

COUNTY OF ORANGEBURG

SOUTH CAROLINA

**AUDITED BASIC FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION**

YEAR ENDED JUNE 30, 2014

WITH

REPORT OF INDEPENDENT AUDITOR

County of Orangeburg, South Carolina
Basic Financial Statements
June 30, 2014

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REPORT OF INDEPENDENT AUDITOR

ORANGEBURG COUNTY, SOUTH CAROLINA

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REPORT OF INDEPENDENT AUDITOR

The Honorable Chairman and Members of County Council
Orangeburg County, South Carolina

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit of the Orangeburg County Library, each major fund, and the aggregate remaining fund information of Orangeburg County, South Carolina (the "County"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

I did not audit the financial statements of Orangeburg County Development Commission, which represents approximately 80% of the assets and revenue of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to me, and my opinion, insofar as it relates to the amounts included for the Orangeburg County Development Commission, is based solely on the report of other auditors.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Orangeburg County Library were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.



Opinions

In my opinion, the basic 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 Orangeburg County, South Carolina, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Emphasis of Matter

As discussed in *Note IV, H*, to the financial statements, the 2013 financial statements have been restated to correct misstatements. My opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplemental Information 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. I 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The accompanying supplementary information, of the combining and individual fund financial statements and other financial schedules as listed in the table of contents as Other Supplementary Information, and the Schedule of Expenditures of Federal Awards, as required by Office of Management and Budget (OMB) Circular A-133, *Audits of States Local Governments and Non-profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County.

The combining and individual fund financial statements and other financial schedules, and the Schedule of Expenditures of Federal Awards, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual fund financial statements and other financial schedules, and the Schedule of Expenditures of Federal Awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated September 14, 2015 on my consideration of the County's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Robert E. Wilcox, CPA, P.A." with a large, sweeping flourish at the beginning.

September 14, 2015
Columbia, South Carolina

ORANGEBURG COUNTY, SOUTH CAROLINA

Management's Discussion and Analysis

This section of County of Orangeburg, South Carolina's (the County) annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2014. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The County's Governmental Activities net position at year end was \$84,628,312.
- The County's Business-type Activities net position at year end was \$22,502,459.
- The County invested in new capital assets in the amount of \$8,645,376 for its Governmental Activities.
- The County reduced its Governmental Activities and Business-type activities long-term debt by \$(59,577,077) and \$(8,835,928) respectively.

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 *supplementary information that includes combining statements* for nonmajor governmental funds. The basic financial statements are presented as follows:

- The first two statements, The Statement of Net Position and the Statement of Activities, are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's *overall* financial status. The Statement of Net Position offers a snap-shot of balances at the end of the fiscal year while the Statement of Activities presents the results of providing governmental goods and services over the course of the fiscal year.
- 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. The *governmental funds* balance sheet are a snap shot of available spendable financial resources and the claims against those resources at year end. The *governmental funds* statement of revenue, expenditures and changes in fund balance indicate how the government used its inflows and outflows of available spendable resources over the course of the fiscal year.
- The *proprietary fund* statements provide financial details of water 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.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the County and its component unit as a whole using accounting methods similar to those used by private-sector companies. The statement of net position 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 position* and how they have changed. Net position – the difference between the County's assets and liabilities – is one way to measure the County's financial health.

- Over time, increases or decreases in the County's net position 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, 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 resources 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.

- *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.
- *Fiduciary funds* – The County acts as agent, or *fiduciary*, for other entities' resources. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net position

The County's net position decreased by \$1.9 million between fiscal years 2013 and 2014 ending at approximately \$106 million.

Summary of the County's Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 47,415,685	\$ 73,841,955	\$ 2,212,721	\$ 3,233,843	\$ 49,628,406	\$ 77,075,798
Capital assets (net)	103,474,274	99,215,213	42,547,520	35,111,222	146,021,794	134,326,435
Total assets	150,889,959	173,057,168	44,760,241	38,345,065	195,650,200	211,402,233
Long-term liabilities	35,437,400	80,710,877	10,795,040	7,105,924	46,232,440	87,816,801
Other liabilities	30,825,030	9,104,650	11,462,742	8,952,406	42,287,772	18,057,056
Total liabilities	66,262,430	89,815,527	22,257,782	16,058,330	88,520,212	105,873,857
Net investment in capital assets	72,180,517	44,803,284	31,752,476	27,136,616	103,932,993	71,939,900
Restricted net position	31,556,966	8,363,550	-	1,706,191	31,556,966	10,069,741
Unrestricted (deficit)	(19,109,171)	30,074,807	(9,250,017)	(6,556,072)	(28,359,188)	23,518,735
Total net position	\$ 84,628,312	\$ 83,241,641	\$ 22,502,459	\$ 22,286,735	\$ 107,130,771	\$ 105,528,376

Summary of the County's Net Position -continued

	Total Primary Government		Component Units		Total Reporting Entity	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 49,628,406	\$ 77,075,798	\$ 28,091	\$ 605,871	\$ 49,656,497	\$ 77,681,669
Capital assets (net)	146,021,794	134,326,435	258,917	471,964	146,280,711	134,798,399
Total assets	195,650,200	211,402,233	287,008	1,077,835	195,937,208	212,480,068
Long-term liabilities	46,232,440	87,816,801	33,068	1,034,765	46,265,508	88,851,566
Other liabilities	42,287,772	18,057,056	3,609	48,572	42,291,381	18,105,628
Total liabilities	88,520,212	105,873,857	36,677	1,083,337	88,556,889	106,957,194
Net investment in capital assets	103,932,993	71,939,900	258,917	-	104,191,910	71,939,900
Restricted net position	31,556,966	10,069,741	-	-	31,556,966	10,069,741
Unrestricted (deficit)	(28,359,188)	23,518,735	(8,586)	(5,502)	(28,367,774)	23,513,233
Total net position	\$ 107,130,771	\$ 105,528,376	\$ 250,331	\$ (5,502)	\$ 107,381,102	\$ 105,522,874

Changes in net position. The County’s total revenues increased by one percent to \$71 million. Approximately 50 percent of the County’s revenue comes from property taxes and 12 percent comes from capital projects sales and accommodations tax. Approximately 16 percent comes from fees charged for services, and 20 percent is from state and federal aid.

The total cost of all programs, services and capital improvements increased approximately \$4.5 million or 7 percent. The County’s expenses cover a range of services, with about 20 percent related to public safety and 33 percent related to public works. Certain prior period amounts have been reclassified for comparability.

	Changes in the County's Net Position					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Revenue:						
Program revenue:						
Charges for services	\$ 11,094,024	\$ 7,772,991	\$ 206,336	\$ 111,169	\$ 11,300,360	\$ 7,884,160
Operating grants	3,318,203	5,507,804	-	-	3,318,203	5,507,804
Capital grants and contributions	4,082,660	2,092,752	1,030,731	6,042,297	5,113,391	8,135,049
General revenue:						
Property taxes	35,797,354	34,769,051	-	-	35,797,354	34,769,051
Other taxes	8,935,278	9,733,851	-	-	8,935,278	9,733,851
Intergovernmental	3,796,241	3,402,705	-	-	3,796,241	3,402,705
Other	973,907	1,064,812	198,114	122,026	1,172,021	1,186,838
Total revenue	<u>67,997,667</u>	<u>64,343,966</u>	<u>1,435,181</u>	<u>6,275,492</u>	<u>69,432,848</u>	<u>70,619,458</u>
Expenses						
General government	13,636,466	12,589,430	-	-	13,636,466	12,589,430
Judicial	4,282,988	4,330,655	-	-	4,282,988	4,330,655
Public works	14,538,754	13,340,561	-	-	14,538,754	13,340,561
Public safety	23,060,245	25,437,235	-	-	23,060,245	25,437,235
Social and health	4,162,372	5,646,460	-	-	4,162,372	5,646,460
Other agencies and institutions	7,030,775	1,369,407	-	-	7,030,775	1,369,407
Interest on long term debt	2,561,550	2,101,850	-	-	2,561,550	2,101,850
Water, sewer and Broadband systems	-	-	894,607	356,741	894,607	356,741
Total expenses	<u>69,273,150</u>	<u>64,815,598</u>	<u>894,607</u>	<u>356,741</u>	<u>70,167,757</u>	<u>65,172,339</u>
Change in net position	(1,275,483)	(471,632)	540,574	5,918,751	(734,909)	5,447,119
Net position, beginning of period	85,903,795	77,262,357	21,961,885	16,367,984	107,865,680	93,630,341
Net position, end of period	<u>\$ 84,628,312</u>	<u>\$ 76,790,725</u>	<u>\$ 22,502,459</u>	<u>\$ 22,286,735</u>	<u>\$ 107,130,771</u>	<u>\$ 99,077,460</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 \$35.9 million, a decrease of \$23.5 million in comparison with the prior year. Of the total ending fund balances, there is a surplus of \$1.4 million constituting *Unassigned fund balance*, which is available for spending at the government’s discretion. *Restricted Fund Balance* is \$31.6 million for the use of capital improvements, projects and infrastructure for the County as well as the payment of debt; *Committed Fund Balance* is \$0.8 million to fund capital assets and other projects for the County; and *Nonspendable Fund Balance* is \$202,350 which represents, 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 \$4.5 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 13 percent of total general fund expenditures.

The fund balance of the County’s general fund increased by \$1.3 million during the current fiscal year.

The debt service fund had a total fund balance of \$1.2 million, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$28 thousand.

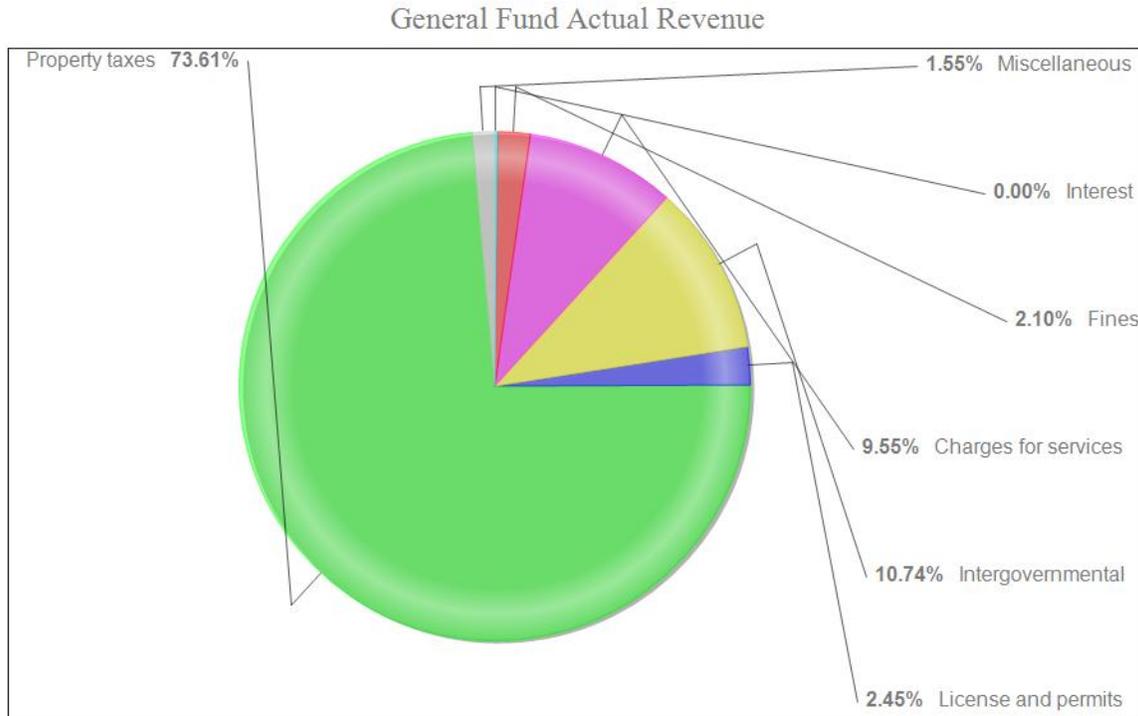
The County’s capital projects sales tax II and III funds had a fund balance of \$22.3 million which is restricted for

penny projects.

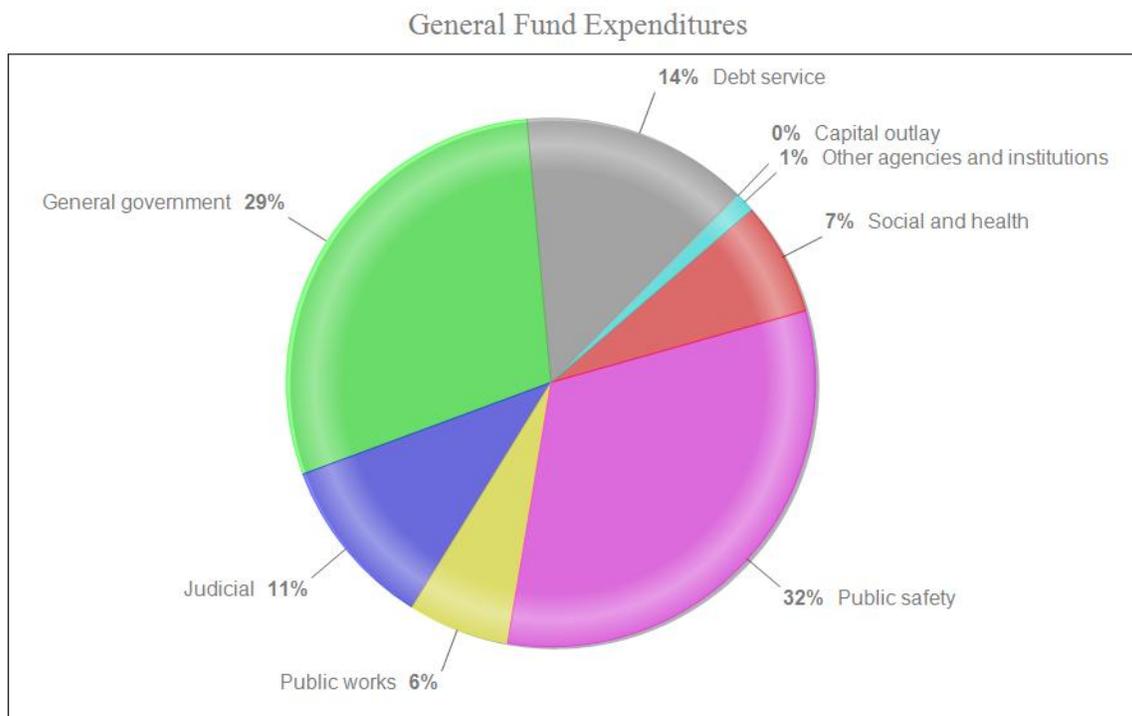
General Fund Budgetary Highlights

The budget to actual on the budgetary basis schedule is provided for the General Fund. A budget column showing the final budget adopted for fiscal year 2014 is presented. The expenditures incurred during the year were under budget limitations by \$2,657,001. This is less than 7% of the total budgeted expenditures in the County's General Fund of \$41,143,756.

The following chart depicts the allocations of revenue to fund General Fund activities.



The following chart depicts the allocations of general fund expenditures.



CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2014, the County had invested \$146.4 million (net of accumulated depreciation) in a broad range of capital assets. This amount represents a net increase (including additions and deductions) of \$12.4 million over last year.

	The County's Capital Assets					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Land	\$ 3,101,774	\$ 3,078,094	\$ 1,163,689	\$ 1,163,689	\$ 4,265,463	\$ 4,241,783
Easements	-	-	53,933	53,933	53,933	53,933
Construction in progress	2,564,799	4,034,032	9,255,808	28,303,971	11,820,607	32,338,003
Infrastructure	57,380,915	55,369,083	33,922,776	6,844,766	91,303,691	62,213,849
Buildings and improvements	75,231,554	66,392,032	-	-	75,231,554	66,392,032
Furniture, vehicles and equipment	48,077,746	49,876,978	12,899	-	48,090,645	49,876,978
Accumulated depreciation	(82,882,514)	(79,535,006)	(1,861,585)	(1,579,986)	(84,744,099)	(81,114,992)
Net capital assets	<u>\$ 103,474,274</u>	<u>\$ 99,215,213</u>	<u>\$ 42,547,520</u>	<u>\$ 34,786,373</u>	<u>\$ 146,021,794</u>	<u>\$ 134,001,586</u>

This year's major capital asset additions included:

- \$5,399,218 for completion of Holly Hill Project
- \$26 million for completion of Goodby's Creek Sewer Project
- \$3.3 million for donation of transit building
- 36 vehicles for the Sheriff's Department

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

Long-term Debt

At year-end the County had \$42.6 million in bonds, notes, and capital lease obligations outstanding – a decrease of 30% over last year. More detailed information about the County's long-term liabilities is presented in Note III D to the financial statements.

