$ 2,989,909	\$ (133,024)
EXPENDITURES						
Public works	3,122,933	3,122,933	5,160,818	32,118	5,192,936	(2,070,003)
Excess (deficiency) of revenues over (under) expenditures	-	-	(2,170,909)	(32,118)	(2,203,027)	(2,203,027)
OTHER FINANCING SOURCES						
Proceeds from sale of capital assets	-	-	2,558,654	-	2,558,654	2,558,654
Total other financing sources (uses)	-	-	2,558,654	-	2,558,654	2,558,654
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	387,745	(32,118)	355,627	<u>\$ 355,627</u>
Fund balances, beginning of year			(404,690)	(556)	(405,246)	
Fund balances, end of year			<u>\$ (16,945)</u>	<u>\$ (32,674)</u>	<u>\$ (49,619)</u>	

Explanation of Differences:

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

Prior year encumbrances	\$ 556
Current year encumbrances	<u>(32,674)</u>
Net decrease in fund balance - GAAP to budget	<u>\$ (32,118)</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, 2012

Exhibit B-8

	<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	\$ -	\$ -	\$ 479,747	\$ 479,747
Charges for services	<u>506,909</u>	<u>506,909</u>	<u>296,885</u>	<u>(210,024)</u>
Total revenues	<u>506,909</u>	<u>506,909</u>	<u>776,632</u>	<u>269,723</u>
EXPENDITURES				
Public safety	<u>506,909</u>	<u>506,909</u>	<u>590,823</u>	<u>(83,914)</u>
Total expenditures	<u>506,909</u>	<u>506,909</u>	<u>590,823</u>	<u>(83,914)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>185,809</u>	<u>185,809</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>185,809</u>	<u>\$ 185,809</u>
Fund balances, beginning of year			<u>150,357</u>	
Fund balances, end of year			<u>\$ 336,166</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, 2012

Exhibit B-9

	<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	\$ 13,973	\$ 13,973	\$ 6,128	\$ (7,845)
EXPENDITURES				
Public works	13,973	13,973	12,629	1,344
Excess (deficiency) of revenues over (under) expenditures	-	-	(6,501)	(6,501)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(6,501)	<u>\$ (6,501)</u>
Fund balances, beginning of year			(31,457)	
Fund balances, end of year			<u>\$ (37,958)</u>	

COUNTY OF ORANGEBURG, SOUTH CAROLINA

Exhibit B-10

NONMAJOR SPECIAL REVENUE FUND

SOLID WASTE

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	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	\$ 2,920,971	\$ 2,920,971	\$ 2,764,057	\$ -	\$ 2,764,057	\$ (156,914)
Licenses and Permits	1,000	1,000	-	-	-	(1,000)
Intergovernmental:						
State	30,000	30,000	76,917	-	76,917	46,917
Charges for services	1,767,000	1,767,000	1,545,025	-	1,545,025	(221,975)
Other	-	-	15,618	-	15,618	15,618
Total revenues	4,718,971	4,718,971	4,401,617	-	4,401,617	(317,354)
EXPENDITURES						
Sanitation	4,718,971	4,718,971	4,880,030	6,386	4,886,416	(167,445)
Total expenditures	4,718,971	4,718,971	4,880,030	6,386	4,886,416	(167,445)
Excess (deficiency) of revenues over (under) expenditures	-	-	(478,413)	(6,386)	(484,799)	(484,799)
OTHER FINANCING SOURCES (USES)						
Sale of Property	-	-	239,380	-	239,380	239,380
Total other financing sources (uses)	-	-	239,380	-	239,380	239,380
Net change in fund balance	\$ -	\$ -	(239,033)	(6,386)	(245,419)	\$ (245,419)
Fund balances, beginning of year			2,925,737	(726)	2,925,011	
Fund balances, end of year			<u>\$ 2,686,704</u>	<u>\$ (7,112)</u>	<u>\$ 2,679,592</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				\$ 726		
Current year encumbrances				<u>(7,112)</u>		
Net decrease in fund balance - GAAP to budget				<u>\$ (6,386)</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, 2012

Exhibit B-11

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Fines, fees, and forfeitures	\$ 120,600	\$ 120,600	\$ 112,632	\$ (7,968)
Intergovernmental:				
Local	-	-	14,843	14,843
Total revenues	<u>120,600</u>	<u>120,600</u>	<u>127,475</u>	<u>6,875</u>
EXPENDITURES				
Public safety	<u>266,768</u>	<u>266,768</u>	<u>263,439</u>	<u>3,329</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(146,168)</u>	<u>(146,168)</u>	<u>(135,964)</u>	<u>10,204</u>
OTHER FINANCING SOURCES				
Transfers in	<u>146,168</u>	<u>146,168</u>	<u>-</u>	<u>(146,168)</u>
Total other financing sources (uses)	<u>146,168</u>	<u>146,168</u>	<u>-</u>	<u>(146,168)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(135,964)	<u>\$ (135,964)</u>
Fund balances, beginning of year			<u>(84,156)</u>	
Fund balances, end of year			<u>\$ (220,120)</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, 2012**

Exhibit B-12

	<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	\$ 190,000	\$ 190,000	\$ 206,834	\$ 16,834
Interest income	-	-	46	46
Total revenues	<u>190,000</u>	<u>190,000</u>	<u>206,880</u>	<u>16,880</u>
EXPENDITURES				
Culture and recreation	<u>190,000</u>	<u>190,000</u>	<u>199,623</u>	<u>(9,623)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>7,257</u>	<u>7,257</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>7,257</u>	<u>\$ 7,257</u>
Fund balances, beginning of year			<u>85,566</u>	
Fund balances, end of year			<u>\$ 92,823</u>	

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
BROOKDALE LIGHTING TAX DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

Exhibit B-13

	<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	\$ 11,118	\$ 11,118	\$ 7,434	\$ (3,684)
EXPENDITURES				
Public works	11,118	11,118	11,481	(363)
Excess (deficiency) of revenues over (under) expenditures	-	-	(4,047)	(4,047)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(4,047)	<u>\$ (4,047)</u>
Fund balances, beginning of year			(22,933)	
Fund balances, end of year			<u>\$ (26,980)</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, 2012

Exhibit B-14

	<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	\$ 2,130,211	\$ 2,130,211	\$ 2,231,760	\$ 101,549
Intergovernmental:				
State	22,813	22,813	22,813	-
Total revenues	<u>2,153,024</u>	<u>2,153,024</u>	<u>2,254,573</u>	<u>101,549</u>
EXPENDITURES				
Culture and recreation	1,204,359	1,204,359	1,107,889	96,470
Allocation to Library	948,665	948,665	948,665	-
Total expenditures	<u>2,153,024</u>	<u>2,153,024</u>	<u>2,056,554</u>	<u>96,470</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>198,019</u>	<u>198,019</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>198,019</u>	<u>\$ 198,019</u>
Fund balances, beginning of year			<u>(1,382,365)</u>	
Fund balances, end of year			<u>\$ (1,184,346)</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, 2012

Exhibit B-15

	<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	\$ 27,291	\$ 27,291	\$ 69,400	\$ 42,109
EXPENDITURES				
Public works	27,291	27,291	31,089	(3,798)
Excess (deficiency) of revenues over (under) expenditures	-	-	38,311	38,311
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	38,311	<u>\$ 38,311</u>
Fund balances, beginning of year			<u>54,266</u>	
Fund balances, end of year			<u>\$ 92,577</u>	

NONMAJOR CAPITAL PROJECTS FUND

CAPITAL PROJECTS SALES TAX I

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

From inception and for the year ended June 30, 2012

	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
Total revenues	52,704,200	59,815,544	-	59,815,544
EXPENDITURES				
General government	3,044,058	3,099,450	2,256	3,101,706
Public works	37,833,221	33,377,612	109,927	33,487,539
Public safety	2,422,000	2,413,398	-	2,413,398
Culture and recreation	9,404,921	10,025,487	-	10,025,487
Principal retirement	-	8,435,000	-	8,435,000
Interest and fiscal charges	-	388,244	-	388,244
Total expenditures	52,704,200	57,739,191	112,183	57,851,374
Excess (deficiency) of revenues over (under) expenditures	-	2,076,353	(112,183)	1,964,170
OTHER FINANCING SOURCES (USES)				
Capital project sales tax revenue bonds issued	-	35,689,347	-	35,689,347
Transfers in	-	7,660,201	-	7,660,201
Transfers Out	-	(39,401,530)	-	(39,401,530)
Total other financing sources (uses)	-	3,948,018	-	3,948,018
Net change in fund balances	\$ -	\$ 6,024,371	(112,183)	\$ 5,912,188
Fund balances, beginning of year			6,024,371	
Fund balances, end of year			\$ 5,912,188	