The state limits the amount of general obligation debt the County can issue without special referendum to 8 percent of the assessed value of all taxable property within the County's legal limits. Our outstanding general obligation debt subject to the limit is \$11.4 million at June 30, 2014 which is below the limit which is currently \$20.5 million.

	The County's Outstanding Debt					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 11,485,000	\$ 10,820,000	\$ -	\$ -	\$ 11,485,000	\$ 10,820,000
Revenue bonds	10,345,000	35,727,346	9,231,351	5,542,235	19,576,351	41,269,581
Loans payable	1,989,109	422,579	1,563,689	1,563,689	3,552,798	1,986,268
Capital leases	9,463,758	7,342,004	-	-	9,463,758	7,342,004
	<u>\$ 33,282,867</u>	<u>\$ 54,311,929</u>	<u>\$ 10,795,040</u>	<u>\$ 7,105,924</u>	<u>\$ 44,077,907</u>	<u>\$ 61,417,853</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The unemployment rate in the County is now down to 8.1% (Aug. 2014) as opposed to 8.9% in August of 2013. In that same time frame, unemployment in South Carolina dropped from 7.5% to 6.4%, and in the United States from 7.2% to 5.9%. While unemployment continues to decline in all areas, it has declined more slowly in the County than in the state and nation.

Inflationary pressures and cost of living in the region continue to compare favorably with state and national trends.

These indicators were taken into account when adopting the general fund budget for 2015. Amounts available for appropriation in the general fund budget are at nearly \$35.3 million, a decrease of about 1.3% percent over the final 2014 budget of \$36.6 million.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, 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. Information about the Orangeburg County Public Library may be obtained at the Library's main branch, 510 Louis Street, Orangeburg, South Carolina, 29115 and the Orangeburg County Economic Development Commission at its office at 125 Regional Parkway, Orangeburg, South Carolina, 29118.

Basic Financial Statements

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Development Commission	Library
Assets:					
Cash and cash equivalents	\$ 167,724	\$ 33,561	\$ 201,285	\$ 413,849	\$ 246,651
Pooled cash	3,202,465	-	3,202,465	-	-
Investments with fiscal agent	-	-	-	-	2,497
Receivables, net of allowances					
Property taxes	2,954,619	-	2,954,619	-	-
Accounts	990,081	25,660	1,015,741	-	-
Intergovernmental	5,346,910	1,641,380	6,988,290	3,232	673
Loans	161,241	-	161,241	-	-
Other	128,234	-	128,234	14,573	-
Internal balances, net	9,451,241	(9,451,241)	-	-	-
Due from Agency Funds	405,281	-	405,281	-	-
Due from Component units	300	-	300	-	-
Inventory	202,205	-	202,205	-	-
Prepaid items	145	-	145	525	34,365
Restricted assets:					
Cash and cash equivalents	7,447,954	512,120	7,960,074	-	-
Pooled cash	13,010,284	-	13,010,284	-	-
Land held for sale	3,947,001	-	3,947,001	-	-
Capital assets:					
Non-depreciable	5,666,573	10,473,430	16,140,003	-	-
Depreciable	180,690,215	33,935,675	214,625,890	903,148	-
Accumulated depreciation	(82,882,514)	(1,861,585)	(84,744,099)	(470,028)	-
Total assets	<u>150,889,959</u>	<u>35,309,000</u>	<u>186,198,959</u>	<u>865,299</u>	<u>284,186</u>
Liabilities:					
Accounts and retainages payable	1,919,652	1,760,208	3,679,860	21,371	7,014
Accrued salaries	1,457,506	7,994	1,465,500	-	-
Due to primary government	-	-	-	-	300
Due to other governments	-	-	-	-	-
Funds held for others	59,634	-	59,634	-	-
Accrued interest payable	155,386	243,299	398,685	-	-
Unearned revenue	202	-	202	-	-
Other current liabilities	3,434	-	3,434	-	-
Other post employment benefits	27,228,433	-	27,228,433	-	-
Long term liabilities:					
Portion due or payable within one year	14,459,557	825,240	15,284,797	19,704	-
Portion due or payable after one year	<u>20,977,843</u>	<u>9,969,800</u>	<u>30,947,643</u>	<u>227,827</u>	<u>960,580</u>
Total liabilities	<u>66,261,647</u>	<u>12,806,541</u>	<u>79,068,188</u>	<u>268,902</u>	<u>967,894</u>
Net position:					
Net investment in capital assets	72,180,517	31,752,476	103,932,993	433,120	-
Restricted	31,556,966	-	31,556,966	-	-
Unrestricted (deficit)	<u>(19,109,171)</u>	<u>(9,250,017)</u>	<u>(28,359,188)</u>	<u>163,277</u>	<u>(683,708)</u>
Net position	<u>\$ 84,628,312</u>	<u>\$ 22,502,459</u>	<u>\$ 107,130,771</u>	<u>\$ 596,397</u>	<u>\$ (683,708)</u>

See accompanying notes to the financial statements

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	Development Commission	Library
Primary Government									
Governmental activities									
General government	\$ 13,636,466	\$ 1,366,603	\$ 47,966	\$ -	\$ (12,221,897)	\$ -	\$ (12,221,897)	\$ -	\$ -
Judicial	4,282,988	1,072,586	-	-	(3,210,402)	-	(3,210,402)	-	-
Public works	14,538,754	4,190,039	2,250,525	4,082,660	(4,015,530)	-	(4,015,530)	-	-
Public safety	23,060,245	4,105,334	275,554	-	(18,679,357)	-	(18,679,357)	-	-
Social and health	4,162,372	359,462	744,158	-	(3,058,752)	-	(3,058,752)	-	-
Other agencies and institutions	7,030,775	-	-	-	(7,030,775)	-	(7,030,775)	-	-
Interest on long term-debt	2,561,550	-	-	-	(2,561,550)	-	(2,561,550)	-	-
Total governmental activities	<u>69,273,150</u>	<u>11,094,024</u>	<u>3,318,203</u>	<u>4,082,660</u>	<u>(50,778,263)</u>	<u>-</u>	<u>(50,778,263)</u>	<u>-</u>	<u>-</u>
Business-type activities									
Broadband utility	125,829	86,591	-	1,030,731	-	991,493	991,493	-	-
Water and sewer utility	768,778	119,745	-	-	-	(649,033)	(649,033)	-	-
Total business-type activities	<u>894,607</u>	<u>206,336</u>	<u>-</u>	<u>1,030,731</u>	<u>-</u>	<u>342,460</u>	<u>342,460</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 70,167,757</u>	<u>\$ 11,300,360</u>	<u>\$ 3,318,203</u>	<u>\$ 5,113,391</u>	<u>(50,778,263)</u>	<u>342,460</u>	<u>(50,435,803)</u>	<u>-</u>	<u>-</u>
Component units									
Development Commission	\$ 728,200	\$ -	\$ -	\$ -	-	-	-	\$ (728,200)	\$ -
Library	1,436,304	41,556	133,923	-	-	-	-	-	(1,260,825)
Total Component Units	<u>\$ 2,164,504</u>	<u>\$ 41,556</u>	<u>\$ 133,923</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(728,200)</u>	<u>(1,260,825)</u>
General Revenue									
Property taxes					35,797,354	-	35,797,354	-	-
Capital project sales tax					8,570,882	-	8,570,882	-	-
Accommodations taxes					364,396	-	364,396	-	-
Grants and contributions not restricted to specific programs					3,796,241	-	3,796,241	686,946	1,219,711
Interest income and investment return					918,737	50	918,787	226	332
Miscellaneous					253,234	-	253,234	-	-
Transfers					(198,064)	198,064	-	-	-
Total general revenue and transfers					<u>49,502,780</u>	<u>198,114</u>	<u>49,700,894</u>	<u>687,172</u>	<u>1,220,043</u>
Change in net position					(1,275,483)	540,574	(734,909)	(41,028)	(40,782)
Net position (deficit), beginning of period, restated					<u>85,903,795</u>	<u>21,961,885</u>	<u>107,865,680</u>	<u>637,425</u>	<u>(642,926)</u>
Net position (deficit), end of period					<u>\$ 84,628,312</u>	<u>\$ 22,502,459</u>	<u>\$ 107,130,771</u>	<u>\$ 596,397</u>	<u>\$ (683,708)</u>

See accompanying notes to the financial statements

COUNTY OF ORANGEBURG, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	<u>General Fund</u>	<u>Special Education Fund</u>	<u>Capital Project Tax II</u>	<u>Capital Project Tax III</u>	<u>Debt Service</u>	<u>Non-major Funds</u>	<u>Total Governmental Funds</u>
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167,724	\$ 167,724
Pooled cash	652,715	-	-	-	-	2,549,750	3,202,465
Receivables, net:							
Property taxes	2,059,888	206,214	-	-	169,765	518,752	2,954,619
Accounts	617,200	-	-	-	-	372,881	990,081
Intergovernmental	790,719	58,411	1,148,075	2,249,899	52,407	1,047,399	5,346,910
Loans	3,325	-	-	-	-	157,916	161,241
Other	128,234	-	-	-	-	-	128,234
Due from other funds	3,938,095	-	7,978,101	1,525,665	-	91,599	13,533,460
Due from component units	300	-	-	-	-	-	300
Inventory	202,205	-	-	-	-	-	202,205
Prepaid items	-	-	-	-	-	145	145
Restricted assets:							
Cash and cash equivalents	-	-	7,225,813	63,020	-	159,121	7,447,954
Pooled cash	-	-	-	4,047,269	1,322,002	7,641,013	13,010,284
Total assets	\$ 8,392,681	\$ 264,625	\$ 16,351,989	\$ 7,885,853	\$ 1,544,174	\$ 12,706,300	\$ 47,145,622
Liabilities							
Accounts payable	\$ 581,424	\$ 3,572	\$ 501,853	\$ 248,650	\$ 4,234	\$ 579,921	\$ 1,919,654
Accrued salaries	1,104,271	39,212	14,696	2,812	-	296,514	1,457,505
Due to other funds	38,252	1,531,008	-	-	-	2,107,678	3,676,938
Funds held for others	-	-	-	-	-	59,634	59,634
Unearned revenue	-	-	-	-	-	202	202
Other current liabilities	-	-	-	-	-	3,433	3,433
Total liabilities	1,723,947	1,573,792	516,549	251,462	4,234	3,047,382	7,117,366
Deferred Inflows of Resources							
Deferred inflows from property taxes	1,963,568	197,726	-	-	162,174	493,647	2,817,115
Deferred inflows from accounts receivable	-	-	1,130,942	-	-	117,916	1,248,858
Total deferred inflows of resources	1,963,568	197,726	1,130,942	-	162,174	611,563	4,065,973
Total liabilities and deferred inflows of resources	3,687,515	1,771,518	1,647,491	251,462	166,408	3,658,945	11,183,339
Fund Balances							
Nonspendable	202,205	-	-	-	-	145	202,350
Restricted	-	-	14,704,498	7,634,391	1,377,766	7,840,311	31,556,966
Committed	-	-	-	-	-	796,191	796,191
Assigned	-	-	-	-	-	1,975,574	1,975,574
Unassigned (deficit)	4,502,961	(1,506,893)	-	-	-	(1,564,866)	1,431,202
Total fund balances	4,705,166	(1,506,893)	14,704,498	7,634,391	1,377,766	9,047,355	35,962,283
Total liabilities, deferred inflows of resources and fund balances	\$ 8,392,681	\$ 264,625	\$ 16,351,989	\$ 7,885,853	\$ 1,544,174	\$ 12,706,300	\$ 47,145,622

See accompanying notes to the financial statements

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014**

Amounts reported for governmental activities in the statement of net position are different from - fund balance - total governmental funds because:

Fund balances - total governmental funds	\$ 35,962,283
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds	103,474,274
Real estate held for resale in governmental activities are not financial resources and are therefore not reported in the governmental funds	3,947,001
Deferred inflows of resources are not available to pay for current period expenditures and, therefore are deferred in the governmental funds:	
Property taxes	2,817,112
Accounts receivable	1,248,861
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore not reported in the governmental funds:	
Long-term liabilities due or payable within one year	(14,459,557)
Portion of long-term liabilities due after one year	(20,977,843)
Accrued interest	(155,386)
Other post employment benefits liability	(27,228,433)
Net position of governmental activities	<u>\$ 84,628,312</u>

See accompanying notes to the financial statements

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>General Fund</u>	<u>Special Education Fund</u>	<u>Capital Project Tax II</u>	<u>Capital Project Tax III</u>	<u>Debt Service</u>	<u>Non-major Funds</u>	<u>Total Governmental Funds</u>
Revenues							
Taxes:							
Property taxes	\$ 25,242,807	\$ 2,254,848	\$ -	\$ -	\$ 2,003,015	\$ 5,835,899	\$ 35,336,569
Capital project sales tax	-	-	-	8,570,882	-	-	8,570,882
Licenses and permits	838,646	-	-	-	-	-	838,646
Intergovernmental revenue	3,683,123	-	-	-	-	7,519,028	11,202,151
Charges for services	3,275,763	-	-	-	-	4,626,340	7,902,103
Fines	719,494	-	-	-	-	506,560	1,226,054
Interest income	10	-	911,839	1,770	(40)	5,158	918,737
Miscellaneous	531,000	-	6,500	-	-	207,070	744,570
Total revenue	<u>34,290,843</u>	<u>2,254,848</u>	<u>918,339</u>	<u>8,572,652</u>	<u>2,002,975</u>	<u>18,700,055</u>	<u>66,739,712</u>
Expenditures							
Current:							
General government	9,697,149	-	-	589,818	119,316	1,639,196	12,045,479
Judicial	3,484,097	-	-	-	-	254,612	3,738,709
Public works	2,044,308	-	-	62,783	-	8,839,424	10,946,515
Public safety	10,554,056	-	-	-	-	8,138,935	18,692,991
Social and health	2,305,432	21,747	-	-	-	883,397	3,210,576
Other agencies and institutions:							
Public works	357,164	37,428	3,751,061	459,401	-	-	4,605,054
Economic development	-	2,425,721	-	-	-	-	2,425,721
Capital outlay:							
General government	-	-	-	-	-	1,100,436	1,100,436
Judicial	-	-	2,335,919	448,218	-	-	2,784,137
Public works	8,427	-	-	-	-	3,036,057	3,044,484
Public safety	4,357	-	-	-	-	1,711,962	1,716,319
Debt service:							
Principal retirement	4,600,000	-	11,200,000	28,550,000	12,338,470	1,323,245	58,011,716
Interest and fiscal charges	18,380	-	2,514,083	274,830	561,770	348,642	3,717,704
Total expenditures	<u>33,073,370</u>	<u>2,484,896</u>	<u>19,801,063</u>	<u>30,385,050</u>	<u>13,019,556</u>	<u>27,275,906</u>	<u>126,039,841</u>
Excess of revenue over (under) expenditures	<u>1,217,473</u>	<u>(230,048)</u>	<u>(18,882,724)</u>	<u>(21,812,398)</u>	<u>(11,016,581)</u>	<u>(8,575,851)</u>	<u>(59,300,129)</u>
Other Financing Sources (Uses)							
General obligation bonds issued	-	-	-	-	8,045,000	2,200,000	10,245,000
Revenue bonds issued	-	-	-	18,050,000	-	-	18,050,000
Tax anticipation notes issued	4,500,000	-	-	-	-	-	4,500,000
Lease financing	-	-	-	-	3,170,000	-	3,170,000
Transfers in	1,054,117	-	500,000	-	-	5,465,322	7,019,439
Transfers (out)	(5,413,385)	-	-	-	-	(1,804,118)	(7,217,503)
Total other financing sources (uses)	<u>140,732</u>	<u>-</u>	<u>500,000</u>	<u>18,050,000</u>	<u>11,215,000</u>	<u>5,861,204</u>	<u>35,766,936</u>
Net change in fund balances	1,358,205	(230,048)	(18,382,724)	(3,762,398)	198,419	(2,714,647)	(23,533,193)
Fund balances , beginning of year, restated	<u>3,346,961</u>	<u>(1,276,845)</u>	<u>33,087,222</u>	<u>11,396,789</u>	<u>1,179,347</u>	<u>11,762,002</u>	<u>59,495,476</u>
Fund balances, end of year	<u>\$ 4,705,166</u>	<u>\$ (1,506,893)</u>	<u>\$ 14,704,498</u>	<u>\$ 7,634,391</u>	<u>\$ 1,377,766</u>	<u>\$ 9,047,355</u>	<u>\$ 35,962,283</u>

See accompanying notes to the financial statements

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2014**

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

Net change in fund balances - total governmental funds	\$ (23,533,193)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:	
Capital outlays capitalized	8,645,379
Depreciation expense not recorded in funds	(6,519,461)
The difference between the net carrying value and the proceeds of selling capital assets	(121,874)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Property taxes	460,781
EMS revenues and grants and loans receivable	1,122,371
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while repayment of the principal of long term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is net of these differences in the treatment of long-term debt and related items:	
Payments on long-term debt	58,011,716
Amortization of deferred outflows from bond premium	525,423
Issuance of long-term debt	(35,965,000)
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:	
Accrued interest	630,730
Compensated absences	(334,548)
Other post employment benefits	(4,197,807)
Change in net position of governmental activities	\$ (1,275,483)

See accompanying notes to the financial statements

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

Assets	Broadband Program	Water and Sewer Utility	Business-type Activities Total
Current assets:			
Cash and cash equivalents	\$ 33,561	\$ -	\$ 33,561
Receivables, net			
Accounts	14,725	10,935	25,660
Intergovernmental	1,641,380	-	1,641,380
Due from other funds	-	775	775
Total unrestricted current assets	<u>1,689,666</u>	<u>11,710</u>	<u>1,701,376</u>
Restricted assets:			
Cash and cash equivalents	24,396	487,724	512,120
Total restricted current assets	<u>24,396</u>	<u>487,724</u>	<u>512,120</u>
Total current assets	<u>1,714,062</u>	<u>499,434</u>	<u>2,213,496</u>
Capital assets:			
Land	-	1,163,689	1,163,689
Easements	-	53,933	53,933
Construction in progress	367,052	8,888,756	9,255,808
Infrastructure	14,516,183	19,406,593	33,922,776
Vehicles and equipment	-	12,899	12,899
Accumulated depreciation	(29,884)	(1,831,701)	(1,861,585)
Total capital assets, net	<u>14,853,351</u>	<u>27,694,169</u>	<u>42,547,520</u>
Total assets	<u>16,567,413</u>	<u>28,193,603</u>	<u>44,761,016</u>
Liabilities			
Current Liabilities:			
Accounts payable	1,042,317	717,891	1,760,208
Accrued salaries	-	7,994	7,994
Due to other funds	606,361	8,845,655	9,452,016
Accrued interest payable	-	243,299	243,299
Current portion of long term debt	-	825,240	825,240
Total current liabilities	<u>1,648,678</u>	<u>10,640,079</u>	<u>12,288,757</u>
Bonds payable	-	8,406,111	8,406,111
Notes payable	-	1,563,689	1,563,689
Total long-term liabilities	<u>-</u>	<u>9,969,800</u>	<u>9,969,800</u>
Total liabilities	<u>1,648,678</u>	<u>20,609,879</u>	<u>22,258,557</u>
Net Position			
Net investment in capital assets	14,883,235	16,869,241	31,752,476
Unrestricted	<u>35,501</u>	<u>(9,285,518)</u>	<u>(9,250,017)</u>
Total Net position	<u>\$ 14,918,736</u>	<u>\$ 7,583,723</u>	<u>\$ 22,502,459</u>

See accompanying notes to the financial statements

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF REVENUE EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Broadband Program</u>	<u>Water and Sewer Utility</u>	<u>Business-type Activities Total</u>
Operating Revenue			
Sales of services:			
Charges for services	\$ 86,591	\$ 119,745	\$ 206,336
Other	-	-	-
Total operating revenue	<u>86,591</u>	<u>119,745</u>	<u>206,336</u>
Operating expenses:			
Operations and maintenance	95,944	517,064	613,008
Depreciation	29,884	251,715	281,599
Total operating expenses	<u>125,828</u>	<u>768,779</u>	<u>894,607</u>
Operating income (loss)	<u>(39,237)</u>	<u>(649,034)</u>	<u>(688,271)</u>
Non-operating revenue (expenses):			
Investment income	<u>50</u>	<u>-</u>	<u>50</u>
Total non-operating revenue (expenses)	<u>50</u>	<u>-</u>	<u>50</u>
Gain (loss) before contributions and transfers	<u>(39,187)</u>	<u>(649,034)</u>	<u>(688,221)</u>
Contributions and transfers:			
Capital grants and contributions	1,030,731	-	1,030,731
Transfers in	-	198,064	198,064
Change in net position	<u>991,544</u>	<u>(450,970)</u>	<u>540,574</u>
Net position , beginning of year, restated	<u>13,927,192</u>	<u>8,034,693</u>	<u>21,961,885</u>
Net position, end of year	<u>\$ 14,918,736</u>	<u>\$ 7,583,723</u>	<u>\$ 22,502,459</u>

See accompanying notes to the financial statements

COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Broadband Program</u>	<u>Water and Sewer Utility</u>	<u>Business-type Activities Total</u>
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 71,866	\$ 117,268	\$ 189,134
Payments to suppliers	(82,221)	(349,379)	(431,600)
Payments to employees	-	(165,233)	(165,233)
Net cash provided (used) by operating activities	<u>(10,355)</u>	<u>(397,344)</u>	<u>(407,699)</u>
Cash Flows From Non-capital Financing Activities:			
Increase (decrease) in interfund borrowing	8,503	797,533	806,036
Transfers in	-	198,064	198,064
Net cash flows provided by (used in) non-capital financing activities	<u>8,503</u>	<u>995,597</u>	<u>1,004,100</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(2,554,977)	(3,562,907)	(6,117,884)
Proceeds from revenue bonds and notes	-	12,525,044	12,525,044
Principal paid in capital debt	-	(8,835,928)	(8,835,928)
Interest paid on capital debt	-	(236,738)	(236,738)
Net cash provided (used) by capital and related financing activities	<u>(2,554,977)</u>	<u>(110,529)</u>	<u>(2,665,506)</u>
Cash Flows from Investing Activities			
Interest on cash and cash equivalents	50	-	50
Net cash provided by investing activities	<u>50</u>	<u>-</u>	<u>50</u>
Increase (decrease) in cash and cash equivalents	(2,556,779)	487,724	(2,069,055)
Cash and cash equivalents at beginning of year	2,614,737	-	2,614,737
Cash and cash equivalents at end of year	<u>\$ 57,958</u>	<u>\$ 487,724</u>	<u>\$ 545,682</u>
Reconciliation of operating income (loss) to net cash provided by (used) by operating activities:			
Operating loss	\$ (39,237)	\$ (649,034)	\$ (688,271)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation expense	29,884	251,715	281,599
(Increase) decrease in accounts receivable	(14,725)	(2,478)	(17,203)
Increase (decrease) in accounts payable	13,723	(1,613)	12,110
Increase (decrease) in accrued payroll	-	4,066	4,066
Increase (decrease) in accrued compensated absences	-	-	-
Net cash (used) by operating activities	<u>\$ (10,355)</u>	<u>\$ (397,344)</u>	<u>\$ (407,699)</u>
Cash and cash equivalent balances June 30, 2014:			
Unrestricted cash and cash equivalents	\$ 33,561	\$ -	\$ 33,561
Restricted cash and cash equivalents	24,396	487,724	512,120
Total cash and cash equivalents	<u>\$ 57,957</u>	<u>\$ 487,724</u>	<u>\$ 545,681</u>

See accompanying notes to the financial statements

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 7,398,342
Pooled cash	6,349,568
Due from other funds	<u>3,607</u>
Restricted assets:	
Total assets	<u><u>\$ 13,751,517</u></u>
Liabilities	
Due to other funds	\$ 408,888
Due to taxing unit	6,126,703
Due to others	<u>7,215,926</u>
Total liabilities	<u><u>\$ 13,751,517</u></u>

See accompanying notes to the financial statements

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

I. Summary of Significant Accounting Policies

A. Reporting Entity

The County of Orangeburg, South Carolina, (the "County") is a political subdivision of the State of South Carolina and was chartered in 1785. The County operates under a Council-Administrator form of government and is governed by an elected seven-member council, one of whom is the chair. The Council is the legislative body of the County and is responsible for determining the policies and direction of the County government. The administrator is responsible for the County's daily operations.

The basic financial statements of 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 basic financial statements of the County present the reporting entity that consists of the primary government and those organizations for which the primary government is financially accountable. The blended component units discussed below are included in the County's reporting entity because of their significant financial relationship to the County. Discretely presented component units, also discussed below, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County government.

Blended Component Unit - Orangeburg Joint Governmental Action Authority (the "Authority") - The Authority, created in 2002, is a non-profit public benefit corporation formed to facilitate the construction of projects authorized by the one-cent Capital Project Sales and Use Tax referendum. The Authority is governed by a board composed of the County Council Chairman and the Orangeburg County Administrator. The Authority financed its projects by issuing revenue bonds which are being retired exclusively by the County's construction payments funded exclusively by the collection of the Capital Project Sales Tax authorized by referendum. The Authority is presented as a Governmental Fund Type.

Blended Component Unit - Orangeburg County Fire Commission (the "Commission") - The Commission was created in 1997 to provide coordinated fire protection throughout the County. The Commission has either bought or leased the equipment used by the 23 volunteer fire departments which provide fire protection in the County. The Commission is governed by a board composed of seven members, all of whom are appointed by Orangeburg County Council. The Commission's budget and 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. The Commission is presented as a Governmental Fund type.

Discretely Presented Component Unit - Orangeburg County Public Library (the "Library") - The Library provides library services to County residents. The Library's Board of Trustees is appointed by County Council. The county owns the land and buildings used by the Library and provides most of the funds to operate the Library. The Library meets the criteria set forth in generally accepted accounting principles for inclusion as a component unit with the County.

Complete financial statements for the Library may be obtained at its main branch located at 510 Louis Street, Orangeburg, South Carolina.

Discretely Presented Component Unit - Orangeburg County Development Commission (the "OCDC") - The OCDC was created by a County ordinance in 1980 and is governed by eleven members appointed by County Council for the purpose of promoting, advancing and fostering the agricultural, industrial and

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

commercial development of the County. The OCDC is fiscally dependent on the County. Complete financial statements for the OCDC may be obtained at its office at 129 Regional Parkway, Orangeburg, South Carolina 29118.

Joint Venture - The County is a participant in the Regional Medical Center of Orangeburg and Calhoun Counties (the "RMC"). RMC was created under the provisions of a joint ordinance passed by Orangeburg and Calhoun Counties in 1980. The RMC is governed by a 17 member board of trustees comprised of 12 members appointed by Orangeburg County and 3 members appointed by Calhoun County who each serve 4 year terms. The Chief of Staff and Chairman of the Executive Committee serve on the board by virtue of their position. The Board of Trustees must get permission from the two Counties to acquire or dispose of land and buildings as well as incur debt in excess of \$500,000.

At June 30, 2014, the County has an indeterminate financial interest in RMC. Per the joint ordinance, the percentage of interest by Orangeburg and Calhoun Counties shall be determined by dividing the net equity of the RMC by the Counties' ownership interest. Net equity shall be defined as assets minus liabilities as of September 30, 1981. The resulting percentages shall be the percentage of equity ownership of each county for determining equity at any time in the future. However, if one county invests in or improves the hospital in excess of \$5,000 at one time and the other county declines to participate therein, then the amount of such investment or improvement of the participating county shall be added to the net equity of the hospital at the end of the current year, and the percentage of equity ownership shall be recomputed. Complete financial statements of RMC can be obtained by writing to The Regional Medical Center 3000 St. Matthews Road Orangeburg, SC 29118.

B. Basis of Presentation - Government-Wide and Fund Financial Statements

a. Government-wide Statements

The Statement of Net Position and the Statement of Activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to avoid the double-counting of interfund activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed primarily by fees charged to external parties. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of net position reports all financial and capital resources of the County and reports the difference between assets plus deferred outflows and liabilities plus deferred inflows as net position. The statement of activities presents a comparison between direct expenses and program revenues for each activity of the County. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular activity. Program revenues include: (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by the programs and, (b) grants and contributions that are restricted to meet the operations or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

b. Fund Financial Statements

The accounts of the reporting entity are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for in a separate set of self-balancing accounts comprised of assets, deferred outflows, liabilities, deferred inflows, fund balances, revenues, and expenditures or expenses, as appropriate. The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, with each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

c. The County reports the following major fund types:

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

Special Education Fund - This fund accounts for revenue and expenditures associated with the special education tax levy.

Capital Project Tax II and III Funds - These funds account for the sales tax revenues approved by county voters for the second and third penny referenda that are restricted to improve, repair and construct infrastructure for the County.

Debt Service Fund - The debt service fund accounts for the tax revenues levied to fund repayments of the County's debt.

Enterprise Funds - The Enterprise Fund is used to account for the activities of the County's Broad Band and Water and Sewer utilities.

d. The County reports the following nonmajor governmental fund types:

Special Revenue Funds - The special revenue funds are used to account for the proceeds of specific revenue sources (other than debt service and major capital projects) that are legally restricted or committed to expenditure for specified purposes.

Capital Projects Funds - The capital projects funds are used to account for financial resources used for all general construction projects other than enterprise fund construction.

e. The County reports the following additional fund types:

Agency Funds - These are fiduciary funds used to account for monies received, held, and disbursed on behalf of other governments, special tax districts and certain County departments related to the collection of taxes and court related transactions.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

C. Measurement Focus and Basis of Accounting

a. Government-wide, Proprietary, and Fiduciary Fund Statements

The government-wide and proprietary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds also use the accrual basis of accounting to recognize assets and liabilities. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and entitlements. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. For the Broadband and Water and Sewer Utilities, principal operating revenues include sales to existing customers for services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

b. Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as the amounts become susceptible to accrual by becoming measurable and available to finance the County's operations. Revenue from the use of money and property and from intergovernmental reimbursement grants is recorded as earned. Other revenues are considered available to be used to pay liabilities of the current period if they are collectible within the current period or within 45 days thereafter. The primary revenues susceptible to accrual include property, business license, and other local taxes and intergovernmental revenues. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. Expenditures are recorded when the related fund liability is incurred, except that principal and interest on general long-term debt and certain other general long-term obligations, such as compensated absences and landfill closure and postclosure care costs, are recognized only to the extent they have matured. General capital asset acquisitions are reported as capital outlays in governmental funds. The issuance of general long-term debt and acquisitions under capital leases are reported as other financing sources. The effect of interfund activity has not been eliminated from the governmental fund financial statements.

D. Assets, Liabilities, Deferred Outflows/Inflows, and Net Position/Fund Balance

Pooled cash and investments - The County maintains cash and temporary investments for its funds in a pooled account, except for certain cash and investments required to be maintained with fiscal agents or in separate pools or accounts in order to comply with the provisions of bond indentures. 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

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

are stated at amortized cost.

Cash and cash equivalents - 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. For purposes of the statements of cash flows, the amounts reported as cash and cash equivalents for the proprietary fund types represent amounts maintained in the reporting entity's investment pool, as they are considered to be demand deposits for the purpose of complying with accounting principles.

Receivables - All trade and property tax receivables are shown net of an allowance for uncollectibles. The loan receivable is a loan for economic development. The loan is offset in the governmental fund financial statements by a deferred inflow captioned "unavailable revenue". Revenue is recognized in the governmental fund as cash is received.

Property Tax Calendar - Property is valued for taxation at December 31 of the prior fiscal year with the tax bills due between September 30 and January 15 of the current fiscal year. Unpaid taxes are assessed a 3% penalty during the period January 16 to February 1, an additional 7% penalty is assessed February 2 to March 16 and a further 5% penalty is assessed for tax bills unpaid after March 16.

South Carolina law attaches a lien on the property at the December 31 valuation date. The County Treasurer transfers the delinquent tax accounts to the delinquent tax collector after March 17 for collection efforts as prescribed by state law.

Motor vehicle taxes are billed annually to coincide with the vehicles registration month and are due by the last day of that month.

Property taxes billed but not collected as of June 30 are reflected in the Governmental Fund balance sheet as taxes receivable and unavailable revenue.

Inventories and Prepaid Items - Inventories are valued at cost using the average cost method. The consumption method of accounting for inventories is used. Under this method, inventories are expensed as they are consumed as operating supplies and spare parts in the period to which they apply. Inventories in the general fund consist of fuel, medical and office supplies. Payments to vendors that reflect costs applicable to future periods are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items consist primarily of insurance coverage paid in advance.