ORANGEBURG COUNTY, SOUTH CAROLINA

Exhibit B-17

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, 2012

	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	\$ 473,501	\$ 473,501	\$ 437,975	\$ -	\$ 437,975	\$ (35,526)
Intergovernmental	17,165	17,165	17,472	-	17,472	307
Total revenues	490,666	490,666	455,447	-	455,447	(35,219)
EXPENDITURES						
Public works	490,666	7,711,007	494,748	(5,162)	489,586	7,221,421
Total expenditures	490,666	7,711,007	494,748	(5,162)	489,586	7,221,421
Excess (deficiency) of revenues over (under) expenditures	-	(7,220,341)	(39,301)	5,162	(34,139)	7,186,202
OTHER FINANCING SOURCES (USES)						
Transfers out	-	-	(55,878)	-	(55,878)	(55,878)
Net other financing sources (uses)	-	-	(55,878)	-	(55,878)	(55,878)
Net change in fund balances	\$ -	\$ (7,220,341)	(95,179)	5,162	(90,017)	\$ 7,130,324
Fund balances, beginning of year			3,677,235	(8,148)	3,669,087	
Fund balances, end of year			\$ 3,582,056	\$ (2,986)	\$ 3,579,070	

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	\$ 8,148
Current year encumbrances	(2,986)
Net decrease in fund balance - GAAP to budget	\$ 5,162

**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, 2012**

Exhibit B-18

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 1,875,768	\$ 1,875,768	\$ 1,912,034	\$ 36,266
Intergovernmental:				
State	40,000	40,000	39,977	(23)
Total revenues	<u>1,915,768</u>	<u>1,915,768</u>	<u>1,952,011</u>	<u>36,243</u>
EXPENDITURES				
Principal retirement	1,318,000	1,318,000	1,362,691	(44,691)
Interest and fiscal charges	<u>597,768</u>	<u>597,768</u>	<u>545,918</u>	<u>51,850</u>
Total expenditures	<u>1,915,768</u>	<u>1,915,768</u>	<u>1,908,609</u>	<u>7,159</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>43,402</u>	<u>43,402</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	43,402	<u>\$ 43,402</u>
Fund balances, beginning of year			<u>1,165,726</u>	
Fund balances, end of year			<u>\$ 1,209,128</u>	

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FIDUCIARY FUNDS

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

ORANGEBURG COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

Exhibit B-19

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
CONSOLIDATED SCHOOL DISTRICT 3				
Assets				
Cash	\$ 1,899,488	\$ 33,976,562	\$ 33,609,193	\$ 2,266,857
Property taxes receivable	1,059,160	15,873,495	15,765,550	1,167,105
Total Assets	\$ 2,958,648	\$ 49,850,057	\$ 49,374,743	\$ 3,433,962
Liabilities				
Due to taxing unit	\$ 2,958,648	\$ 49,850,057	\$ 49,374,743	\$ 3,433,962
Total Liabilities	\$ 2,958,648	\$ 49,850,057	\$ 49,374,743	\$ 3,433,962
CONSOLIDATED SCHOOL DISTRICT 4				
Assets				
Cash	\$ 3,064,094	\$ 29,990,251	\$ 30,180,574	\$ 2,873,771
Property taxes receivable	528,004	12,323,305	12,271,473	579,836
Total Assets	\$ 3,592,098	\$ 42,313,556	\$ 42,452,047	\$ 3,453,607
Liabilities				
Due to taxing unit	\$ 3,592,098	\$ 42,313,556	\$ 42,452,047	\$ 3,453,607
Total Liabilities	\$ 3,592,098	\$ 42,313,556	\$ 42,452,047	\$ 3,453,607
CONSOLIDATED SCHOOL DISTRICT 5				
Assets				
Cash	\$ 4,884,559	\$ 68,437,408	\$ 68,604,008	\$ 4,717,959
Property taxes receivable	2,684,480	33,850,860	33,751,145	2,784,195
Total Assets	\$ 7,569,039	\$ 102,288,268	\$ 102,355,153	\$ 7,502,154
Liabilities				
Due to taxing unit	\$ 7,569,039	\$ 102,288,268	\$ 102,355,153	\$ 7,502,154
Total Liabilities	\$ 7,569,039	\$ 102,288,268	\$ 102,355,153	\$ 7,502,154
COUNTY BOARD OF EDUCATION				
Assets				
Cash	\$ 178,734	\$ 8,686,183	\$ 8,492,422	\$ 372,495
Property taxes receivable	611,288	8,594,057	8,564,073	641,272
Total Assets	\$ 790,022	\$ 17,280,240	\$ 17,056,495	\$ 1,013,767
Liabilities				
Due to taxing unit	\$ 790,022	\$ 17,280,240	\$ 17,056,495	\$ 1,013,767
Total Liabilities	\$ 790,022	\$ 17,280,240	\$ 17,056,495	\$ 1,013,767

(continued)

ORANGEBURG COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

Exhibit B-19

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
TOWNS				
Assets				
Cash	\$ 39,899	\$ 1,824,675	\$ 1,821,667	\$ 42,907
Property taxes receivable	180,547	1,788,904	1,792,993	176,458
Total Assets	<u>\$ 220,446</u>	<u>\$ 3,613,579</u>	<u>\$ 3,614,660</u>	<u>\$ 219,365</u>
Liabilities				
Due to taxing unit	\$ 220,446	\$ 3,613,579	\$ 3,614,660	\$ 219,365
Total Liabilities	<u>\$ 220,446</u>	<u>\$ 3,613,579</u>	<u>\$ 3,614,660</u>	<u>\$ 219,365</u>
DELINQUENT TAX COLLECTOR				
Assets				
Cash	\$ 1,593,400	\$ 5,902,204	\$ 6,204,839	\$ 1,290,765
Total Assets	<u>\$ 1,593,400</u>	<u>\$ 5,902,204</u>	<u>\$ 6,204,839</u>	<u>\$ 1,290,765</u>
Liabilities				
Due to others	\$ 1,593,400	\$ 5,902,204	\$ 6,204,839	\$ 1,290,765
Total Liabilities	<u>\$ 1,593,400</u>	<u>\$ 5,902,204</u>	<u>\$ 6,204,839</u>	<u>\$ 1,290,765</u>
SANTEE FIRE DISTRICT				
Assets				
Cash	\$ 2,153	\$ 256,323	\$ 256,481	\$ 1,995
Property taxes receivable	22,835	-	1,910	20,925
Total Assets	<u>\$ 24,988</u>	<u>\$ 256,323</u>	<u>\$ 258,391</u>	<u>\$ 22,920</u>
Liabilities				
Due to taxing unit	\$ 24,988	\$ 256,323	\$ 258,391	\$ 22,920
Total Liabilities	<u>\$ 24,988</u>	<u>\$ 256,323</u>	<u>\$ 258,391</u>	<u>\$ 22,920</u>
HOLLY HILL HEALTH AND DRAINAGE				
Assets				
Cash	\$ 359	\$ 12,287	\$ 12,467	\$ 179
Property taxes receivable	1,158	-	17	1,141
Total Assets	<u>\$ 1,517</u>	<u>\$ 12,287</u>	<u>\$ 12,484</u>	<u>\$ 1,320</u>
Liabilities				
Due to taxing unit	\$ 1,517	\$ 12,287	\$ 12,484	\$ 1,320
Total Liabilities	<u>\$ 1,517</u>	<u>\$ 12,287</u>	<u>\$ 12,484</u>	<u>\$ 1,320</u>

ORANGEBURG COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

Exhibit B-19

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
HORSE RANGE WATER SHED				
Assets				
Cash	\$ 27,449	\$ 22,944	\$ 22,848	\$ 27,545
Property taxes receivable	2,158	-	100	2,058
Total Assets	\$ 29,607	\$ 22,944	\$ 22,948	\$ 29,603
Liabilities				
Due to taxing unit	\$ 29,607	\$ 22,944	\$ 22,948	\$ 29,603
Total Liabilities	\$ 29,607	\$ 22,944	\$ 22,948	\$ 29,603
COW CASTLE DRAINAGE DISTRICT				
Assets				
Cash	\$ 26,840	\$ -	\$ 6,280	\$ 20,560
Total Assets	\$ 26,840	\$ -	\$ 6,280	\$ 20,560
Liabilities				
Due to taxing unit	\$ 26,840	\$ -	\$ 6,280	\$ 20,560
Total Liabilities	\$ 26,840	\$ -	\$ 6,280	\$ 20,560
SOLICITOR'S FORFEITED BOND FUND				
Assets				
Cash	\$ 43,495	\$ 3,560	\$ 60	\$ 46,995
Total Assets	\$ 43,495	\$ 3,560	\$ 60	\$ 46,995
Liabilities				
Due to (from) other Agency Funds	\$ (250)	\$ 250	\$ 250	\$ (250)
Due to others	43,745	3,810	310	47,245
Total Liabilities	\$ 43,495	\$ 4,060	\$ 560	\$ 46,995
FIREMAN'S INSURANCE PREMIUM FUND				
Assets				
Cash	\$ 3,220	\$ 184,076	\$ 187,296	\$ -
Total Assets	\$ 3,220	\$ 184,076	\$ 187,296	\$ -
Liabilities				
Due to others	\$ 3,220	\$ 184,076	\$ 187,296	\$ -
Total Liabilities	\$ 3,220	\$ 184,076	\$ 187,296	\$ -