Restricted Assets - Restricted assets are liquid assets which have third-party limitations on their use. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Real Estate Held for Resale - Real estate held for resale is recorded at the lower of cost or its net realizable value.

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 property with a unit or system cost in excess of \$2,500 and an estimated useful life in excess of three years.

Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014**

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 if applicable. 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:

Infrastructure	25 to 30 years
Buildings and improvements	15 to 30 years
Furniture vehicles and equipment	3 to 10 years

Long-term Obligations - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as as debt service expenses in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as as debt service expenditures.

There are a number of limitations and restrictions that the County's debt instruments are subjected to. The County is in compliance with all significant limitations and restrictions.

Capitalized Interest - Interest incurred during the construction phase of proprietary fund capital assets is reflected in the capitalized value of those assets being constructed. Interest is not capitalized on assets acquired by gifts and grants that are restricted by the donor or grantor to the acquisition of those assets. The County does not capitalize interest on capital assets used in governmental activities.

Interfund Receivables and Payables - Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts as "due to/from" funds.

Compensated Absences - County employees may accumulate up to 240 hours of unused vacation and carry it forward from one year to the next. Employees separating from service are paid their regular pay rate for accrued and unused leave. Employees may accumulate sick leave but the County does not pay employees separating from service for unused sick leave. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements. A liability is reported in governmental funds only when they mature because an employee resigns or retires.

Deferred outflows/inflows of resources - Deferred outflows of resources represent a consumption of net position/fund balance applicable to future periods. Deferred inflows of resources represent additions to net position/fund balance applicable to future periods.

Net Position - Net position is comprised of three categories: Net investment in capital assets; Restricted net position; and Unrestricted net position. The first category of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, loans and leases that are attributable to these capital assets. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Net position which is neither restricted nor related to net investment in capital assets, is reported as unrestricted net position.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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 resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance - The County Council, as the highest level of authority within the County, establishes the commitment of fund balance to purposes through the approval of the annual budget plan by ordinance. As a result, all unrestricted amounts directed toward a purpose are shown as committed.

Assigned Fund Balance - Balances shown as assigned represent balances management has allocated for a specific purpose but which is neither restricted nor committed.

The County considers restricted balances to be expended first in cases where both restricted and unrestricted amounts are available. When utilizing unrestricted balances, committed balances are applied first, followed by assigned then unassigned balances.

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.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deficit Budgets

For the year ended June 30, 2014, the County budgeted for expenditures and other financing uses to exceed revenues in the General Fund by \$2,232,839 and in the Special Education Fund by \$105,000. The deficit was to be covered by available fund balance. Actual General Fund revenues and other financing sources exceeded appropriations by \$1,358,205. The Special Education Fund actual expenditures exceeded revenue by \$230,048. The expenditures in excess of budget were covered by unassigned fund balance.

B. Fund Deficits

At June 30, 2014 the following funds had deficit fund balances:

Special Education Fund	\$ 1,506,893
Roads and Bridges Fund	\$ 753,840
Victims Assistance Fund	\$ 407,386
Orangeburg Detention Center Fund	\$ 318,012
Brookdale Lighting District Fund	\$ 35,024
New Brooklyn Tax District Fund	\$ 50,604

The County is developing plans in its Fiscal year 2016 budget to address the deficits in the Special Education, Roads and Bridges, and Victims Assistance Funds. Fiscal year 2014 is the second year of a three year deficit reduction program for Orangeburg Detention Center Fund. For the year ended June 30, 2014 the Orangeburg Detention Center Fund decreased its deficit by \$395,598. The County raised the tax rates in the Brookdale Lighting District and the New Brooklyn Tax District for the 2015 tax year.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash and Investments

Custodial Credit Risk - Cash Deposits - At June 30, 2014, the carrying amount of the County's deposits was \$38,122,018 and the respective bank balances totaled \$38,218,578. Of the total bank balances, \$2,284,863 was insured through the Federal Depository Insurance Corporation (FDIC), \$36,183,715 was collateralized with securities held by the financial institutions in the County's name.

Investments - State law limits local government investments to (1) obligations of the United States and agencies thereof; (2) general obligations of the State of South Carolina or any of its political units; (3) savings and loan association deposits to the extent insured by the FDIC; (4) certificates of deposit and repurchase agreements collateralized by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, at a market value not less than the amount of certificates of deposit and repurchase agreements so secured, including interest; and (5) no load open and closed-end portfolios of certain investment companies with issues of the US Government. The County has no investment policy that would further limit its investment choices.

Credit Risk and Interest Rate Risk - The County has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuating interest rates or from credit risk arising from concentration of investments in a limited number of investment vehicles.

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:

Primary Government		
Unrestricted:		
Cash and cash equivalents	\$	201,285
Pooled cash		3,202,465
Restricted:		
Cash and cash equivalents		7,960,074
Pooled cash		13,010,284
Trust and Agency Funds:		
Cash and cash equivalents		7,398,342
Pooled cash		6,349,568
Carrying value of deposits	\$	<u>38,122,018</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

B. Receivables

Receivables as of year end for the County's individual major funds, including the applicable allowances for uncollectible accounts are as follows:

	<u>General Fund</u>	<u>Special Education Fund</u>	<u>Capital Project Tax II</u>	<u>Capital Project Tax III</u>	<u>Debt Service Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Activities</u>
Taxes							
Property taxes	\$ 4,280,850	\$ 428,553	\$ -	\$ -	\$ 352,806	\$ 1,078,065	\$ 6,140,274
Allowance for uncollectible taxes	<u>(2,220,962)</u>	<u>(222,339)</u>	<u>-</u>	<u>-</u>	<u>(183,041)</u>	<u>(559,313)</u>	<u>(3,185,655)</u>
Net taxes receivable	<u>\$ 2,059,888</u>	<u>\$ 206,214</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,765</u>	<u>\$ 518,752</u>	<u>\$ 2,954,619</u>
Accounts							
EMS fees	\$ 13,454,957	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,454,957
Allowance for uncollectible EMS fees	<u>(12,837,757)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,837,757)</u>
Landfill fees	-	-	-	-	-	320,120	320,120
Other fees	770,026	-	-	-	-	52,761	822,787
Allowance for uncollectible other fees	<u>(770,026)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(770,026)</u>
Net accounts receivable	<u>\$ 617,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 372,881</u>	<u>\$ 990,081</u>
Intergovernmental	<u>\$ 790,719</u>	<u>\$ 58,411</u>	<u>\$ 1,148,075</u>	<u>\$ 2,249,899</u>	<u>\$ 52,407</u>	<u>\$ 1,047,399</u>	<u>\$ 5,346,910</u>
Loans	<u>\$ 3,325</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157,916</u>	<u>\$ 161,241</u>
Other	<u>\$ 128,234</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,234</u>

Receivables as of year end for the County's business-type activities are as follows:

	<u>Broadband Program</u>	<u>Water and Sewer Utility</u>	<u>Business-type Activities Total</u>
Customer accounts receivable	\$ 14,725	\$ 10,935	\$ 25,660
Intergovernmental grant receivable	\$ 1,641,380	\$ -	\$ 1,641,380

The Broadband Program grant receivable results from reimbursements due from the grantor agency related to the development of the broadband system.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

C. Capital Assets

Capital asset activity for the primary government for the year ended June 30, 2014 is as follows:

	(Restated) Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Primary Government					
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 3,078,094	\$ 23,680	\$ -	\$ -	\$ 3,101,774
Construction in progress	<u>3,546,044</u>	<u>4,417,973</u>	<u>-</u>	<u>(5,399,218)</u>	<u>2,564,799</u>
Total capital assets not being depreciated	<u>6,624,138</u>	<u>4,441,653</u>	<u>-</u>	<u>(5,399,218)</u>	<u>5,666,573</u>
Capital assets being depreciated:					
Infrastructure	55,369,083	2,011,832	-	-	57,380,915
Buildings and improvements	69,542,174	290,162	-	5,399,218	75,231,554
Furniture, vehicles and equipment	<u>49,876,978</u>	<u>1,901,729</u>	<u>(3,700,961)</u>	<u>-</u>	<u>48,077,746</u>
Total capital assets being depreciated	<u>174,788,235</u>	<u>4,203,723</u>	<u>(3,700,961)</u>	<u>5,399,218</u>	<u>180,690,215</u>
Less accumulated depreciation for:					
Infrastructure	(12,251,274)	(2,080,434)	-	-	(14,331,708)
Buildings and improvements	(34,653,523)	(1,886,491)	-	-	(36,540,014)
Furniture, vehicles and equipment	<u>(32,630,209)</u>	<u>(2,552,536)</u>	<u>3,171,953</u>	<u>-</u>	<u>(32,010,792)</u>
Total accumulated depreciation	<u>(79,535,006)</u>	<u>(6,519,461)</u>	<u>3,171,953</u>	<u>-</u>	<u>(82,882,514)</u>
Total capital asset being depreciated, net	<u>95,253,229</u>	<u>(2,315,738)</u>	<u>(529,008)</u>	<u>5,399,218</u>	<u>97,807,701</u>
Governmental activities capital assets, net	<u>101,877,367</u>	<u>2,125,915</u>	<u>(529,008)</u>	<u>-</u>	<u>103,474,274</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	1,163,689	-	-	-	1,163,689
Easements	53,933	-	-	-	53,933
Construction in progress	<u>28,303,971</u>	<u>7,760,831</u>	<u>-</u>	<u>(26,808,994)</u>	<u>9,255,808</u>
Total capital assets not being depreciated	<u>29,521,593</u>	<u>7,760,831</u>	<u>-</u>	<u>(26,808,994)</u>	<u>10,473,430</u>
Capital assets being depreciated:					
Infrastructure	6,844,766	269,016	-	26,808,994	33,922,776
Furniture, vehicles and equipment	<u>-</u>	<u>12,899</u>	<u>-</u>	<u>-</u>	<u>12,899</u>
Total capital asset being depreciated	<u>6,844,766</u>	<u>281,915</u>	<u>-</u>	<u>26,808,994</u>	<u>33,935,675</u>
Less accumulated depreciation for:					
Infrastructure	(1,579,986)	(281,599)	-	-	(1,861,585)
Total accumulated depreciation	<u>(1,579,986)</u>	<u>(281,599)</u>	<u>-</u>	<u>-</u>	<u>(1,861,585)</u>
Total capital assets being depreciated, net	<u>5,264,780</u>	<u>316</u>	<u>-</u>	<u>26,808,994</u>	<u>32,074,090</u>
Total capital assets, net - Business-type activities	<u>34,786,373</u>	<u>7,761,147</u>	<u>-</u>	<u>-</u>	<u>42,547,520</u>
Total capital assets, net - Primary government	<u>\$ 136,663,740</u>	<u>\$ 9,887,062</u>	<u>\$ (529,008)</u>	<u>\$ -</u>	<u>\$ 146,021,794</u>

Capitalized interest totaling \$367,972 was added to construction in progress in the Business-type Activities for the year ended June 30, 2014.

Depreciation expense was charged to governmental functions/programs as follows:

Governmental activities:	
General government	\$ 510,475
Judicial	218,402
Public works	2,812,496
Public safety	2,316,363
Social and health	661,725
Total depreciation expense - governmental activities	<u>\$ 6,519,461</u>

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Component unit capital assets include equipment and library materials with a cost of \$3,453,737 and accumulated depreciation of \$3,194,820 used in the operation of the library and buildings and equipment used in the operation of the OCDC with a cost of \$903,148 and accumulated depreciation of \$470,028..

D. Long Term Obligations

A summary of changes in long term obligations (other than other post employment benefits) for the year ended June 30, 2014 for both the County's governmental activities and business-type activities is as follows:

	(Restated) Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government					
Governmental Activities					
General obligation bonds payable	\$ 10,820,000	\$ 7,180,000	\$ (6,515,000)	\$ 11,485,000	\$ 1,218,881
Bond anticipation notes:					
Series 2012 Bond anticipation note	3,000,000	-	(3,000,000)	-	-
Series 2013 Refunding bond anticipation note	-	3,065,000	(3,065,000)	-	-
Series 2013 Tax anticipation note	-	4,500,000	(4,500,000)	-	-
Series 2007 Capital Project Sales and Use Tax revenue bond	14,545,000	-	(11,200,000)	3,345,000	3,345,000
Series 2011 Capital Project Sales and Use Tax revenue bond anticipation note	17,500,000	-	(17,500,000)	-	-
Series 2013 Capital Project Sales and Use Tax revenue bond anticipation note	-	18,050,000	(11,050,000)	7,000,000	7,000,000
Loans payable:					
Lower Savannah Regional Dev. Corp.	422,579	-	(33,470)	389,109	41,567
Central South Carolina Alliance	100,000	-	(100,000)	-	-
Orangeburg Department of Public Utilities	1,600,000	-	-	1,600,000	-
Capital leases	7,342,004	3,170,000	(1,048,246)	9,463,758	1,822,151
Landfill closure and post closure costs	255,000	9,840	(15,100)	249,740	15,100
Bond premium	682,346	-	(525,423)	156,923	156,923
Compensated absences	1,413,322	1,359,386	(1,024,838)	1,747,870	859,935
Total governmental activities	<u>57,680,251</u>	<u>37,334,226</u>	<u>(59,577,077)</u>	<u>35,437,400</u>	<u>14,459,557</u>
Business-type activities					
Series 2002 Revenue bonds	291,358	-	(6,928)	284,430	5,240
Series 2013A Revenue Bonds	-	2,047,690	-	2,047,690	-
Series 2013 B Revenue Bonds	-	6,079,231	-	6,079,231	-
Series 2012 Bond Anticipation Note	1,064,823	1,023,177	(2,088,000)	-	-
Series 2012 Revenue Bond Anticipation Note	994,511	1,678,134	(2,672,645)	-	-
Series 2013 Revenue Bond Anticipation Note	3,191,543	876,812	(4,068,355)	-	-
\$820,000 Revenue Bond Anticipation Note	-	820,000	-	820,000	820,000
Note payable	1,563,689	-	-	1,563,689	-
Total business-type activities	<u>7,105,924</u>	<u>12,525,044</u>	<u>(8,835,928)</u>	<u>10,795,040</u>	<u>825,240</u>
Total long-term liabilities primary government	<u>\$ 64,786,175</u>	<u>\$ 49,859,270</u>	<u>\$ (68,413,005)</u>	<u>\$ 46,232,440</u>	<u>\$ 15,284,797</u>

Details by type of obligation and a summary of debt service requirements follows.

General Obligation Bonds. The County has issued general obligation bonds to provide for construction and purchase of capital assets used in carrying out its governmental activities. General obligation bonds have been issued only for governmental activities. General obligation bonds are direct obligations of the County, and the full faith and credit of the County are pledged as security. Article X, Section 14 of the Constitution of the State of South Carolina, 1895, permits the counties to issue general obligation indebtedness in an amount not exceeding eight percent of the assessed value of taxable property of such county.

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General obligation bonds are liquidated by the debt service funds. General obligation bonds outstanding as of year end are as follows:

<u>General Obligation Bonds</u>	
\$9,715,000 General Obligation Bonds Series 2008, payable in annual principal and semi-annual interest installments ranging from \$840,000 to \$1,145,000 including interest from 3.75% to 5%, maturing February 2019.	\$ 4,305,000
\$2,200,000 Series 2013, payable in annual installments of \$114,070 including interest at 3.125%, maturing February 2044.	2,200,000
\$4,980,000 General Obligation Refunding Bond Series 2014, payable in annual principal and semi-annual interest installments ranging from \$115,000 to \$651,000 including interest at 2.36%, maturing April 2023.	<u>4,980,000</u>
Total General Obligation Bonds	<u><u>\$ 11,485,000</u></u>

Capital Projects Sales and Use Tax Revenue Bond. The County has issued a revenue bond in order to fund construction projects in the County as follows:

<u>Capital Projects Sales and Use Tax Revenue Bond</u>	
\$64,245,000 Capital Project Sales and Use Tax Revenue Bond (Orangeburg County, South Carolina, Project) Series 2007, payable in annual principal and semi-annual interest installments of \$3,345,000 to \$5,600,000 including interest at 5%, maturing October 2014, collateralized by assignment of capital project sales and use tax collections.	<u><u>\$ 3,345,000</u></u>

<u>Capital Projects Sales and Use Tax Revenue Bond Anticipation Note</u>	
\$18,187,375 Capital Project Sales and Use Tax Revenue Bond Anticipation Note Series, 2013 due December 1, 2014 with interest at 1.80%.	<u><u>\$ 7,000,000</u></u>

Capital projects sales and use tax revenue bonds and revenue bond anticipation notes are liquidated by the Capital Projects Sales Tax Fund.

Loans. The County has a loan payable to the Lower Savannah Regional Development Corporation in monthly installments of \$4,234 including interest at 2.5%, maturing October 2022. The loan is being liquidated by the Debt Service Fund.

Note Payable. In July 2011 the County entered into an agreement with the Orangeburg Department of Public Utilities in which the Orangeburg Department of Public Utilities loaned the County \$1,600,000 at zero interest to use for economic development. The loan is payable from the proceeds of a fee-in-lieu agreement whereby the County pays to the Orangeburg Department of Public Utilities one half of the annual fee-in-lieu revenue received from the economic development project until the loan is paid in full. The fee-in-lieu revenue is scheduled to begin during the fiscal year ending June 30, 2016.

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Capital Leases. The County has entered into lease agreements as lessee to finance acquisition of equipment used in governmental activities. Capital leases are liquidated by the General Fund, Roads and Bridges Fund and the Solid Waste Fund. The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2014:, are

2015	\$	2,066,938
2016		2,067,031
2017		3,841,986
2018		1,014,541
2019		552,756
Thereafter		<u>564,286</u>
Total minimum lease payments		10,107,538
Less, amount representing interest		<u>(643,780)</u>
Present value of minimum lease payments		<u><u>\$ 9,463,758</u></u>

The balance of capital assets, net of accumulated depreciation, under these capital lease agreements as of June 30, 2014, are:

Equipment	\$	12,295,566
Less: accumulated depreciation		<u>(6,711,114)</u>
Net		<u><u>\$ 5,584,452</u></u>

Revenue Bonds. The County is obligated for revenue bonds, proceeds of which were used to finance construction and expansion of a water system. These bonds are secured by liens on and pledges of water revenue net of system operating and maintenance costs. The revenue bonds are liquidated by the Enterprise Funds. Water and sewer system revenue bonds outstanding at fiscal year end are as follows:

Revenue Bonds	
Revenue bond payable to the U. S. Department of Agriculture Rural Development Series 2002 payable in monthly installments of \$1,496 including interest at 4.5%, maturing 2042	\$ 284,430
Revenue bond payable to the U. S. Department of Agriculture Rural Development Series 2013A payable in monthly installments of \$7,100 including interest at 2.5%, maturing 2053	2,047,690
Revenue bond payable to the U. S. Department of Agriculture Rural Development Series 2013B payable in monthly installments of \$23,864 including interest at 2.75%, maturing 2053	<u>6,079,231</u>
Total Revenue Bonds Payable	<u><u>\$ 8,411,351</u></u>

The South Carolina Public Service Authority and the County entered into a loan agreement whereby the County can receive up to \$4,000,000 to fund its sewer system under construction. The County has drawn \$1,563,689 through June 30, 2014. The draws accrue interest at the U.S. Treasury ten year rate each January 1. Repayment of accrued interest and principal is deferred until six months after the County receives the state permit to operate the sewer system and will be over a ten year period.

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Bond Anticipation Note.The County issued an \$820,000 Bond Anticipation Note January 23, 2014 to pay its prior note. The note matures January 23, 2015 and accrues interest at 1.50%.

Following is a summary of debt service requirements to maturity by year for the governmental and business-type activities:

Year Ending June 30,	Principal	Interest	Total	Principal	Interest	Total
Governmental activities:						
	General obligation bonds			Capital Leases		
2015	\$ 1,218,881	\$ 360,033	\$ 1,578,914	\$ 1,822,151	\$ 244,787	\$ 2,066,938
2016	1,664,098	247,327	1,911,425	1,872,195	194,836	2,067,031
2017	1,724,601	199,770	1,924,371	3,729,137	112,849	3,841,986
2018	1,788,151	150,314	1,938,465	974,341	40,200	1,014,541
2019	653,749	98,219	751,968	529,382	23,374	552,756
2020-2024	2,815,526	356,061	3,171,587	536,552	27,734	564,286
2025-2029	337,682	232,668	570,350	-	-	-
2030-2034	393,847	176,503	570,350	-	-	-
2035-2039	459,354	110,996	570,350	-	-	-
2040-2044	429,111	34,595	463,706	-	-	-
Totals	<u>\$ 11,485,000</u>	<u>\$ 1,966,486</u>	<u>\$ 13,451,486</u>	<u>\$ 9,463,758</u>	<u>\$ 643,780</u>	<u>\$ 10,107,538</u>
	Loans					
2015	\$ 41,567	\$ 9,244	\$ 50,811			
2016	43,605	7,206	50,811			
2017	44,708	6,103	50,811			
2018	45,838	4,973	50,811			
2019	46,997	3,814	50,811			
2020-2024	166,394	4,277	170,671			
Totals	<u>\$ 389,109</u>	<u>\$ 35,617</u>	<u>\$ 424,726</u>			
Business-type activities						
				Revenue Bonds		
2015				\$ 5,240	\$ 241,571	\$ 246,811
2016				50,800	372,247	423,047
2017				142,364	247,156	389,520
2018				146,346	243,174	389,520
2019				147,443	242,077	389,520
2020-2024				817,872	1,129,728	1,947,600
2025-2029				939,358	1,008,242	1,947,600
2030-2034				1,079,338	868,262	1,947,600
2035-2039				1,240,734	706,866	1,947,600
2040 and thereafter				3,841,856	1,731,664	5,573,520
Totals				<u>\$ 8,411,351</u>	<u>\$ 6,790,987</u>	<u>\$ 15,202,338</u>

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Landfill Closure and Postclosure Costs. State and federal laws and regulations require the County to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. In accordance with state and federal law, the County closed its municipal solid waste landfill in fiscal year 1995. The County paid to cover the landfill in fiscal year 1996. The estimated total liability for postclosure care costs equaled \$453,000 which is being amortized over 30 years. the remaining unamortized balance is \$166,100.

The County also operates a Class II landfill, which based upon recent expansion, has an estimated remaining life of 75 years. The filled capacity at June 30, 2014 is estimated to be 17%. 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 estimated closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each fiscal year end. The County estimates the total costs for closure and postclosure monitoring for the Class II landfill to be \$492,000. At June 30, 2014, the costs to be recognized as a liability based on estimates of filled capacity is \$83,640.

The County has not accumulated funds to meet this additional closure and post closure care liability. The \$249,740 reported as the accrual for landfill closure and postclosure costs at June 30, 2014 is calculated as follows:

	<u>Estimated Liability Recognized</u>		
	<u>Class III</u>	<u>Class II</u>	<u>Total</u>
Accrued liabilities at June 30, 2013	\$ 181,200	\$ 73,800	\$ 255,000
Current year changes	<u>(15,100)</u>	<u>9,840</u>	<u>(5,260)</u>
Estimated liability	<u>166,100</u>	<u>83,640</u>	<u>249,740</u>
Less current portion	<u>(15,100)</u>	<u>-</u>	<u>(15,100)</u>
Totals	<u>\$ 151,000</u>	<u>\$ 83,640</u>	<u>\$ 234,640</u>

The County's landfill closure and post-closure liability represents what it would cost to perform all closure and post-closure care at June 30, 2014 and are based on engineering estimates subject to change due to inflation, deflation, technology, and/or applicable laws and regulations. Federal and state statutes and regulations require that all permitted landfills have a financial assurance mechanism in place to ensure that funds are available for clean-up of the facility at the time of closure to cover any post-closure care that may be required. The County does not qualify for the financial or alternative means tests to satisfy federal and state financial assurance requirements. The County has adopted a pay-as-you-go policy, anticipating that future available resources will be the primary source of funds to pay the cost of closure and post-closure care. During fiscal 2014, the County expended \$85,362 in landfill closure and post-closure costs.

Component unit. Long-term obligations include accrued leave due to employees of the County Library and OCDC.

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E. Operating Leases

The County leases copiers under terms of non-cancelable operating leases. As of year end, obligations under terms of these leases were as follows:

<u>Year Ending June 30,</u>	
2015	\$ 19,000
2016	7,400
2017	3,100
	<u>\$ 29,500</u>

Lease expense during the fiscal year was approximately \$72,500, which included lease payments on leases that are cancelable and non-cancelable.

F. Interfund Receivables and Payables

Interfund balances arise because the County utilizes a cash pool to maximize potential interest earnings and because of timing differences in transfers from agency funds. Interfund balances at June 30, 2014 were:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 3,938,095	\$ 38,252
Special Education Fund	-	1,531,008
Capital Project Tax II Fund	7,978,101	-
Capital Project Tax III Fund	1,525,665	-
Nonmajor Government Funds	91,599	2,107,678
Enterprise Funds	775	9,452,016
Agency Funds	3,607	408,888
Total	<u>\$ 13,537,842</u>	<u>\$ 13,537,842</u>

G. Fund Balance/Net Position

The following table details the components of non-spendable, restricted, committed and assigned fund balances:

	<u>General Fund</u>	<u>Capital Project Tax II</u>	<u>Capital Project Tax III</u>	<u>Debt Service Fund</u>	<u>Non-major Funds</u>	<u>Total Governmental Funds</u>
Nonspendable	\$ 202,205	\$ -	\$ -	\$ -	\$ 145	\$ 202,350
Restricted for:						
Grant activities	-	-	-	-	2,695,347	2,695,347
Public safety activities	-	-	-	-	755,029	755,029
Public works activities	-	-	-	-	125,570	125,570
Capital projects	-	14,704,498	7,634,391	-	4,264,365	26,603,254
Debt service	-	-	-	1,377,766	-	1,377,766
Total restricted	<u>\$ -</u>	<u>\$ 14,704,498</u>	<u>\$ 7,634,391</u>	<u>\$ 1,377,766</u>	<u>\$ 7,840,311</u>	<u>\$ 31,556,966</u>
Committed for:						
Public safety activities	\$ -	\$ -	\$ -	\$ -	\$ 796,191	\$ 796,191
Total committed	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 796,191</u>	<u>\$ 796,191</u>
Assigned for:						
Solid waste activities	\$ -	\$ -	\$ -	\$ -	\$ 1,975,574	\$ 1,975,574
Total assigned	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,975,574</u>	<u>\$ 1,975,574</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
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The fund balance restrictions also apply to the County's Net Position for its governmental activities as follows:

Net position restricted for:		
Grant activities	\$	2,695,347
Public safety activities		755,029
Public works activities		125,570
Capital projects		26,603,254
Debt service		<u>1,377,766</u>
Total Governmental Activities Restricted Net Position	\$	<u><u>31,556,966</u></u>

H. Transfers In and Out

During the course of normal operations, the County makes numerous transactions between funds. Transfers of resources from a fund receiving revenue to a fund through which the resources are expended are recorded as transfers and are reported as other financing sources (uses) in the governmental funds and as non-operating revenues (expenses) in proprietary funds. Transfers into the general fund were primarily to recover overhead and related costs. Transfers from the state accommodations tax fund were made to the general fund to support tourism promotion. Transfers between funds for the year ended June 30, 2014, consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Activities:		
General Fund	\$ 1,054,117	\$ 5,413,385
Capital Project Tax II Fund	500,000	-
Orangeburg Detention Center Fund	5,104,812	-
Nonmajor Government Funds	<u>360,510</u>	<u>1,804,118</u>
Total Governmental Funds	<u>7,019,439</u>	<u>7,217,503</u>
Business-type Activities:		
Water and Sewer Fund	<u>198,064</u>	-
Total	<u><u>\$ 7,217,503</u></u>	<u><u>\$ 7,217,503</u></u>

IV. OTHER INFORMATION

A. 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 carries insurance for these risks of loss. Premiums for workers' compensation are paid to a public entity risk pool. The public entity risk pool promises to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accordance with the insurance policy and benefit program limits. Management believes such coverage is sufficient to preclude any significant uninsured losses for 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.

The County is also subject to risks of loss from providing health, life, accident, dental, and other medical benefits to employees, retirees, and their dependents. The County has enrolled substantially all its employees in the State's health insurance plans administered by the South Carolina Budget and Control Board.

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B. Pension Plan

South Carolina Retirement System - Plan Description. The majority of employees of the County are covered by a retirement plan through the South Carolina Retirement System (SCRS), a cost sharing multiple-employer defined benefit pension plan administered by the Retirement Division of the South Carolina Public Employee Benefit Authority (PEBA), a public employee retirement system. Generally, all full-time or part-time equivalent County employees in a permanent position are required to participate in and contribute to the SCRS as a condition of employment unless exempted by law as provided in Section 9-1480 of the South Carolina Code of Laws, as amended. The SCRS plan provides life-time monthly retirement annuity benefits to members as well as disability, survivor options, annual benefit adjustments, death benefits, and incidental death benefits to eligible employees and retired members.

The Retirement Division maintains five independent defined benefit plans and issues its own publicly available Comprehensive Annual Financial Report (CAFR) which includes financial statements and required supplementary information. A copy of the separately issued CAFR may be obtained by writing to the South Carolina Public Employee Benefit Authority, P.O. Box 11960, Columbia, South Carolina 29211-1960. Furthermore, the Division and the five pension plans are included in the State of South Carolina's CAFR.

Under the SCRS, Class II members are eligible for a full service retirement annuity upon reaching age 65 or with five years service or completion of 28 years of credited service regardless of age. Employees who first became members of the System after June 30, 2012 are considered Class III members and are eligible for a full service retirement annuity upon reaching age 65 with eight years of earned service or upon meeting the rule of 90 requirement (i.e., the members age plus the years service add up to a total of at least 90). The benefit formula for full benefits effective since July 1, 1989 for the SCRS is 1.82 percent of an employee's average final compensation (AFC) multiplied by the number of years of credited service. For Class II members, AFC is the average annual earnable compensation during 12 consecutive quarters and includes an amount for up to 45 days termination pay at retirement for unused annual leave. For Class III members, AFC is the average annual earnable compensation during 20 consecutive quarters and termination pay for unused annual leave at retirement is not included. Early retirement options with reduced benefits are available as early as age 55 for Class II members and age 60 for Class III members. Class II members are vested for a deferred annuity after eight years of earned service.

An incidental death benefit equal to an employee's annual rate of compensation is payable upon the death of an active employee with a minimum of one year of credited service or to a working retired contributing member. There is no service requirement for death resulting from actual performance of duties for an active member. For eligible retired members, a lump-sum payment is made to the retiree's beneficiary of up to \$6,000 based on years of service at retirement. TERI participants and retired contributing members are eligible for the increased death benefit equal to their annual salary in lieu of the standard retirement benefit.

Effective January 1, 2001, Section 9-1-2210 of the South Carolina Code of Laws allows employees eligible for service retirement to participate in the Teacher and Employee Retention Incentive (TERI) Program. TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years.

Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits. The TERI program will end effective June 30, 2018.

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South Carolina Retirement System - Funding Policy. Effective July 1, 2013, employees participating in the SCRS were required to contribute 7.50% of all earnable compensation. The County's employer contribution rate for SCRS was 15.52%. Included in the total SCRS employer contribution rate is a base retirement contribution of 10.45%, 0.15% for the incidental death program and a 4.92% surcharge that will fund retiree health and dental insurance coverage. The County's actual retirement and incidental death program contributions to the SCRS for the years ended June 30, 2014, 2013 and 2012 were:

Fiscal Year Ended June 30,	Retirement		Incidental Death	
	Rate	Contribution	Rate	Contribution
2014	10.450 %	\$ 1,299,265	0.15 %	\$ 18,650
2013	10.450 %	\$ 1,278,761	0.15 %	\$ 17,546
2012	9.385 %	\$ 1,375,273	0.15 %	\$ 16,387

Police Officers Retirement System - Plan Description. The South Carolina Police Officers Retirement System (PORS) is a cost sharing multiple-employer defined benefit public employee retirement system. Generally, all full-time employees whose principal duties are the preservation of public order or the prevention and control of property destruction by fire are required to participate in and contribute to the PORS as a condition of employment. The plan provides life-time monthly annuity benefits to members as well as disability, survivor benefits and incidental death benefits to eligible employees and retirees. In addition, participating employers in the PORS contribute to the accidental death fund which provides annuity benefits to beneficiaries of police officers and fireman killed in the actual performance of their duties. These benefits are independent of any other retirement benefits available to the beneficiary.