ORANGEBURG COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

Exhibit B-19

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
SHERIFF EXECUTIONS AND FEES				
Assets				
Cash	\$ 6,382	\$ 13,916	\$ 12,950	\$ 7,348
Total Assets	\$ 6,382	\$ 13,916	\$ 12,950	\$ 7,348
Liabilities				
Due to others	\$ 6,382	\$ 33,144	\$ 32,178	\$ 7,348
Total Liabilities	\$ 6,382	\$ 33,144	\$ 32,178	\$ 7,348
SHERIFF'S SEIZED PROPERTY TRUST FUND				
Assets				
Cash	\$ -	\$ 62,784	\$ 467	\$ 62,317
Total Assets	\$ -	\$ 62,784	\$ 467	\$ 62,317
Liabilities				
Due to others	\$ -	\$ 62,784	\$ 467	\$ 62,317
Total Liabilities	\$ -	\$ 62,784	\$ 467	\$ 62,317
COURT FINES AND ASSESSMENTS				
Assets				
Cash	\$ 68,789	\$ 1,826,544	\$ 1,800,305	\$ 95,028
Total Assets	\$ 68,789	\$ 1,826,544	\$ 1,800,305	\$ 95,028
Liabilities				
Due to (from) other Agency Funds	\$ (91,449)	\$ 92,494	\$ 99,308	\$ (98,263)
Due to others	160,238	1,734,050	1,700,997	193,291
Total Liabilities	\$ 68,789	\$ 1,826,544	\$ 1,800,305	\$ 95,028
SOLICITOR'S DRUG FUND				
Assets				
Cash	\$ 39,238	\$ 10,566	\$ 3,984	\$ 45,820
Total Assets	\$ 39,238	\$ 10,566	\$ 3,984	\$ 45,820
Liabilities				
Due to others	\$ 39,238	\$ 10,566	\$ 3,984	\$ 45,820
Total Liabilities	\$ 39,238	\$ 10,566	\$ 3,984	\$ 45,820

ORANGEBURG COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

Exhibit B-19

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
CLERK OF COURT TRUST FUND				
Assets				
Cash	\$ 371,620	\$ 406,328	\$ 311,839	\$ 466,109
Total Assets	<u>\$ 371,620</u>	<u>\$ 406,328</u>	<u>\$ 311,839</u>	<u>\$ 466,109</u>
Liabilities				
Due to (from) other Agency Funds	\$ 21,072	\$ 254,637	\$ 252,432	\$ 23,277
Due to others	350,548	151,691	59,407	442,832
Total Liabilities	<u>\$ 371,620</u>	<u>\$ 406,328</u>	<u>\$ 311,839</u>	<u>\$ 466,109</u>
MASTER IN EQUITY TRUST FUND				
Assets				
Cash	\$ 79,171	\$ 1,734,945	\$ 1,678,371	\$ 135,745
Total Assets	<u>\$ 79,171</u>	<u>\$ 1,734,945</u>	<u>\$ 1,678,371</u>	<u>\$ 135,745</u>
Liabilities				
Due to others	\$ 79,171	\$ 1,734,945	\$ 1,678,371	\$ 135,745
Total Liabilities	<u>\$ 79,171</u>	<u>\$ 1,734,945</u>	<u>\$ 1,678,371</u>	<u>\$ 135,745</u>
PROBATE COURT TRUST FUND				
Assets				
Cash	\$ 190,327	\$ 49,803	\$ 26,522	\$ 213,608
Total Assets	<u>\$ 190,327</u>	<u>\$ 49,803</u>	<u>\$ 26,522</u>	<u>\$ 213,608</u>
Liabilities				
Due to others	\$ 190,327	\$ 49,803	\$ 26,522	\$ 213,608
Total Liabilities	<u>\$ 190,327</u>	<u>\$ 49,803</u>	<u>\$ 26,522</u>	<u>\$ 213,608</u>
FAMILY COURT TRUST FUND				
Assets				
Cash	\$ 43,659	\$ 11,241,358	\$ 11,234,210	\$ 50,807
Total Assets	<u>\$ 43,659</u>	<u>\$ 11,241,358</u>	<u>\$ 11,234,210</u>	<u>\$ 50,807</u>
Liabilities				
Due to others	\$ 43,659	\$ 11,241,358	\$ 11,234,210	\$ 50,807
Total Liabilities	<u>\$ 43,659</u>	<u>\$ 11,241,358</u>	<u>\$ 11,234,210</u>	<u>\$ 50,807</u>
REGISTER OF DEEDS				
Assets				
Cash	\$ -	\$ 284,418	\$ 284,418	\$ -

ORANGEBURG COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

Exhibit B-19

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
Liabilities				
Due to (from) other Agency Funds	\$ -	\$ 284,418	\$ 284,418	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 284,418</u>	<u>\$ 284,418</u>	<u>\$ -</u>
 MAGISTRATE'S TRUST FUND				
Assets				
Cash	\$ 107,316	\$ 1,045,592	\$ 1,051,110	\$ 101,798
Total Assets	<u>\$ 107,316</u>	<u>\$ 1,045,592</u>	<u>\$ 1,051,110</u>	<u>\$ 101,798</u>
Liabilities				
Due to (from) other Agency Funds	\$ 70,627	\$ 888,941	\$ 884,332	\$ 75,236
Due to others	36,689	156,827	166,954	26,562
Total Liabilities	<u>\$ 107,316</u>	<u>\$ 1,045,768</u>	<u>\$ 1,051,286</u>	<u>\$ 101,798</u>
 OADC TRUST FUND				
Assets				
Cash	\$ 3,357	\$ 11,571	\$ 9,267	\$ 5,661
Total Assets	<u>\$ 3,357</u>	<u>\$ 11,571</u>	<u>\$ 9,267</u>	<u>\$ 5,661</u>
Liabilities				
Due to others	\$ 3,357	\$ 11,571	\$ 9,267	\$ 5,661
Total Liabilities	<u>\$ 3,357</u>	<u>\$ 11,571</u>	<u>\$ 9,267</u>	<u>\$ 5,661</u>
 TOTALS - ALL AGENCY FUNDS				
Assets				
Cash	\$ 12,673,549	\$ 165,984,298	\$ 165,811,578	\$ 12,846,269
Property taxes receivable	5,089,630	72,430,621	72,147,261	5,372,990
Total Assets	<u>\$ 17,763,179</u>	<u>\$ 238,414,919</u>	<u>\$ 237,958,839</u>	<u>\$ 18,219,259</u>
Liabilities				
Due to (from) other Agency Funds	\$ -	\$ 1,520,740	\$ 1,520,740	\$ -
Due to taxing units	15,213,205	215,637,254	215,153,201	15,697,258
Due to others	2,549,974	21,276,829	21,304,802	2,522,001
Total Liabilities	<u>\$ 17,763,179</u>	<u>\$ 238,434,823</u>	<u>\$ 237,978,743</u>	<u>\$ 18,219,259</u>

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DISCRETELY PRESENTED COMPONENT UNITS

The County has three discretely presented component units.