Under the PORS, Class II members are eligible for a full service retirement annuity upon reaching age 55 with five years of earned service or completion of 25 years of credited service regardless of age. Class III members are eligible for a full service retirement annuity upon reaching age 55 with eight years of earned service or 27 years of credited service. The benefit formula for full benefits effective since July 1, 1989 for the PORS is 2.14 percent of an employee's average final compensation (AFC) multiplied by the number of years of credited service. For Class II members, AFC is the average annual earnable compensation during 12 consecutive quarters and includes an amount for up to 45 days termination pay at retirement for unused annual leave. For Class III members, AFC is the average annual earnable compensation during 20 consecutive quarters and termination pay for unused annual leave at retirement is not included. PORS does not have an early retirement option. Class II members are vested for a deferred annuity after five years of earned service. Class III members are vested for a deferred annuity after eight years of earned service.

Police Officers Retirement System - Funding Policy. Effective July 1, 2013, employees participating in the PORS were required to contribute 7.84% of all earnable compensation. The County's employer contribution rate for PORS was 17.76%. Included in the total SCRS employer contribution rate is a base retirement contribution of 12.44%, 0.20% for the incidental death program, 0.20% for the accidental death program and a 4.92% surcharge that will fund retiree health and dental insurance coverage.

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The County's actual retirement and incidental death program and accidental death program contributions to the PORs for the years ended June 30, 2014, 2013 and 2012 were:

Fiscal Year Ended June 30,	Retirement		Incidental Death		Accidental Death	
	Rate	Contribution	Rate	Contribution	Rate	Contribution
2014	12.440 %	\$ 863,684	0.20 %	\$ 13,886	0.20 %	\$ 13,886
2013	11.900 %	\$ 847,763	0.20 %	\$ 14,996	0.20 %	\$ 14,996
2012	11.900 %	\$ 833,156	0.20 %	\$ 14,031	0.20 %	\$ 14,031

C. Deferred Compensation Plans

Certain County employees participate in one of two optional deferred compensation plans which are available to them in conjunction with the State Retirement System. The multiple employer plans, created under Internal Revenue Code Sections 457 and 401(k) are administered for the State Retirement System by third parties. Compensation deferred under the plans is placed in trust for the contributing employee. The County has no liability for losses under the plans. Employees may withdraw the current value of their contributions when they terminate their employment with the County. Employees may also withdraw contributions prior to termination if they meet requirement specified by the applicable plan.

D. Other Post Employment Benefits

Plan Description. The County's defined benefit post employment healthcare plan (the plan) provides medical insurance to retirees with at least fifteen years of service credit and their spouses. Retirees with five years but less than 15 years of service may participate in the plan but must pay the full premium. The County pays 50 percent of the premium for retirees with 15 to 25 years of service and 100 percent of the premium for employees with 25 or more years of service. Spouse of retirees are eligible to participate in the plan. However, retirees employed after June 30, 2009 must pay the full cost of a spouse's coverage. Survivors of retirees who were covered by the plan may continue coverage but must pay the full cost of coverage. County contributions are neither guaranteed nor mandatory. Council has retained the right to modify its plan for retiree health care benefits. The plan does not issue separate financial statements.

As of July 1, 2014, the measurement date for the plan year, there were 545 covered participants; 76 members were retirees receiving benefits and 469 were active participants.

Funding Policy. The plan was established and may be amended by County Council. The County currently finances the plan on a pay-as-you-go basis. During 2014, the County paid \$306,343 to meet its obligation for participants under the terms of the plan.

Annual OPEB Cost and Net OPEB Obligation. The County's annual other post employment benefits (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with accounting principles generally accepted in the United States of America. The ARC is equal to the normal cost plus the amortization of any unfunded actuarially accrued liability. The normal cost represents the annual ongoing cost of benefits accruing to active participants. The actuarial accrued liability is the portion of the total present value of benefits that is attributable to service up to the date of the valuation. The amount of the actuarially accrued liability in excess of the plan's assets is the unfunded actuarially accrued liability which is being amortized over a period not to exceed 30 years.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan and any changes in the County's obligation under the plan:

	<u>Total</u>	<u>Governmental Activities</u>	<u>Library</u>	<u>EDC</u>
Annual required contribution (ARC) for current year:	\$ 4,697,350	\$ 4,502,762	\$ 170,161	\$ 24,427
Interest on unfunded OPEB obligation	960,760	921,225	31,625	7,910
Adjustment to ARC	<u>(1,000,022)</u>	<u>(958,872)</u>	<u>(32,917)</u>	<u>(8,233)</u>
Annual OPEB cost (expense)	4,658,088	4,465,115	168,869	24,104
Less: actual contributions	<u>(306,343)</u>	<u>(267,308)</u>	<u>(38,647)</u>	<u>(388)</u>
Increase in net OPEB obligation	4,351,745	4,197,807	130,222	23,716
Net liability for OPEB, beginning of year	24,018,999	23,030,626	790,627	197,746
Net liability for OPEB, end of year	<u>\$ 28,370,744</u>	<u>\$ 27,228,433</u>	<u>\$ 920,849</u>	<u>\$ 221,462</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2014 and the two preceding fiscal years were as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Employer Amount Contributed</u>	<u>Percentage of Annual OPEB Contributed</u>	<u>Net OPEB Obligation</u>
2012	5,524,555	192,738	3.5 %	19,289,727
2013	4,203,507	286,968	6.8 %	23,030,626
2014	4,465,115	267,308	6.0 %	27,228,433

Funded Status and Funding Progress. Based on the actuarial valuation date of July 1, 2012, the funded status of the plan as of year end was as follows:

Actuarial Accrued liabilities (AAL)	\$ 45,526,003
Actuarial value of plan assets	<u>-</u>
Annual OPEB cost (expense)	\$ 45,526,003
Funded ratio	- %
Covered payroll	\$ 19,375,957
Unfunded Actuarial Accrued Liability as a percentage of covered payroll	235.0 %

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 healthcare cost trends.

Actuarial Methods and Assumptions. The Projected Unit Credit actuarial cost method is used to calculate the ARC for the County's retiree health care plan. Anticipated future payments are projected using the plan benefits, the present health premiums and a set of actuarial assumptions. The projected unit credit method then provides for a systematic funding for the 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.

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 employer and plan members

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

to that point.

The Projected Unit Credit Actuarial Cost Method was used to calculate the ARC, based on an assumed level percent of payroll funding and an assumed 4 percent rate of return on investments for the current year. The assumed general inflation rate was 3 percent. The assumed rate of annual increase in health costs varied from 4.5 to 7.75 percent. The actuarial methods and assumptions and calculations reflect a long-term perspective and are designed to reduce short-term volatility in actuarially accrued liabilities and in actuarial value of assets.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the County's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Component Unit - Library. The assumptions for the Library are the same as for the Primary Government. At June 30, 2014 the actuarial accrued liability for the Library's Retiree Health Plan was \$1,477,669, all of which is unfunded. The unfunded accrued actuarial liability was 256.6 % of payroll for the year ended June 30, 2014.

Component Unit - Development Commission. The assumptions for the Development Commission are the same as for the Primary Government. At June 30, 2014 the actuarial accrued liability for the Development Commission's Retiree Health Plan was \$152,579, all of which is unfunded. The unfunded accrued actuarial liability was 56.91 % of payroll for the year ended June 30, 2014.

E. Conduit Debt

From time to time, The County issues 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 generally for a period of 20 years, are secured by the property financed, and are payable solely from the payments received on the underlying mortgage notes or lease arrangements. Pursuant to County Council ordinances and certain lease agreements, the County shall own legal title to the real property and facilities during the term of the lease and debt service of the bonds shall be payable solely out of lease payments made by the business. Upon repayment of bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the County, State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities, nor are the deeded (leased) assets in the accompanying financial statements.

At June 30, 2014 the County had outstanding arrangements with RMC (Hospital) and the Three Rivers Solid Waste Authority with an aggregate amount of bonds equaling \$10,000,000 and \$34,000,000, respectively.

F. Commitments

The County had commitments for construction contracts not yet complete at year end totaling \$6,879,578.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

G. Contingent Liabilities

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

H. Restatements

The County made several restatement adjustments to the prior year financial statements. Restatements are as follows:

	Governmental Activities	General Fund	Water and Sewer Utility Enterprise Fund
Fund balance/net position, as previously reported	\$ 82,253,956	\$ 4,220,167	\$ 8,359,543
Restated for:			
Recording a note payable previously omitted	(1,600,000)	-	-
Correction of receivable and allowance for uncollectible balances	(1,405,458)	(873,206)	-
Construction in progress and retainage balance corrections	891,960	-	(324,850)
Certain capital assets acquired in prior periods previously omitted	3,150,142	-	-
Correction to carrying value of accounts receivable and unavailable revenue	<u>2,613,195</u>	<u>-</u>	<u>-</u>
Total prior period adjustments	<u>3,649,839</u>	<u>(873,206)</u>	<u>(324,850)</u>
Fund balance/net position, June 30, 2013, as restated	<u>\$ 85,903,795</u>	<u>\$ 3,346,961</u>	<u>\$ 8,034,693</u>

The County added the Installment Tax Agency Fund previously omitted in prior periods to the Agency Funds.

I. Pending Implementation of GASB Statements

GASB Statement No. 68 as amended by GASB Statement No. 71, "Accounting and Financial Reporting for Pensions", intends to improve financial reporting for most governments that provide their employees with pension benefits. The statement is effective for financial statement for periods beginning after June 15, 2014. The County will implement the new guidance with the 2015 financial statements.

GASB Statement No. 69, "Government Combinations and Disposals of Government Operations", intends to improve accounting and financial reporting of combinations and disposals of government operations of U.S. state and local governments. The statement is effective for financial statements for periods beginning after December 15, 2013. The County will implement the new guidance with the 2015 financial statements.

While the effects of the implementation of GASB Statement No. 68 has not been determined at this time, it is anticipated the statement, when implemented, will materially decrease the County's net position. Management has not yet determined the impact of implementation that the other statement will have on the County's financial statements, if any.

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

J. Subsequent Events

The County issued and repaid a \$1,000,000 tax anticipation note. The County entered into an agreement with the South Carolina Public Service Authority whereby the South Carolina Public Service Authority will provide the County with an economic development loan in the amount of \$4,000,000 for an economic development project. The loan is payable in its entirety without interest in 2017. The County financed the acquisition of certain public works equipment with a capital lease payable in 18 quarterly payments of principal and interest accruing at 2.85% in the amount of \$43,138 and a final payment of \$498,818 payable by budgetary appropriations.

The County issued a \$2,830,000 Water System Improvement Revenue Bond, Series 2015A (Phase I) of Orangeburg County South Carolina. The Bond is payable in two annual interest only payments for interest accrued at 2.125% on the outstanding balance and thereafter in 456 monthly installments of principal and interest in the amount of \$9,056.

Management has evaluated subsequent events through September 14, 2015.

Required Supplementary Information

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
 SCHEDULE OF FUNDING PROGRESS AND SCHEDULE OF EMPLOYER CONTRIBUTIONS -
 OTHER POST EMPLOYMENT BENEFITS - DEFINED BENEFIT HEALTH CARE PLAN
 FOR THE FISCAL YEAR ENDED 30, 2014**

Schedule of Funding Progress

<u>Fiscal Year</u>	<u>Actuarial Valuation Date</u>	<u>Plan Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
Primary Government							
2012	7/1/2010	\$ -	39,021,138	39,021,138	0.00%	13,101,365	297.8 %
2013	7/1/2012	-	41,455,682	41,455,682	0.00%	15,936,065	260.1 %
2014	7/1/2012	-	45,526,003	45,526,003	0.00%	19,375,957	235.0 %

Schedule of Employer Contributions

<u>Fiscal Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Annual Percentage Contributed</u>
2012	5,524,555	226,506	4.1%
2013	4,203,507	286,968	6.8%
2014	4,465,115	267,308	6.0%

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
GENERAL FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget Over (Under)</u>
Revenue				
Property taxes:				
Current property taxes	\$ 18,382,480	\$ 18,382,480	\$ 18,877,325	\$ 494,845
Delinquent property taxes	2,252,384	2,252,384	2,194,910	(57,474)
Homestead	1,085,526	1,085,526	1,232,448	146,922
Penalties	209,600	209,600	247,137	37,537
Manufacturers reimbursement	469,250	469,250	637,917	168,667
Merchants inventory tax	205,757	205,757	205,757	-
Fees in lieu of taxes	1,713,597	1,713,597	1,634,058	(79,539)
Sums in lieu (SCPSA)	6,500	6,500	8,936	2,436
Motor carriers allocation	151,944	151,944	135,738	(16,206)
Escheatments - delinquent tax	68,000	68,000	68,581	581
Total property taxes	<u>24,545,038</u>	<u>24,545,038</u>	<u>25,242,807</u>	<u>697,769</u>
Licenses and permits:				
Franchise fees	337,152	337,152	379,285	42,133
Documentary stamps	134,000	134,000	159,812	25,812
Health department fees	38,000	38,000	4,424	(33,576)
Building permits	232,969	232,969	274,062	41,093
Mobile home licenses/inspection fees	4,500	4,500	3,694	(806)
Probate judge licenses	10,000	10,000	9,057	(943)
Pollution control	3,500	3,500	102	(3,398)
Subdivision regulation fees	63,500	63,500	8,210	(55,290)
Total licenses and permits	<u>823,621</u>	<u>823,621</u>	<u>838,646</u>	<u>15,025</u>
Intergovernmental:				
State supplement	3,494,634	3,494,634	3,416,957	(77,677)
Mini-bottle tax	140,000	140,000	142,080	2,080
Accommodation tax	36,000	36,000	40,547	4,547
Tax supply aid	3,085	3,085	-	(3,085)
Voter registration and elections	136,750	136,750	43,608	(93,142)
Veterans affairs	10,000	10,000	6,370	(3,630)
DSS - FFP funds	20,000	20,000	21,329	1,329
Probate, RMC, Clerk of Court, Sheriff	7,875	7,875	7,875	-
Other	-	-	4,357	4,357
Total intergovernmental	<u>3,848,344</u>	<u>3,848,344</u>	<u>3,683,123</u>	<u>(165,221)</u>
Charges for services:				
Probate Judge	177,300	177,300	153,678	(23,622)
Clerk of Court	6,000	6,000	8,440	2,440
Family Court	65,045	65,045	45,637	(19,408)
Register of deeds	130,000	130,000	125,496	(4,504)
Master in Equity	115,000	115,000	102,862	(12,138)
Treasurer returned checks	3,000	3,000	252	(2,748)
Tax collector fees	443,668	443,668	664,694	221,026
Sheriff's fees	17,000	17,000	21,241	4,241
Ambulance service fees	2,761,700	2,761,700	2,127,308	(634,392)
Clean up fees	12,000	12,000	18,458	6,458
Magistrates costs	104,031	104,031	7,697	(96,334)
Total charges for services	<u>3,834,744</u>	<u>3,834,744</u>	<u>3,275,763</u>	<u>(558,981)</u>
Fines:				
Animal control fines	500	500	990	490
Litter control fines	552	552	-	(552)
Central traffic court	622,874	622,874	442,639	(180,235)
Clerk of Court - General Sessions	16,000	16,000	15,021	(979)
Forfeited bonds	8,183	8,183	881	(7,302)
3% service costs	5,157	5,157	10,526	5,369
Magistrates fees	184,320	184,320	194,493	10,173
Magistrates - various	52,211	52,211	54,944	2,733
Total fines	<u>889,797</u>	<u>889,797</u>	<u>719,494</u>	<u>(170,303)</u>
Interest/miscellaneous				