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

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

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

COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING STATEMENT OF NET ASSETS
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2012

Exhibit B-20

	Orangeburg County Fire Commission	Orangeburg County Public Library	Orangeburg- Calhoun Regional Detention Center	Totals
ASSETS				
Cash and cash equivalents	\$ 500	\$ 31,807	\$ 32,535	\$ 64,842
Cash and cash equivalents with fiscal agent	-	98,750	-	98,750
Investment with fiscal agent	-	2,165	-	2,165
Property taxes receivable	191,133	-	-	191,133
Other receivables	-	-	64,828	64,828
Intergovernmental receivable	-	991	259,421	260,412
Due from primary government	258,832	-	-	258,832
	<u>450,465</u>	<u>133,713</u>	<u>356,784</u>	<u>940,962</u>
LIABILITIES				
Accounts payable	11,410	2,878	56,369	70,657
Accrued salaries and benefits	12,793	-	176,667	189,460
Due to primary government	-	178,615	845,173	1,023,788
Due to fiduciary fund	-	-	3,185	3,185
Noncurrent liabilities:				
Due within one year	11,963	20,041	119,944	151,948
Due in more than one year	11,043	25,506	172,602	209,151
Net OPEB obligation	179,185	670,656	2,495,802	3,345,643
	<u>226,394</u>	<u>897,696</u>	<u>3,869,742</u>	<u>4,993,832</u>
NET ASSETS				
Unrestricted (deficit)	<u>224,071</u>	<u>(763,983)</u>	<u>(3,512,958)</u>	<u>(4,052,870)</u>
	<u>\$ 224,071</u>	<u>\$ (763,983)</u>	<u>\$ (3,512,958)</u>	<u>\$ (4,052,870)</u>

**ORANGEBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2012**

	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- Calhoun Regional Detention Center	Totals
Orangeburg County Fire District							
Governmental activities:							
Public safety	\$ 2,466,892	\$ -	\$ -	\$ (2,466,892)			\$ (2,466,892)
Total Orangeburg County Fire District	<u>2,466,892</u>	<u>-</u>	<u>-</u>	<u>(2,466,892)</u>			<u>(2,466,892)</u>
Orangeburg County Public Library							
Governmental activities:							
Culture and recreation	1,442,417	93,888	-		\$ (1,296,847)		(1,296,847)
Total Library Foundation	<u>1,442,417</u>	<u>93,888</u>	<u>-</u>		<u>(1,296,847)</u>		<u>(1,296,847)</u>
Orangeburg-Calhoun Regional Detention Center							
Governmental activities:							
Public safety	6,518,334	-	-			\$ (6,515,178)	(6,515,178)
Total Detention Center	<u>6,518,334</u>	<u>-</u>	<u>-</u>			<u>(6,515,178)</u>	<u>(6,515,178)</u>
Business-type activities:							
Orangeburg-Calhoun Regional Detention Center							
Regional Detention Center	125,826	99,919	-			(25,907)	(25,907)
Total Detention Center	<u>125,826</u>	<u>99,919</u>	<u>-</u>			<u>(25,907)</u>	<u>(25,907)</u>
Total component units	<u>\$ 10,553,469</u>	<u>\$ 154,757</u>	<u>\$ 93,888</u>	<u>(2,466,892)</u>	<u>(1,296,847)</u>	<u>(6,541,085)</u>	<u>(10,304,824)</u>
General Revenues:							
Payment from Primary Government					948,665	4,237,786	5,186,451
Payment from Other Governments					-	695,609	695,609
Property taxes				2,326,885	-	-	2,326,885
Total general revenues				<u>2,326,885</u>	<u>948,665</u>	<u>4,933,395</u>	<u>8,208,945</u>
Change in net assets				(140,007)	(348,182)	(1,607,690)	(2,095,879)
Net assets - beginning				364,078	(415,801)	(1,905,268)	(1,956,991)
Net assets - ending				<u>\$ 224,071</u>	<u>\$ (763,983)</u>	<u>\$ (3,512,958)</u>	<u>\$ (4,052,870)</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, 2012

Exhibit B-22

Operating Revenues:	
Canteen sales	\$ 51,850
Telephone revenue	42,026
Miscellaneous revenue	<u>6,043</u>
Total operating revenues	<u>99,919</u>
 Operating Expenses:	
Work release	6,494
Administration	24,542
Benefits for inmates	71,412
Capital expenditures	<u>23,378</u>
Total operating expenses	<u>125,826</u>
 Operating Income (Loss)	 <u>(25,907)</u>
 Change in net assets	 (25,907)
 Total net assets - beginning	 <u>77,275</u>
 Total net assets - ending	 <u><u>\$ 51,368</u></u>

**ORANGEBURG COUNTY, SOUTH CAROLINA
PROPRIETARY COMPONENT UNIT
ORANGEBURG-CALHOUN REGIONAL DETENTION CENTER
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2012**

Exhibit B-23

Cash Flows From Operating Activities:

Cash received from customers	\$ 91,775
Cash paid to suppliers	<u>(125,826)</u>
Net Cash Provided (Used) by Operating Activities	<u>(34,051)</u>
Net Increase (Decrease) in Cash and Equivalents	(34,051)
Cash and Equivalents at Beginning of Year	<u>66,586</u>
Cash and Equivalents at End of Year	<u><u>\$ 32,535</u></u>
 Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (25,907)
 Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) decrease in accounts receivables	<u>(8,144)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (34,051)</u></u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2012**

Exhibit B-24

	<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	\$ 31,807	\$ -	\$ 32,535	\$ 64,842
Cash and cash equivalents with fiscal agent	-	98,750	-	-	98,750
Investment with fiscal agent	-	2,165	-	-	2,165
Property taxes receivable	191,133	-	-	-	191,133
Other receivables	-	-	42,810	22,018	64,828
Intergovernmental receivable	-	991	259,421	-	260,412
Due from primary government	258,832	-	-	-	258,832
	<u>\$ 450,465</u>	<u>\$ 133,713</u>	<u>\$ 302,231</u>	<u>\$ 54,553</u>	<u>\$ 940,962</u>
Total assets					
	<u>\$ 450,465</u>	<u>\$ 133,713</u>	<u>\$ 302,231</u>	<u>\$ 54,553</u>	<u>\$ 940,962</u>
LIABILITIES AND FUND EQUITY					
Liabilities					
Accounts payable	\$ 11,409	\$ 2,878	\$ 56,369	\$ -	\$ 70,656
Accrued salaries and benefits	12,793	-	176,667	-	189,460
Deferred revenue - Property taxes	162,633	-	-	-	162,633
Due to fiduciary funds	-	-	-	3,185	3,185
Due to primary government	-	178,615	845,173	-	1,023,788
	<u>186,835</u>	<u>181,493</u>	<u>1,078,209</u>	<u>3,185</u>	<u>1,449,722</u>
Total liabilities					
	<u>186,835</u>	<u>181,493</u>	<u>1,078,209</u>	<u>3,185</u>	<u>1,449,722</u>
Fund Equity					
Fund balances / Net assets					
Unassigned / Unrestricted	263,630	(47,780)	(775,978)	51,368	(508,760)
	<u>263,630</u>	<u>(47,780)</u>	<u>(775,978)</u>	<u>51,368</u>	<u>(508,760)</u>
Total fund equity					
	<u>263,630</u>	<u>(47,780)</u>	<u>(775,978)</u>	<u>51,368</u>	<u>(508,760)</u>
Total liabilities and fund equity	<u>\$ 450,465</u>	<u>\$ 133,713</u>	<u>\$ 302,231</u>	<u>\$ 54,553</u>	<u>\$ 940,962</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, 2012

Exhibit B-25

	<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	\$ 2,321,827	\$ -	\$ -	\$ 2,321,827
Intergovernmental	-	1,034,249	4,936,551	5,970,800
Other	-	59,986	-	59,986
	<u>2,321,827</u>	<u>1,094,235</u>	<u>4,936,551</u>	<u>8,352,613</u>
EXPENDITURES				
Current:				
Public safety	2,414,381	-	5,719,073	8,133,454
Culture and recreation	-	1,258,275	-	1,258,275
	<u>2,414,381</u>	<u>1,258,275</u>	<u>5,719,073</u>	<u>9,391,729</u>
Excess of revenues over (under) expenditures	<u>(92,554)</u>	<u>(164,040)</u>	<u>(782,522)</u>	<u>(1,039,116)</u>
Net change in fund balance	<u>(92,554)</u>	<u>(164,040)</u>	<u>(782,522)</u>	<u>(1,039,116)</u>
Fund balances, beginning of year	<u>356,184</u>	<u>116,260</u>	<u>6,544</u>	<u>478,988</u>
Fund balances, end of year	<u>\$ 263,630</u>	<u>\$ (47,780)</u>	<u>\$ (775,978)</u>	<u>\$ (560,128)</u>

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**SCHEDULE REQUIRED
BY STATE LAW**

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

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COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES
SPECIAL REVENUE FUND - VICTIMS' ASSISTANCE FUND
FOR THE YEAR ENDED JUNE 30, 2012

Exhibit B-26

	Clerk of Court	Magistrates	Total
Court Fines			
Court fines collected	\$ 75,005	\$ 1,129,132	\$ 1,204,137
Court fines retained by County	<u>9,256</u>	<u>637,626</u>	<u>646,882</u>
Court fines remitted to State Treasurer	<u>\$ 65,749</u>	<u>\$ 491,506</u>	<u>\$ 557,255</u>
Court Assessments			
Court assessments collected	\$ 21,121	\$ 441,497	\$ 462,618
Court assessments retained by County	<u>4,907</u>	<u>61,064</u>	<u>65,971</u>
Court assessments remitted to State Treasurer	<u>\$ 16,214</u>	<u>\$ 380,433</u>	<u>\$ 396,647</u>
Court Surcharges			
Court surcharges collected	<u>\$ 19,545</u>	<u>\$ 27,116</u>	<u>\$ 46,661</u>
Court surcharges retained by County	<u>\$ 19,545</u>	<u>\$ 27,116</u>	<u>\$ 46,661</u>
Victims Services			
Court assessments allocated to Victim Services	\$ 4,907	\$ 61,064	\$ 65,971
Court surcharges allocated to Victim Services	<u>19,545</u>	<u>27,116</u>	<u>46,661</u>
Funds allocated to Victim Services	<u>\$ 24,452</u>	<u>\$ 88,180</u>	112,632
Victim Services expenditures			(263,439)
Transferred from towns			<u>14,843</u>
			<u>\$ (135,964)</u>
Beginning balance - July 1, 2011		\$ (84,156)	
Excess of revenues over (under) expenditures for current year		<u>(135,964)</u>	
Ending Balance - June 30, 2012		<u>\$ (220,120)</u>	

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STATISTICAL SECTION (UNAUDITED)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	2003	2004	2005	2006	As Previously Shown				2011	2012
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	\$ 54,739,557
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	52,160,229
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)	(13,373,135)
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	\$ 93,526,651
Business-type activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,310,103	\$ 5,184,142
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	(458,450)	(544,030)
Total business-type activities net assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,851,653	\$ 4,640,112
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	\$ 59,923,699
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	52,160,229
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)	(13,917,165)
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	\$ 98,166,763

*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)

Table 2

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental Activities:										
General government	\$ 8,217,989	\$ 8,337,248	\$ 9,041,763	\$ 6,343,675	\$ 9,020,416	\$ 17,247,913	\$ 18,502,621	\$ 17,223,230	\$ 18,776,901	\$ 14,653,542
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	3,952,938
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	9,916,683
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	18,877,044
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	1,564,171
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	5,119,396
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	4,451,684
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	1,923,866
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	60,459,324
Business-type activities										
Water and sewer	-	-	-	-	-	-	-	-	353,385	418,105
Total business-type activities expenses	-	-	-	-	-	-	-	-	353,385	418,105
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	60,877,429
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	957,743
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	1,653,157
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	2,989,909
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	2,563,944
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	1,545,025
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	9,709,778
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	1,855,030	2,725,040
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	2,596,526
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	15,031,344
Business-type activities										
Charges for services:										
Water and sewer	-	-	-	-	-	-	-	-	96,822	123,705
Capital grants and contributions	-	-	-	-	-	-	-	-	-	1,082,859
Total business-type activities program revenues	-	-	-	-	-	-	-	-	96,822	1,206,564
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	\$ 16,237,908

(Continued)

Table 2

COUNTY OF ORANGEBURG, SOUTH CAROLINA

CHANGES IN NET ASSETS

LAST TEN FISCAL YEARS

(accrual basis of accounting)

(Unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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)	\$(45,427,980)
Business-type activities	-	-	-	-	-	-	-	-	(256,563)	788,459
Total primary government net expense	<u>\$(29,998,733)</u>	<u>\$(33,099,143)</u>	<u>\$(33,092,522)</u>	<u>\$(42,589,192)</u>	<u>\$(45,127,403)</u>	<u>\$(44,579,415)</u>	<u>\$(52,344,401)</u>	<u>\$(45,081,421)</u>	<u>\$(47,431,654)</u>	<u>\$(44,639,521)</u>
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	30,519,224
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	9,550,732
Accommodations Tax	206,234	194,721	196,884	204,268	221,736	217,481	219,989	194,123	205,524	206,834
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	1,191,220
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	4,579,919
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	637,289
Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	116,283	47,240	(54,209)	11,918	2,596,555
Transfers	-	-	-	-	-	-	1,126,439	-	(266,481)	-
Total governmental activities	<u>39,241,435</u>	<u>39,809,573</u>	<u>46,737,903</u>	<u>45,905,663</u>	<u>44,976,343</u>	<u>50,930,154</u>	<u>50,548,641</u>	<u>49,245,624</u>	<u>47,066,784</u>	<u>49,261,773</u>
Business-type activities:										
Transfers	-	-	-	-	-	-	-	-	266,481	-
Total business-type activities	-	-	-	-	-	-	-	-	266,481	-
Total primary government	<u>39,241,435</u>	<u>39,809,573</u>	<u>46,737,903</u>	<u>45,905,663</u>	<u>44,976,343</u>	<u>50,930,154</u>	<u>50,548,641</u>	<u>49,245,624</u>	<u>47,333,265</u>	<u>49,261,773</u>
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)	3,833,793
Business activities	-	-	-	-	-	-	-	-	9,918	788,459
Total primary government	<u>\$ 9,242,702</u>	<u>\$ 6,710,430</u>	<u>\$ 13,645,381</u>	<u>\$ 3,316,471</u>	<u>\$ (151,060)</u>	<u>\$ 6,350,739</u>	<u>\$ (1,795,760)</u>	<u>\$ 4,164,203</u>	<u>\$ (98,389)</u>	<u>\$ 4,622,252</u>

*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)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	As Previously Shown									
General Fund										
Nonspendable	\$ 100,375	\$ 93,532	\$ 84,691	\$ 147,962	\$ 3,734	\$ 38,856	\$ 34,365	\$ 32,233	\$ -	\$ 15,309
Committed	-	-	-	-	-	-	-	-	1,195,806	1,082,301
Assigned	28,260	316,366	477,754	1,008,441	-	29,025	66,740	50,406	45,935	18,050
Unassigned	5,570,655	6,691,172	9,209,044	7,582,624	6,255,041	4,500,985	1,898,489	1,783,257	933,021	1,405,062
Total general fund	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	2,520,722
All Other Governmental Funds										
Nonspendable	239,812	226,900	214,437	200,066	185,953	911,330	150,933	159,783	205,725	199,656
Restricted	54,342,744	54,542,243	47,581,017	42,537,839	101,862,113	104,563,329	91,742,330	79,632,742	68,066,486	75,748,055
Assigned	-	-	-	-	-	80,478	112,679	18,693	8,874	10,098
Unassigned	(275,089)	(342,016)	(570,870)	(1,206,935)	(1,526,008)	(1,932,950)	(2,499,945)	(2,637,450)	(2,555,646)	(5,666,690)
Total all other governmental funds	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	70,291,119
Total all governmental funds	\$ 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	\$ 72,811,841

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

Table 4

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Property taxes	\$ 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	\$ 30,381,919
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	9,530,732
Intergovernmental	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	10,108,319
Licenses and permits	564,977	619,798	646,720	670,587	859,138	653,242	589,683	591,611	591,611	587,491
Charges for services	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	6,938,437
Fines, fees and forfeitures	1,032,694	676,892	719,247	654,092	770,617	2,269,562	2,095,470	2,122,108	2,214,850	2,183,850
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	1,191,220
Other	2,039,031	1,265,472	1,562,839	862,499	283,392	449,843	512,131	783,873	627,265	635,754
Total revenues	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	61,557,722
Expenditures										
General government	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	13,003,688
Judicial	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	3,581,922
Public works	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	19,290,924
Public safety	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	18,358,424
Social and health	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	1,409,065
Sanitation	13,904,347	4,069,879	4,419,044	5,009,300	4,971,449	4,971,449	5,394,685	4,722,235	4,670,979	4,882,523
Internal services	1,257,931	1,337,430	1,468,408	1,552,818	1,791,703	533,840	547,869	532,236	-	-
Allocation to others	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	-	1,368,492	-	-	-	989,848	1,102,819	900,931	940,229	-
Culture and recreation	340,340	-	564,662	-	3,986,393	9,289,471	6,054,209	3,804,601	4,570,418	3,525,875
Non-budgeted expenditures	-	-	-	-	-	2,256,689	859,249	952,316	886,404	-
Debt service:										
Interest	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	2,296,575
Principal	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	10,607,691
Total expenditures	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	76,956,687
Excess of revenues over (under) expenditures	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)	(15,398,965)
Other Financing Sources (Uses)										
Bond proceeds	36,018,647	11,185,000	-	-	67,154,611	9,715,000	-	-	-	17,500,000
Note proceeds	750,000	-	-	-	-	-	-	-	2,111,049	-
Defeasance costs	-	(154,164)	-	-	-	-	-	-	-	-
Payments to escrow agent	-	(2,000,000)	-	-	-	-	-	-	-	-
Capital leases	-	-	-	-	-	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	2,810,605
Transfers in	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	1,131,866
Transfers out	(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)	(1,131,866)
Total other financing sources (uses)	34,159,228	10,372,360	-	1,463,589	76,442,934	11,971,689	1,223,138	41,285	1,882,893	20,310,605
Net change in fund balances	\$ 34,847,103	\$ 1,521,440	\$ (4,532,124)	\$ (6,726,076)	\$ 58,718,639	\$ 1,541,015	\$ (17,028,315)	\$ (12,858,511)	\$ (11,725,456)	\$ 4,911,640
Debt service as a percentage of noncapital expenditures	11%	18%	15%	13%	10%	15%	19%	17%	18%	17%