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
GENERAL FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED 30, 2014**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Over (Under)
Interest	50,473	50,473	10	(50,463)
Other	42,400	42,400	232,760	190,360
Rents and royalties	200,000	200,000	107,757	(92,243)
Map sales	37,500	37,500	20,541	(16,959)
Family court set off debt	32,000	32,000	19,531	(12,469)
Magistrates court set off debt	37,000	37,000	-	(37,000)
Surplus property sales	50,000	50,000	150,351	100,351
Project reimbursements	20,000	20,000	60	(19,940)
Transfer from reserves	-	2,232,839	1,054,117	(1,178,722)
Tax anticipation note	-	4,500,000	4,500,000	-
Total interest/miscellaneous	<u>469,373</u>	<u>7,202,212</u>	<u>6,085,127</u>	<u>(1,117,085)</u>
Total revenue	<u>34,410,917</u>	<u>41,143,756</u>	<u>39,844,960</u>	<u>(1,298,796)</u>
Expenditures				
General Government:				
Legislative delegation	846	846	910	64
County Council/clerk	263,941	263,941	242,500	(21,441)
County administrator	244,519	244,469	249,069	4,600
Deputy administrator - property services	168,123	168,123	170,723	2,600
Deputy administrator - public works	360,408	360,808	353,671	(7,137)
Personnel	314,815	315,152	316,454	1,302
Election commission	240,969	248,469	321,252	72,783
GIS mapping/record retention	323,851	323,851	337,742	13,891
Delinquent tax collector	435,739	435,739	356,684	(79,055)
Treasurer	435,308	435,308	363,379	(71,929)
Finance	342,020	342,020	281,772	(60,248)
Auditor	239,243	239,243	262,827	23,584
Tax assessor	743,523	743,523	735,805	(7,718)
Information technology	1,103,737	1,103,400	947,635	(155,765)
Building inspection	269,305	276,305	324,336	48,031
Planning	218,298	219,898	203,906	(15,992)
Grants	88,970	88,970	84,784	(4,186)
Register of deeds	184,700	184,700	189,201	4,501
Legal	229,410	229,410	395,540	166,130
Non-departmental	3,327,349	5,335,465	2,870,886	(2,464,579)
Development Commission	697,828	697,828	688,073	(9,755)
Total general government	<u>10,232,902</u>	<u>12,257,468</u>	<u>9,697,149</u>	<u>(2,560,319)</u>
Judicial:				
Clerk of Court	214,264	214,264	230,686	16,422
Master in Equity	152,494	152,494	156,189	3,695
Circuit Court	200	200	200	-
Family Court	341,424	341,424	378,355	36,931
Probate Court	325,389	325,389	334,487	9,098
Regional Magistrates Courts	1,340,688	1,340,688	1,305,604	(35,084)
Public defender	544,288	544,288	544,288	-
Solicitor	534,288	534,288	534,288	-
Total judicial	<u>3,453,035</u>	<u>3,453,035</u>	<u>3,484,097</u>	<u>31,062</u>
Public works:				
Sign shop	61,215	60,815	56,924	(3,891)
Buildings and grounds	1,273,000	1,278,549	1,121,658	(156,891)
Purchasing	167,807	167,807	147,319	(20,488)
Vehicle maintenance	829,252	820,752	718,407	(102,345)
Intergovernmental	-	-	357,164	357,164
Capital outlay	-	9,500	8,427	(1,073)
Transfer out	-	203,421	308,573	105,152
Total public works	<u>2,331,274</u>	<u>2,540,844</u>	<u>2,718,472</u>	<u>177,628</u>
Public safety:				
Sheriff	6,541,564	6,541,564	6,544,795	3,231

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
GENERAL FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED 30, 2014**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Over (Under)
Emergency services	351,639	369,064	304,906	(64,158)
Coroner	277,810	277,810	303,406	25,596
Emergency medical services	2,893,427	2,893,427	2,724,284	(169,143)
E-911 communications center	739,534	722,109	676,665	(45,444)
Capital outlay	-	-	4,357	4,357
Transfer for LEC - jail	5,104,812	5,104,812	5,104,812	-
Total public safety	<u>15,908,786</u>	<u>15,908,786</u>	<u>15,663,225</u>	<u>(245,561)</u>
Social and Health:				
Health department	200,874	200,874	136,232	(64,642)
Mosquito control	62,909	60,309	50,964	(9,345)
Animal control	295,557	295,557	256,661	(38,896)
Orangeburg Area Development Center	431,045	431,045	396,767	(34,278)
Red Cross	5,500	5,500	5,500	-
Elloree Heritage Museum	5,000	5,000	5,000	-
Department of Social Services	178,000	178,000	198,598	20,598
Veterans Affairs	106,921	107,214	105,505	(1,709)
Carolina Transit	129,082	129,082	70,520	(58,562)
Recreation - summer	30,972	30,972	20,120	(10,852)
Recreation - basketball	43,195	43,195	51,012	7,817
Indian Bluff park	87,114	87,114	69,910	(17,204)
Samaritan House	8,047	8,047	8,047	-
Council on Aging	85,277	85,277	85,277	-
Dawn Center	64,300	64,300	64,300	-
Dawn Center - mini bottle	140,000	140,000	169,308	29,308
Medically indigent	398,826	398,826	398,826	-
Orangeburg County Fine Arts Council	7,200	7,200	7,200	-
CASA	48,240	48,240	48,240	-
Soil and Water	51,292	51,292	51,876	584
Tri-county Chamber of Commerce	5,569	5,569	5,569	-
Project Life: Positeen	10,000	10,000	10,000	-
Boys and Girls Clubs	90,000	90,000	90,000	-
Capital outlay	-	1,010	-	(1,010)
Total social and health	<u>2,484,920</u>	<u>2,483,623</u>	<u>2,305,432</u>	<u>(178,191)</u>
Debt service				
Principal	-	4,500,000	4,600,000	100,000
Interest	-	-	18,380	18,380
Total debt service	<u>-</u>	<u>4,500,000</u>	<u>4,618,380</u>	<u>118,380</u>
Total expenditures	<u>34,410,917</u>	<u>41,143,756</u>	<u>38,486,755</u>	<u>(2,657,001)</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,358,205</u>	<u>\$ 1,358,205</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SPECIAL EDUCATION FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance from Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Property taxes	\$ 2,259,024	\$ 2,259,024	\$ 2,254,848	\$ (4,176)
Total revenue	<u>2,259,024</u>	<u>2,259,024</u>	<u>2,254,848</u>	<u>(4,176)</u>
Expenditures				
Current:				
Social and health	21,747	21,747	21,747	-
Other agencies and institutions:				
Public works	36,482	36,482	37,428	946
Social and health	<u>2,305,795</u>	<u>2,305,795</u>	<u>2,425,721</u>	<u>119,926</u>
Total expenditures	<u>2,364,024</u>	<u>2,364,024</u>	<u>2,484,896</u>	<u>120,872</u>
Excess of revenue over (under) expenditures	<u>(105,000)</u>	<u>(105,000)</u>	<u>(230,048)</u>	<u>125,048</u>
Net change in fund balances	<u>\$ (105,000)</u>	<u>\$ (105,000)</u>	<u>\$ (230,048)</u>	<u>\$ 125,048</u>

See accompanying notes to required supplementary information.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2014**

A. Budgetary Data

The County uses the following procedures to establish the budgetary data reflected in the financial statements:

- a. 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 by way of a County Ordinance no later than June 30.
- b. The budget ordinance appropriates amounts for activities/departments of the General, Accommodations Tax, Debt Service, Capital Improvement, New Brooklyn Lighting Tax District, Brookdale Lighting District, Creekmore Lighting District, Whittaker Lighting District, Enterprise, Roads and Bridges, E-911 Tariff, Victims' Assistance, Detention Center and Orangeburg County Fire District Funds. The County by way of an additional ordinance, appropriates amounts raised by the Special Education Millage to fund the Library and other educational purposes.
- c. County Council authorization is required to transfer amounts in excess of \$20,000 from the Contingency Fund. The County administrator may, if deemed in the best interest of the County and within the appropriations provided by the budget ordinance, transfer funds from any fund, department, activity or purpose.
- d. The budgets are on a basis consistent with GAAP for the General and Special Education Fund, except that:
 - Certain capital outlays are budgeted as functional expenditures.
 - Certain transfers are budgeted as functional expenditures.

Other Supplementary Information

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING BALANCE SHEET
NON-MAJOR FUNDS
JUNE 30, 2014**

Assets	Special Revenue Funds	Capital Project Funds	Non-major Funds Total
Cash and cash equivalents	\$ 167,724	\$ -	\$ 167,724
Pooled cash	2,549,750	-	2,549,750
Investments	-	-	-
Receivables, net			
Property taxes	470,607	48,145	518,752
Accounts	372,881	-	372,881
Intergovernmental	1,036,100	11,299	1,047,399
Loans	117,916	40,000	157,916
Due from other funds	91,249	350	91,599
Prepaid items	145	-	145
Restricted assets:			
Cash and cash equivalents	159,121	-	159,121
Pooled cash	3,375,656	4,265,357	7,641,013
Total assets	\$ 8,341,149	\$ 4,365,151	\$ 12,706,300
Liabilities			
Accounts payable	\$ 525,650	\$ 54,271	\$ 579,921
Accrued salaries	296,514	-	296,514
Due to other funds	2,107,678	-	2,107,678
Funds held for others	59,634	-	59,634
Unearned revenue	202	-	202
Other current liabilities	3,433	-	3,433
Total liabilities	2,993,111	54,271	3,047,382
Deferred Inflows of Resources			
Deferred inflows from property taxes	447,135	46,512	493,647
Deferred inflows from accounts receivable	117,916	-	117,916
Total deferred inflows of resources	565,051	46,512	611,563
Total liabilities and deferred inflows of resources	3,558,162	100,783	3,658,945
Fund Balances			
Nonspendable	145	-	145
Restricted	3,575,943	4,264,368	7,840,311
Committed	796,191	-	796,191
Assigned	1,975,574	-	1,975,574
Unassigned (deficit)	(1,564,866)	-	(1,564,866)
Total fund balances	4,782,987	4,264,368	9,047,355
Total liabilities, deferred inflows of resources and fund balances	\$ 8,341,149	\$ 4,365,151	\$ 12,706,300

COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR FUNDS
YEAR ENDED JUNE 30, 2014

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Non-major Funds Total</u>
Revenues			
Property taxes	\$ 5,391,429	\$ 444,470	\$ 5,835,899
Intergovernmental revenue	7,495,678	23,350	7,519,028
Charges for services	4,626,340	-	4,626,340
Fines	506,560	-	506,560
Interest income	5,158	-	5,158
Miscellaneous	159,960	47,110	207,070
Total revenues	<u>18,185,125</u>	<u>514,930</u>	<u>18,700,055</u>
Expenditures			
Current:			
General government	1,637,428	1,768	1,639,196
Judicial	232,676	21,936	254,612
Public works	7,330,441	1,508,983	8,839,424
Public safety	8,136,995	1,940	8,138,935
Social and health	883,397	-	883,397
Capital outlay			
General government	-	1,100,436	1,100,436
Public works	98,145	2,937,912	3,036,057
Public safety	708,425	1,003,537	1,711,962
Debt service:			
Principal retirement	1,323,245	-	1,323,245
Interest and fiscal charges	348,642	-	348,642
Total expenditures	<u>20,699,394</u>	<u>6,576,512</u>	<u>27,275,906</u>
Excess of revenue over (under) expenditures	<u>(2,514,269)</u>	<u>(6,061,582)</u>	<u>(8,575,851)</u>
Other Financing Sources (Uses)			
General obligation bonds issued	-	2,200,000	2,200,000
Transfers in	5,415,322	50,000	5,465,322
Transfers (out)	(1,154,118)	(650,000)	(1,804,118)
Total other financing sources (uses)	<u>4,261,204</u>	<u>1,600,000</u>	<u>5,861,204</u>
Net change in fund balances	1,746,935	(4,461,582)	(2,714,647)
Fund balances , beginning of year	<u>3,036,052</u>	<u>8,725,950</u>	<u>11,762,002</u>
Fund balances, end of year	<u>\$ 4,782,987</u>	<u>\$ 4,264,368</u>	<u>\$ 9,047,355</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014**

	<u>Roads and Bridges Fund</u>	<u>Accommodations - Promotion Fund</u>	<u>Victim Assistance Fund</u>
Assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Pooled cash	-	-	-
Investments	-	-	-
Receivables, net			
Property taxes	-	-	-
Accounts	-	-	-
Intergovernmental	-	90,095	9,802
Loans	-	-	-
Due from other funds	-	-	6,372
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Pooled cash	-	144,496	-
	<u>-</u>	<u>144,496</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ 234,591</u>	<u>\$ 16,174</u>
Liabilities			
Accounts payable	\$ 33,834	\$ 986	\$ -
Accrued salaries	61,120	-	9,314
Due to other funds	658,886	-	414,246
Funds held for others	-	-	-
Unearned revenue	-	-	-
Other current liabilities	-	-	-
Total liabilities	<u>753,840</u>	<u>986</u>	<u>423,560</u>
Deferred Inflows of Resources			
Deferred inflows from property taxes	-	-	-
Deferred inflows from accounts receivable	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>753,840</u>	<u>986</u>	<u>423,560</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	-	233,605	-
Committed	-	-	-
Assigned	-	-	-
Unassigned (deficit)	(753,840)	-	(407,386)
Total fund balances	<u>(753,840)</u>	<u>233,605</u>	<u>(407,386)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 234,591</u>	<u>\$ 16,174</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014**

Assets	E911 Surcharge Fund	Legislative Delegation Fund	Carolina Transit Program
Cash and cash equivalents	\$ -	\$ -	\$ -
Pooled cash	-	-	105,152
Investments	-	-	-
Receivables, net			
Property taxes	-	-	-
Accounts	52,761	-	-
Intergovernmental	-	-	34,326
Loans	-	-	-
Due from other funds	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Pooled cash	317,708	1,179,267	-
Total assets	<u>\$ 370,469</u>	<u>\$ 1,179,267</u>	<u>\$ 139,478</u>
Liabilities			
Accounts payable	\$ 8,952	\$ -	\$ 44,911
Accrued salaries	2,061	-	773
Due to other funds	-	-	93,794
Funds held for others	-	-	-
Unearned revenue	-	-	-
Other current liabilities	-	-	-
Total liabilities	<u>11,013</u>	<u>-</u>	<u>139,478</u>
Deferred Inflows of Resources			
Deferred inflows from property taxes	-	-	-
Deferred inflows from accounts receivable	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>11,013</u>	<u>-</u>	<u>139,478</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	359,456	1,179,267	-
Committed	-	-	-
Assigned	-	-	-
Unassigned (defecit)	-	-	-
Total fund balances	<u>359,456</u>	<u>1,179,267</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 370,469</u>	<u>\$ 1,179,267</u>	<u>\$ 139,478</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014**

Assets	Solid Waste	Fire Service	Orangeburg Detention Center
Cash and cash equivalents	\$ -	\$ 500	\$ 53,363
Pooled cash	1,880,188	-	-
Investments	-	-	-
Receivables, net			
Property taxes	262,897	201,880	-
Accounts Intergovernmental	320,120	-	-
Loans	11,276	33,414	-
Due from other funds	-	-	-
Prepaid items	145	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Pooled cash	-	339,837	-
Total assets	<u>\$ 2,474,626</u>	<u>\$ 575,631</u>	<u>\$ 53,363</u>
Liabilities			
Accounts payable	\$ 191,740	\$ 86,422	\$ 64,284
Accrued salaries	55,121	22,846	131,893
Due to other funds	-	-	118,650
Funds held for others	-	-	53,363
Unearned revenue	-	-	-
Other current liabilities	-	248	3,185
Total liabilities	<u>246,861</u>	<u>109,516</u>	<u>371,375</u>
Deferred Inflows of Resources			
Deferred inflows from property taxes	252,046	189,450	-
Deferred inflows from accounts receivable	-	-	-
Total deferred inflows of resources	<u>252,046</u>	<u>189,450</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>498,907</u>	<u>298,966</u>	<u>371,375</u>
Fund Balances			
Nonspendable	145	-	-
Restricted	-	276,665	-
Committed	-	-	-
Assigned	1,975,574	-	-
Unassigned (defecit)	-	-	(318,012)
Total fund balances	<u>1,975,719</u>	<u>276,665</u>	<u>(318,012)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,474,626</u>	<u>\$ 575,631</u>	<u>\$ 53,363</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014**

Assets	<u>Grant Sub Funds</u>	<u>Sheriff Sub Funds</u>	<u>Whittaker Lighting District Fund</u>
Cash and cash equivalents	\$ 59,971	\$ 53,890	\$ -
Pooled cash	564,410	-	-
Investments	-	-	-
Receivables, net			
Property taxes	-	-	3,736
Accounts	-	-	-
Intergovernmental	857,187	-	-
Loans	117,916	-	-
Due from other funds	1,100	-	83,777
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents	-	159,121	-
Pooled cash	1,276,420	-	44,143
Total assets	<u>\$ 2,877,004</u>	<u>\$ 213,011</u>	<u>\$ 131,656</u>
Liabilities			
Accounts payable	\$ 47,675	\$ 37,839	\$ 3,865
Accrued salaries	13,386	-	-
Due to other funds	738,325	-	-
Funds held for others	-	6,271	-
Unearned revenue	202	-	-
Other current liabilities	-	-	-
Total liabilities	<u>799,588</u>	<u>44,110</u>	<u>3,865</u>
Deferred Inflows of Resources			
Deferred inflows from property taxes	-	-	3,736
Deferred inflows from accounts receivable	117,916	-	-
Total deferred inflows of resources	<u>117,916</u>	<u>-</u>	<u>3,736</u>
Total liabilities and deferred inflows of resources	<u>917,504</u>	<u>44,110</u>	<u>7,601</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	1,282,474	118,906	124,055
Committed	677,026	49,995	-
Assigned	-	-	-
Unassigned (defecit)	-	-	-
Total fund balances	<u>1,959,500</u>	<u>168,901</u>	<u>124,055</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,877,004</u>	<u>\$ 213,011</u>	<u>\$ 131,656</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014**