Table 5

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

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Agricultural Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
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%
2012	77,793,750	61,956,294	4,239,172	105,615,195	249,604,411	124.7	3,814,385,160	6.54%

Source: Auditor, Roger Cleckley

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	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
SCE&G	\$ 29,461,356	1	12.17%	\$ 29,589,334	1	12.96%
Albemarle	4,324,866	2	1.79%	3,564,076	2	1.56%
Roseberg Forest PX	1,072,134	3	0.44%	-	-	-
Bellsouth Telecommunications	2,209,190	4	0.91%	3,501,790	3	1.53%
American Koyo	1,535,516	5	0.63%	2,533,236	4	1.11%
Okonite	1,851,532	6	0.77%	1,648,700	5	0.72%
Tri County Electric Co-Op	1,605,230	7	0.66%	907,674	7	0.40%
Delahaize	1,381,790	8	0.57%	1,344,934	6	0.59%
CSX Railroad	1,281,071	9	0.53%	664,140	8	0.29%
Aiken Electric	1,204,480	10	0.50%	-	-	-
Total	\$ 45,927,165		18.98%	\$ 43,753,884		19.16%

Source: County Treasurer, J. Steve Summers
Taxes collected represent Orangeburg County collection excluding school levies.

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 Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2012	28,824,287	25,574,458	88.73%	3,163,241	28,458,710	98.73%

Source: County Treasurer, J. Steve Summers

Table 8

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
County Direct Rates										
County Debt General	78	74	74	74	75	78	78	78	78	82
Bond Indebtedness	7	7	6	6	6	7	7	7	7	7
Capital Improvement Fund	5	3	3	3	3	3	3	3	3	2
Total direct rate	90	84	83	83	84	88	88	88	88	90
City and Town Rates										
City of Orangeburg	72	73	73	79	84	75	88	87	87	87
Town of Branchville	66	66	66	66	66	68	68	68	68	68
Town of Bowman	60	60	60	60	70	70	90	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	16
Town of Elloree	40	40	60	65	67	70	72	75	75	77
Town of Eutawville	60	60	60	60	60	60	60	60	60	60
Town of Holly Hill	70	66	66	66	68	70	70	70	70	70
Town of Livingston	20	20	20	20	20	20	20	20	20	20
Town of Neeses	28	28	28	28	33	33	33	33	33	33
Town of Norway	42	42	42	50	50	52	52	52	52	55
Town of North	84	64	64	75	75	77	79	81	81	81
Town of Rowesville	30	30	40	40	40	40	40	40	40	45
Town of Santee	48	48	48	90	90	83	93	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	15	10	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	179	175	188	198	203	223	223	230	230	230
District Four	175	175	178	178	185	195	199	184	184	186
District Five	192	191	193	196	209	216	219	219	219	219
Sewer District Rates										
Drainage	3	3	3	3	3	3	3	3	3	3
Holly Hill Watershed	10	10	10	9	12	12	12	12	12	12
Other Special District Rates										
Special Education	8	8	9	9	9	9	9	9	9	8
Solid Waste	14	13	13	13	12	12	12	12	12	10
Board of Education	31	30	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				
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	-	-	56,344,932	4.69%	609	
2012	12,445,000	43,245,000	6,726,074	2,575,240	-	-	65,285,581	2.56%	710	

* 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>		
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
2012	12,445,000	12,445,000	5.06%	135

Source: County Treasurer, J. Steve Summers

COUNTY OF ORANGEBURG, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2012

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	\$ 12,445,000	100.00%	\$ 12,445,000
Orangeburg School District 3	30,665,000	100.00%	30,665,000
Orangeburg School District 4	27,329,091	100.00%	27,329,091
Orangeburg School District 5	34,765,957	100.00%	34,765,957
Total direct and overlapping debt			<u>\$ 105,205,048</u>

Source: County Treasurer, J. Steve Summers

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

Table 12

	2003*	2004*	2005*	2006*	2007*	2008*	2009*	2010	2011	2012
Debt Limit	\$ 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	\$ 19,968,353
Total net Debt applicable to limit	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	11,910,000
Legal debt margin	\$ 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	\$ 8,058,353
Total net debt applicable to the limit as a percentage of debt limit	13.96%	56.25%	62.25%	58.41%	43.50%	84.59%	75.63%	69.09%	68.30%	59.64%
Legal Debt Margin Calculation										
for Fiscal Year 2012										
Assessed Value - Net of exemptions	\$ 249,604,411									
Debt Limit (8 % of assessed value)	19,968,353									
Debt applicable to limit:										
General obligation bonds	12,445,000									
Less: Debt excluded by referendum	535,000									
Total net debt applicable to limit	11,910,000									
Legal debt margin	\$ 8,058,353									

* Calculated at 8% of assessed value

Source: County Treasurer, J. Steve Summers

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

Table 13

Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2012	91,910	\$ 1,674,870	\$ 18,223	38	14,322	14.50%
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%

Source: Community Economic Alliance, Inc.
and S.C. Department of Education

SC.COMMERCE.COM

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

Table 14

Employer	2012			2003		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Husqvarna	2,000	1	2.18%			
Koyo Corp of USA	530	2	0.58%			
Sara Lee Bakery Group	536	3	0.58%			
Food Lion Distribution Center #3	498	4	0.54%			Not Available
Zeus Industrial Products Inc.	450	5	0.49%			
Albemarle Corporation	400	6	0.44%			
Allied Air Enterprise, Inc.	400	7	0.44%			
Federal Mogul Friction Products	275	8	0.30%			
The Okonite Company	220	9	0.24%			
Holeim	200	10	0.22%			
Total	5,509		5.99%			

Orangeburg County Economic Development Commission
ocdc.com

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

Table 15

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	-	-	-	161	178	182	178	161	183	345
Public Safety	-	-	-	242	225	193	170	205	220	249
Public Works	-	-	-	81	100	92	92	89	144	153
Public Health	-	-	-	52	46	42	43	53	79	84
Culture and Recreation	-	-	-	35	-	-	17	16	12	17
Total	-	-	-	571	549	509	500	524	638	848

Source: Marion Boyd, Personnel Director

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General										
Number of building permits	*	*	*	*	1,940	2,245	2,379	2,331	2,481	2,527
Public Safety										
Police										
Calls for Service	*	*	*	*	17,531	31,656	19,325	21,386	28,972	12,699
EMS										
Calls for Service	*	*	*	*	12,968	13,542	13,183	15,562	16,224	14,065
Fire										
Number of Calls Answered	*	*	*	*	5,910	3,981	4,712	4,227	4,767	3,837
Number of Inspections Conducted	*	*	*	*	*	*	*	*	*	25
Number of Investigations Conducted	*	*	*	*	*	*	*	*	*	44
Sanitation										
Number of Active Waste Accounts	*	*	*	*	432	439	410	405	414	414

* Information not available

Source:

- Building permits provided by Orangeburg County Permitting Department
- Police information provided by Orangeburg County Sheriff's Department
- EMS information provided by Orangeburg County Emergency Services
- Fire information provided by Orangeburg County Fire Service Office
- Sanitation information provided by Orangeburg County Finance Department

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

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

Table 17

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety										
Fire stations	*	*	*	*	35	38	38	38	35	43
EMS stations	*	*	*	*	4	4	4	4	4	6
Police vehicles	*	*	*	*	177	213	204	233	175	125
Police stations (including substations)	*	*	*	*	5	7	7	7	7	6
Public Works										
County and State maintained paved roads (miles)	*	*	*	*	1,807	1,895	1,907	1,918	1,945	178
County and State maintained unpaved roads (miles)	*	*	*	*	934	902	895	884	857	852
Culture & Recreation										
Parks acreage	*	*	*	*	35	35	35	35	35	35

*Information not available prior to fiscal year 2007

Source:

Fire information provided by Orangeburg County Fire Service District Office
 Police information provided by Orangeburg County Sheriff's Department
 EMS information provided by Orangeburg County Emergency Services
 Public Works information provided by Orangeburg County Public Works
 Parks information provided by Orangeburg County Administration Office

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

SINGLE AUDIT SECTION

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2012

Federal Grant/Pass Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Entity Identifying Number	Federal Expenditures
DEPARTMENT OF ENERGY			
Passed through S.C. Energy Office:			
EECBG-ARRA Energy Retrofit Grant	81.128	DE-EE0000952	\$ 113,499
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	169,175
CDBG 2010 Regional Planning	14.228	4-RP-10-005	77,500
ARRA-CDBG Edisto Sewer Extension Phase II	14.255	4-S-08-010	37,492
Cluster Total			<u>284,167</u>
CPD Formula Programs:			
HOME Investment Partnerships	14.239	M11-DC-45-0216	34,187
DEPARTMENT OF JUSTICE			
Bulletproof Vests Project - 2008	16.607	2008-DJ-BX-0704	520
Bulletproof Vests Project - 2010	16.607	2010	3,852
Bulletproof Vests Project - 2011	16.607	2011BUBX11056018	1,287
Edward Byrne Memorial Grant:			
FY 2011 JAG Program	16.738	2011-DJ-BX-3340	5,686
JAG OCSO Youth Initiative	16.738	2010-DJ-BX-0911	8,881
ARRA-COPS Hiring Recovery Program			
COPS 2010 Technology Program	16.710	2009-RK-WX-0770	177,528
	16.710	2010-CK-WX-0110	315,168
ARRA-Edward Byrne Memorial Assistance Grants			
	16.808	2009-SB-B9-3340	82,803
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	78,750
Federal Financial Assistance	93.563	G-04SC404	103,997
Clerk of Court Incentive (IV-D)	93.563	G-04SC404	80,719
Family Court Filing Fees	93.563	G-04SC404	456,399
Sheriff's Department	93.563	G-04SC404	941
DEPARTMENT OF HOMELAND SECURITY			
Passed through S.C. Emergency Management Agency:			
LEMPG/ Competitive Project	97.042	9EMPG01	8,961
LEMPG/FY 2011	97.042	11EMPG01	57,810
Passed through S.C. Law Enforcement Division:			
Citizens Corps.	97.067	8CCP01	9,416
Citizens Corps.	97.067	9CCP01	4,151
SHSP - School Safety Initiative	97.073	7SHSP03	12,557
DEPARTMENT OF AGRICULTURE			
ARRA - Broadband Initiative Program:			
Technical Assistance Grant	10.787	SC1104-B47	199,920
ARRA - Broadband Initiative Program	10.787	SC1104-A40	36,727
Passed through S.C. Department of Social Services:			
At Risk After School Snack Program	10.558		29,946
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>Ending Balance</u>
			<u>\$ 2,755,232</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTE TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
YEAR END JUNE 30, 2012**

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.

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

To County Council
County of Orangeburg, South Carolina

We have audited the financial statements of the governmental activities, the 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, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 7, 2013. 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 2012-4 through 2012-10 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 2012-1 through 2012-3 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 2012-4 and 2012-8.

We noted certain matters that we reported to management of the County of Orangeburg, South Carolina in a separate letter dated June 7, 2013.

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 and use 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
June 7, 2013

McGregor & COMPANY, LLP

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To County Council
County of Orangeburg, South Carolina

Compliance

We have audited the County of Orangeburg, South Carolina's (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2012. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

As described in item 2012-4 in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding cash management and reporting that are applicable to its COPS Hiring Recovery Program and Edward Byrne Memorial Justice Assistance Grant. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to these programs

In our opinion, except for the noncompliance described in the preceding paragraph, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2012-4 to be a material weakness.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the 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, 2012, and have issued our report thereon dated June 7, 2013, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the

financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

McGregor + Company LLP

Orangeburg, South Carolina
June 7, 2013

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2012**

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Federal Awards

- | | |
|--|-------------|
| (a.) Internal control over major programs: | |
| 1) Material weaknesses identified: | Two |
| 2) Significant deficiencies identified that are not
Considered to be material weaknesses: | None |
| (b.) Type of auditor's report issued on compliance for major programs: | 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

81.128	EECBG-ARRA Energy Retrofit Grant
14.228	CDBG Eastern Orangeburg County Planning Study
14.228	CDBG 2010 Regional Planning
14.255	ARRA – CDBG Edisto Sewer Extension Phase II
16.710	ARRA-COPS Hiring Recovery Program
16.710	COPS 2010 Technology Program
16.808	ARRA-Edward Byrne Memorial Assistance Grants
10.787	ARRA-Broadband Initiative Program Technical Assistance
10.787	ARRA-Broadband Initiative Program
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, 2012**

II. FINDINGS - FINANCIAL STATEMENT AUDIT

2012-1 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 (deficits) between reconciled bank balances and supporting documentation:

Trust account	\$ 18,482
Condemnation account	1,585
2 Bond accounts	60,878
Restitution account	16,409
Restitution account	593
Fine account	391
Civil account	<u>(5)</u>
	<u>\$ 98,333</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.

Response: The Clerk of Court's office staff is researching and the unreconciled difference is corrected in fiscal year 2013.

2012-2 Internal Controls over Reporting Activity in Proper Fund

Significant Deficiency

Conditions: Grant expenditures of \$19,986 under the SC Trauma Grant were recorded in the General Fund while the grant proceeds were recorded in a special revenue fund. School Resource Officer expenditures of \$25,575 were also recorded in the General Fund while the reimbursement from schools was recorded in a special revenue fund.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2012**

II. FINDINGS - FINANCIAL STATEMENT AUDIT

2012-2 Internal Controls over Reporting Activity in Proper Fund (continued)

Significant Deficiency

Criteria: Special revenue funds are created to maintain a proper accounting of all activity under that particular purpose.

Effect: The issue of not reconciling the revenue reimbursed under grants or other agreements leads to both funds being misstated and potential errors in reimbursement claim calculations.

Recommendation: We recommend each fund be reviewed monthly to ensure all activity under pertaining to the fund's purpose be included and also reconciled to the reimbursement claimed for those expenditures.

Response: County management has contracted and budgeted in fiscal year 2013-2014 to provide training to accounting personnel.

2012-3 Uncollectible Receivable Balances

Significant Deficiency

Conditions: During the 2010 fiscal year, the Dawn Center had issues with a federal grant in their name and 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 uncollected at June 30, 2012.

One customer has a receivable for landfill tipping balances of \$75,617 that dates back to 2000 which remains uncollected at June 30, 2012.

Criteria: Receivables should be reviewed and means of collection pursued or deemed uncollectible and written off.

Effect: The County is bearing the costs of uncollected funds.

Recommendation: We recommend all accounts be reviewed monthly and efforts to collect or resolve these funds be made.

Response: The County is pursuing efforts to resolve uncollectable accounts. Collection enforcement actions have been taken by the County Administrator.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2012

III. FINDINGS - FINANCIAL STATEMENT AUDIT

2012-4 Internal Controls over Federal Claims

Material Weakness

Conditions: Grant reimbursement requests for the COPS Hiring Recovery (Fund 127) were over claimed by \$31,123. 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. The prior year was also over claimed by \$127,218 which was reclassified to deferred revenue. During the 2012 year, these grant funds were "earned" but the reclassing from deferred revenue to current year revenue was not done. Therefore, a correcting journal entry was proposed and made by the County.

The Edward Byrne Memorial grant (Fund 181) had prior year over claimed grant funds which were "earned" in the year 2012, but no entry was made to reclass this earned revenue of \$42,131 to current year revenue. Therefore, a correcting entry was proposed to and made by the County to correct the grant fund.

For the following grant funds, the grant expenditures were not recorded in the proper fund and entries were proposed to and recorded by the County to correct:

- 1) \$39,237 – Regional Planning Grant (Fund 168) expenditures recorded in the OC Home Consortium Grant fund (Fund 153)
- 2) \$3,120 – Bullet Proof Vest Grant (Fund 162) expenditures recorded in the General Fund
- 3) \$21,989 – LEMPG (Fund 190) expenditures recorded in the General Fund
- 4) \$1,996 – Edward Byrne Memorial Grant (Fund 181) expenditures recorded in the General Fund

Criteria: Actual grant transactions should agree to the claims for reimbursement and recorded in the proper year and fund.

Effect: Grant fund activity was misstated and one grant was 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.

Response: The County is examining policies and procedures to require fund activity to be reconciled with reimbursement requests and other grant activity reports.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2012**

II. FINDINGS - FINANCIAL STATEMENT AUDIT

2012-5 Delinquent Tax Office Account Reconciliations

Material Weakness

Conditions: The Delinquent Tax office turns over the delinquent tax payments to the Treasurer's office by writing a check from the tax payment bank account the first of the following month and the County's fees are turned over to the Treasurer's office each quarter. At June 30, 2012, this bank account had a reconciled balance of \$1,071,599 of which only \$412,455 was comprised of June 2012 tax collections and fourth quarter fees to turn over the Treasurer. Of the remaining \$659,144, \$656,913 are net funds owed to the tax bank accounts in the Delinquent Tax office which were deposited/drawn in error, \$3,221 are net funds owed back to the tax payment bank account which have not been requested from the Treasurer's office for various fees incurred or collection costs refunded to taxpayers, and \$2,061 are funds owed back to taxpayers. The remaining \$3,390 remains as an unknown overage in the account.

The Delinquent Tax office has 2 bankruptcy accounts with listings of the funds held in each. The older account previously had an unidentified "overage" which was transferred to the General Fund and \$3,215.99 of these old unidentified funds were disbursed to individuals during the 2011 fiscal year for closed cases but have not been requested or reimbursed from the General Fund. The newer account has a listing of funds held maintained in three separate notebooks. In verifying the funds held, it was determined 10 cases were not recorded in the notebooks and 2 cases required corrections in the notebooks.

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.

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: The Delinquent Tax office is implementing monthly reconciliation procedures; in particular comparing subsidiary lists to recorded balances. The County contracted with an outside accounting firm to investigate accounts.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2012**

II. FINDINGS - FINANCIAL STATEMENT AUDIT

2012-6 Preparation of Financial Statements

Material Weakness

Conditions: The AICPA issued Statement on Auditing Standards No. 115, *Communicating Internal Control Related Matters Identified in an Audit*. This standard, emphasizes the need for the County to have internal controls over financial reporting in place that will provide reasonable assurance that the County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). In order for these controls to be effective, County personnel need to receive adequate training to allow them to prepare the County's financial statements in accordance with GAAP.

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

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

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: County management has contracted and budgeted in fiscal year 2013-2014 to provide training to accounting personnel.

2012-7 Fund Balance Deficits

Material Weakness

Conditions: During 2012 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	2012 Excess of Expenditures over Revenues	June 30, 2012 Fund Deficit
Grant Subfunds	\$ (986,219)	\$ (70,920)
New Brooklyn Lighting Tax District	(6,501)	(37,958)
Brookdale Lighting Tax District	(4,047)	(26,980)
Victims' Assistance	(135,964)	(220,120)
Jafza Building	(23,868)	(162,707)
Orangeburg Water Expansion	(344,169)	(350,791)
Broadband Program	(2,993,702)	(3,478,286)

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2012**

II. FINDINGS - FINANCIAL STATEMENT AUDIT

2012-7 Fund Balance Deficits (continued)

Material Weakness

In addition, the Special Education and Roads and Bridges Maintenance Special Revenue Funds have fund balance deficits of \$1,184,346 and \$16,945, respectively, at June 30, 2012. The fund deficit in these funds did decrease during the 2012 year, but fund deficits still remain.

The County incorporates "budget carry forwards" into their budgeting process for projects budgeted in prior fiscal years but not completed. These carry forwards are reflected as budget adjustments during the year when approved by Council and effected the General Fund (\$2,453,151) and Capital Improvements Capital Projects Fund (\$7,220,344). The Capital Improvements Fund only had a fund balance of \$3,677,235 at the beginning of fiscal year 2012, therefore, if these authorized expenditures were made, a fund deficit would have resulted due to these carry forward funds being used for other projects over the past several years. For the General Fund, the carry forward budgeted expenditures were reflected in the fund with a corresponding "transfer in" with no determination of which fund would be transferring these funds and the General Fund's fund balance at the beginning of fiscal year 2012 of \$2,174,762 was not sufficient to absorb these expenditures.

Criteria: Funds should be reviewed before incurring expenditures or approving "budget carry forwards" to ensure funds are available.

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

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

Response: The County does review funds before incurring expenditures or approving the budget adjustments. Deficit fund balances are due to timing differences between expenditures and revenues.

For FY2012-2013, the County liquidated the Broadband deficit by issuing a bond anticipation note. The tax districts deficits are being funded by adjustment to the millage.

The Jafza Building deficit was liquidated in FY2013 by a combination of grant and general fund monies.

The Orangeburg Water Expansion deficit was corrected by transferring funds in FY2013.

The County is investigating the deficit with its Victim Assistance fund.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2012

II. FINDINGS - FINANCIAL STATEMENT AUDIT

2012-8 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.

Material Weakness

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: Administration has made County Council aware of the need to increase the rates. County Council will address in fiscal year 2013-2014.

2012-9 Capital Asset Corrections

Material Weakness

Conditions: The County purchased \$18,877,625 in capital assets in the fiscal year ended June 30, 2012. Only \$13,449,988 was recorded by the County leaving \$5,427,637 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 \$3,817,069 had to be reclassified after auditors requested County review the CIP listing and update.

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.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2012**

II. FINDINGS - FINANCIAL STATEMENT AUDIT

2012-9 Capital Asset Corrections (continued)

Material Weakness

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: County management has contracted and budgeted in fiscal year 2013-2014 to provide training to accounting personnel.

The County has reassigned the recordkeeping for capital assets to the Risk Manager.

2012-10 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) \$900,000 – transferring unspent Child Support fees at year end from the Clerk of Court Fees and DSS Incentive Special Revenue Fund to the General Fund
- 2) \$172,646 – unrecorded grant receivable for the COPS Technology Program
- 3) \$113,499 – unrecorded grant receivable for the Energy Grant
- 4) \$42,121 – unrecorded grant receivable for the COPS Hiring Grant
- 5) \$46,688 – unrecorded grant receivable for the Edward Byrne Memorial Grant
- 6) \$2,040,339 – unrecorded state "C" Funds reimbursements
- 7) \$218,672 – move Enterprise Fund activity from the Capital Projects fund where it was originally recorded
- 8) \$1,082,859 – record contribution of capital assets from Governmental Activities at completion of construction project to the Enterprise Fund where sewer assets are in service.
- 9) \$213,424 – current year depreciation for the Enterprise Fund
- 10) \$2,766,911 – correct entry to record activity in investment accounts for the Capital Sales Tax II Fund
- 11) \$16,900,598 – correct entry to record activity in investment accounts for the Capital Sales Tax III Fund (includes \$17,500,000 unrecorded bond proceeds, \$600,159 unrecorded expenditures, \$757 unrecorded investment income)
- 12) \$13,950,776 – remove receivable and deferred revenue of the same amount pertaining to grant funding not earned or received at June 30, 2012.
- 13) \$698,712 – corrections to accounts receivable/revenue for the School Resource Officer
- 14) \$343,644 – reclass grant activity to proper fund. Orangeburg Water Expansion capital Projects activity was recorded in the Edisto Sewer Capital Projects Fund.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2012

II. FINDINGS - FINANCIAL STATEMENT AUDIT

2012-10 Material Audit Adjustments (continued)

Material Weakness

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.

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, 2012.

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: County management has contracted and budgeted in fiscal year 2013-2014 to provide training to accounting personnel.

The County has contracted for training and assistance to ensure that its records are reconciled and adjusted as a part of its fiscal year 2013 year end financial reporting process.

II. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

See 2012-4.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2012

Findings – Financial Statements 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>

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 2012-1.

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 by \$11,046.73 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, 2012

Findings – Financial Statements Audit

2011-2 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: Not sustained in current year.

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.

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.

Current Status: Sustained in current year. See Finding 2012-4.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2012**

Findings – Financial Statements Audit

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. 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: Not sustained in current year.

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. Since the County had not recorded a receivable, the revenues were understated from these withheld funds.

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 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. On June 30, 2011, the County stopped running payrolls for the Dawn Center, but the total receivable of \$221,100 and \$26,311 for the County and the Detention Center, respectively remain.

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: Receivable from grant withholdings sustained in current year. See Finding 2012-3. Payroll processing not sustained.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2012

Findings – Financial Statements Audit

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.

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.

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.

Current Status: Not sustained in current year.

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.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2012

Findings – Financial Statements Audit

2011-7 Delinquent Tax Office Account Reconciliations (continued)

Significant Deficiency

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.

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.

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

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.

Current Status: Sustained in current year. See Finding 2012-5.

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.

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

The revenues were overstated at year end.

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

Current Status: Not sustained in current year.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2012**

Findings – Financial Statements Audit

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.

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

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.

Current Status: Sustained in current year. See Finding 2012-6.

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)

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2012**

Findings – Financial Statements Audit

2011-10 Fund Balance Deficits (continued)

Material Weakness

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.

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

When expenditures are incurred where revenues are not sufficient to cover them, then fund deficits occur.

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

Current Status: Sustained in current year. See Finding 2012-7.

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.

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

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.

Current Status: Sustained in current year. See Finding 2012-8.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2012

Findings – Financial Statements Audit

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.

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.

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.

Current Status: Sustained in current year. See Finding 2012-9.

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.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2012**

2011-13 Material Audit Adjustments (continued)

Material Weakness

- 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.

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.

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.

Current Status: Sustained in current year. See Finding 2012-10.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2012

FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS

NONE