	Brookdale Lighting District Fund	New Brooklyn Tax District Fund	Creekmoor Lighting District Fund
Assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Pooled cash	-	-	-
Investments	-	-	-
Receivables, net			
Property taxes	760	1,265	69
Accounts	-	-	-
Intergovernmental	-	-	-
Loans	-	-	-
Due from other funds	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Pooled cash	-	-	2,153
Total assets	<u>\$ 760</u>	<u>\$ 1,265</u>	<u>\$ 2,222</u>
Liabilities			
Accounts payable	\$ 957	\$ 1,053	\$ 670
Accrued salaries	-	-	-
Due to other funds	34,100	49,677	-
Funds held for others	-	-	-
Unearned revenue	-	-	-
Other current liabilities	-	-	-
Total liabilities	<u>35,057</u>	<u>50,730</u>	<u>670</u>
Deferred Inflows of Resources			
Deferred inflows from property taxes	727	1,139	37
Deferred inflows from accounts receivable	-	-	-
Total deferred inflows of resources	<u>727</u>	<u>1,139</u>	<u>37</u>
Total liabilities and deferred inflows of resources	<u>35,784</u>	<u>51,869</u>	<u>707</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	-	-	1,515
Committed	-	-	-
Assigned	-	-	-
Unassigned (defecit)	(35,024)	(50,604)	-
Total fund balances	<u>(35,024)</u>	<u>(50,604)</u>	<u>1,515</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 760</u>	<u>\$ 1,265</u>	<u>\$ 2,222</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014**

	<u>SCDOT C Fund Projects</u>	<u>Non-major Special Revenue Funds Total</u>
Assets		
Cash and cash equivalents	\$ -	\$ 167,724
Pooled cash	-	2,549,750
Investments	-	-
Receivables, net		
Property taxes	-	470,607
Accounts	-	372,881
Intergovernmental	-	1,036,100
Loans	-	117,916
Due from other funds	-	91,249
Prepaid items	-	145
Restricted assets:		
Cash and cash equivalents	-	159,121
Pooled cash	71,632	3,375,656
Total assets	<u><u>\$ 71,632</u></u>	<u><u>\$ 8,341,149</u></u>
Liabilities		
Accounts payable	\$ 2,462	\$ 525,650
Accrued salaries	-	296,514
Due to other funds	-	2,107,678
Funds held for others	-	59,634
Unearned revenue	-	202
Other current liabilities	-	3,433
Total liabilities	<u>2,462</u>	<u>2,993,111</u>
Deferred Inflows of Resources		
Deferred inflows from property taxes	-	447,135
Deferred inflows from accounts receivable	-	117,916
Total deferred inflows of resources	<u>-</u>	<u>565,051</u>
Total liabilities and deferred inflows of resources	<u>2,462</u>	<u>3,558,162</u>
Fund Balances		
Nonspendable	-	145
Restricted	-	3,575,943
Committed	69,170	796,191
Assigned	-	1,975,574
Unassigned (deficit)	-	(1,564,866)
Total fund balances	<u>69,170</u>	<u>4,782,987</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 71,632</u></u>	<u><u>\$ 8,341,149</u></u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014**

	<u>Roads and Bridges Fund</u>	<u>Accommodations - Promotion Fund</u>	<u>Victim Assistance Fund</u>
Revenues			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental revenue	-	323,849	19,391
Charges for services	2,446,111	-	-
Fines	-	-	97,544
Interest income	-	-	-
Miscellaneous	725	-	11,572
Total revenues	<u>2,446,836</u>	<u>323,849</u>	<u>128,507</u>
Expenditures			
Current:			
General government	-	-	-
Judicial	-	-	-
Public works	2,685,474	-	-
Public safety	-	-	206,679
Social and health	-	248,263	-
Capital outlay			
Public works	-	-	-
Public safety	-	-	-
Debt service:			
Principal retirement	490,194	-	-
Interest and fiscal charges	102,221	-	-
Total expenditures	<u>3,277,889</u>	<u>248,263</u>	<u>206,679</u>
Excess of revenue over (under) expenditures	<u>(831,053)</u>	<u>75,586</u>	<u>(78,172)</u>
Other Financing Sources (Uses)			
Transfers in	150,000	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	<u>150,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(681,053)	75,586	(78,172)
Fund balances , beginning of year	<u>(72,787)</u>	<u>158,019</u>	<u>(329,214)</u>
Fund balances, end of year	<u><u>\$(753,840)</u></u>	<u><u>\$ 233,605</u></u>	<u><u>\$(407,386)</u></u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014**

	<u>E911 Surcharge Fund</u>	<u>Legislative Delegation Fund</u>	<u>Carolina Transit Program</u>
Revenues			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental revenue	-	212,298	499,540
Charges for services	504,601	-	2,500
Fines	-	-	-
Interest income	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>504,601</u>	<u>212,298</u>	<u>502,040</u>
Expenditures			
Current:			
General government	-	1,009,979	-
Judicial	-	-	-
Public works	-	-	-
Public safety	225,559	-	-
Social and health	-	-	607,192
Capital outlay			
Public works	-	-	-
Public safety	-	-	-
Debt service:			
Principal retirement	414,920	-	-
Interest and fiscal charges	205,960	-	-
Total expenditures	<u>846,439</u>	<u>1,009,979</u>	<u>607,192</u>
Excess of revenue over (under) expenditures	<u>(341,838)</u>	<u>(797,681)</u>	<u>(105,152)</u>
Other Financing Sources (Uses)			
Transfers in	-	-	105,152
Transfers (out)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>105,152</u>
Net change in fund balances	(341,838)	(797,681)	-
Fund balances , beginning of year	<u>701,294</u>	<u>1,976,948</u>	<u>-</u>
Fund balances, end of year	<u>\$ 359,456</u>	<u>\$ 1,179,267</u>	<u>\$ -</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014**

	<u>Solid Waste</u>	<u>Fire Service</u>	<u>Orangeburg Detention Center</u>
Revenues			
Property taxes	\$ 2,845,625	\$ 2,464,064	\$ -
Intergovernmental revenue	50,481	-	724,323
Charges for services	1,599,350	-	71,423
Fines	-	-	-
Interest income	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>4,495,456</u>	<u>2,464,064</u>	<u>795,746</u>
Expenditures			
Current:			
General government	-	-	-
Judicial	-	-	-
Public works	4,268,380	-	-
Public safety	-	1,657,355	5,504,960
Social and health	-	-	-
Capital outlay			
Public works	19,585	-	-
Public safety	-	647,458	-
Debt service:			
Principal retirement	143,131	275,000	-
Interest and fiscal charges	28,636	11,825	-
Total expenditures	<u>4,459,732</u>	<u>2,591,638</u>	<u>5,504,960</u>
Excess of revenue over (under) expenditures	<u>35,724</u>	<u>(127,574)</u>	<u>(4,709,214)</u>
Other Financing Sources (Uses)			
Transfers in	-	50,000	5,104,812
Transfers (out)	-	(8,000)	-
Total other financing sources (uses)	<u>-</u>	<u>42,000</u>	<u>5,104,812</u>
Net change in fund balances	35,724	(85,574)	395,598
Fund balances , beginning of year	<u>1,939,995</u>	<u>362,239</u>	<u>(713,610)</u>
Fund balances, end of year	<u>\$ 1,975,719</u>	<u>\$ 276,665</u>	<u>\$ (318,012)</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014**

	<u>Grant Sub Funds</u>	<u>Sheriff Sub Funds</u>	<u>Whittaker Lighting District Fund</u>
Revenues			
Property taxes	\$ -	\$ -	\$ 59,056
Intergovernmental revenue	3,270,703	73,797	-
Charges for services	2,355	-	-
Fines	327,685	81,331	-
Interest income	5,246	(88)	-
Miscellaneous	130,077	17,586	-
Total revenues	<u>3,736,066</u>	<u>172,626</u>	<u>59,056</u>
Expenditures			
Current:			
General government	627,449	-	-
Judicial	232,676	-	-
Public works	289,254	-	50,309
Public safety	478,877	63,565	-
Social and health	27,942	-	-
Capital outlay			
Public works	-	-	-
Public safety	57,493	3,474	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>1,713,691</u>	<u>67,039</u>	<u>50,309</u>
Excess of revenue over (under) expenditures	<u>2,022,375</u>	<u>105,587</u>	<u>8,747</u>
Other Financing Sources (Uses)			
Transfers in	5,358	-	-
Transfers (out)	(1,108,279)	(37,839)	-
Total other financing sources (uses)	<u>(1,102,921)</u>	<u>(37,839)</u>	<u>-</u>
Net change in fund balances	919,454	67,748	8,747
Fund balances , beginning of year	<u>1,040,046</u>	<u>101,153</u>	<u>115,308</u>
Fund balances, end of year	<u>\$ 1,959,500</u>	<u>\$ 168,901</u>	<u>\$ 124,055</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014**

	<u>Brookdale Lighting District Fund</u>	<u>New Brooklyn Tax District Fund</u>	<u>Creekmoor Lighting District Fund</u>
Revenues			
Property taxes	\$ 8,454	\$ 6,939	\$ 7,291
Intergovernmental revenue	-	-	-
Charges for services	-	-	-
Fines	-	-	-
Interest income	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>8,454</u>	<u>6,939</u>	<u>7,291</u>
Expenditures			
Current:			
General government	-	-	-
Judicial	-	-	-
Public works	12,457	14,510	8,057
Public safety	-	-	-
Social and health	-	-	-
Capital outlay			
Public works	-	-	-
Public safety	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>12,457</u>	<u>14,510</u>	<u>8,057</u>
Excess of revenue over (under) expenditures	<u>(4,003)</u>	<u>(7,571)</u>	<u>(766)</u>
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(4,003)	(7,571)	(766)
Fund balances , beginning of year	<u>(31,021)</u>	<u>(43,033)</u>	<u>2,281</u>
Fund balances, end of year	<u><u>\$ (35,024)</u></u>	<u><u>\$ (50,604)</u></u>	<u><u>\$ 1,515</u></u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2014**

	<u>SCDOT C Fund Projects</u>	<u>Non-major Special Revenue Funds Total</u>
Revenues		
Property taxes	\$ -	\$ 5,391,429
Intergovernmental revenue	2,321,296	7,495,678
Charges for services	-	4,626,340
Fines	-	506,560
Interest income	-	5,158
Miscellaneous	-	159,960
Total revenues	<u>2,321,296</u>	<u>18,185,125</u>
Expenditures		
Current:		
General government	-	1,637,428
Judicial	-	232,676
Public works	2,000	7,330,441
Public safety	-	8,136,995
Social and health	-	883,397
Capital outlay		
Public works	78,560	98,145
Public safety	-	708,425
Debt service:		
Principal retirement	-	1,323,245
Interest and fiscal charges	-	348,642
Total expenditures	<u>80,560</u>	<u>20,699,394</u>
Excess of revenue over (under) expenditures	<u>2,240,736</u>	<u>(2,514,269)</u>
Other Financing Sources (Uses)		
Transfers in	-	5,415,322
Transfers (out)	-	(1,154,118)
Total other financing sources (uses)	<u>-</u>	<u>4,261,204</u>
Net change in fund balances	2,240,736	1,746,935
Fund balances , beginning of year	<u>(2,171,566)</u>	<u>3,036,052</u>
Fund balances, end of year	<u>\$ 69,170</u>	<u>\$ 4,782,987</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NON-MAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2014**

	<u>Capital Project Tax I</u>	<u>John Matthews Park</u>	<u>Capital Improvement Fund</u>	<u>Western Orangeburg Industrial Park</u>
Assets				
Receivables, net				
Property taxes	\$ -	\$ -	\$ 48,145	\$ -
Intergovernmental	-	-	11,299	-
Loans	-	-	-	-
Due from other funds	350	-	-	-
Restricted assets:				
Pooled cash	<u>2,971,878</u>	<u>173,904</u>	<u>722,270</u>	<u>166,488</u>
Total assets	<u>2,972,228</u>	<u>173,904</u>	<u>781,714</u>	<u>166,488</u>
Total assets	<u>\$ 2,972,228</u>	<u>\$ 173,904</u>	<u>\$ 781,714</u>	<u>\$ 166,488</u>
Liabilities				
Accounts payable	<u>\$ 43,327</u>	<u>\$ -</u>	<u>\$ 10,944</u>	<u>\$ -</u>
Total liabilities	<u>43,327</u>	<u>-</u>	<u>10,944</u>	<u>-</u>
Deferred Inflows of Resources				
Deferred inflows from property taxes	<u>-</u>	<u>-</u>	<u>46,512</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>46,512</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>43,327</u>	<u>-</u>	<u>57,456</u>	<u>-</u>
Fund Balances				
Restricted	<u>2,928,901</u>	<u>173,904</u>	<u>724,258</u>	<u>166,488</u>
Total fund balances	<u>2,928,901</u>	<u>173,904</u>	<u>724,258</u>	<u>166,488</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,972,228</u>	<u>\$ 173,904</u>	<u>\$ 781,714</u>	<u>\$ 166,488</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NON-MAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2014**

	Orangeburg County/City Industrial Park	Capital Equipment Fund	Non-major Capital Project Funds Total
Assets			
Receivables, net			
Property taxes	\$ -	\$ -	\$ 48,145
Intergovernmental	-	-	11,299
Loans	40,000	-	40,000
Due from other funds	-	-	350
Restricted assets:			
Pooled cash	131,649	99,168	4,265,357
Total assets	<u>171,649</u>	<u>99,168</u>	<u>4,365,151</u>
Total assets	<u>\$ 171,649</u>	<u>\$ 99,168</u>	<u>\$ 4,365,151</u>
Liabilities			
Accounts payable	\$ -	\$ -	\$ 54,271
Total liabilities	<u>-</u>	<u>-</u>	<u>54,271</u>
Deferred Inflows of Resources			
Deferred inflows from property taxes	-	-	46,512
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>46,512</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>100,783</u>
Fund Balances			
Restricted	171,649	99,168	4,264,368
Total fund balances	<u>171,649</u>	<u>99,168</u>	<u>4,264,368</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 171,649</u>	<u>\$ 99,168</u>	<u>\$ 4,365,151</u>

COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECT FUNDS
YEAR ENDED JUNE 30, 2014

	<u>Capital Project Tax I</u>	<u>John Matthews Park</u>	<u>Capital Improvement Fund</u>	<u>Western Orangeburg Industrial Park</u>
Revenues				
Property taxes	\$ -	\$ -	\$ 444,470	\$ -
Intergovernmental revenue	-	-	3,350	20,000
Miscellaneous	-	-	1,353	-
Total revenues	<u>-</u>	<u>-</u>	<u>449,173</u>	<u>20,000</u>
Expenditures				
Current:				
General government	-	-	1,768	-
Judicial	-	-	21,936	-
Public works	1,119,169	-	388,997	-
Public safety	-	-	-	-
Capital outlay				
General government	-	73,636	1,000,074	8,500
Public works	2,764,034	-	-	-
Public safety	-	-	-	-
Total expenditures	<u>3,883,203</u>	<u>73,636</u>	<u>1,412,775</u>	<u>8,500</u>
Excess of revenue over (under) expenditures	<u>(3,883,203)</u>	<u>(73,636)</u>	<u>(963,602)</u>	<u>11,500</u>
Other Financing Sources (Uses)				
General obligation bonds issued	2,200,000	-	-	-
Transfers in	-	-	50,000	-
Transfers (out)	(600,000)	-	(50,000)	-
Total other financing sources (uses)	<u>1,600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,283,203)	(73,636)	(963,602)	11,500
Fund balances , beginning of year	<u>5,212,104</u>	<u>247,540</u>	<u>1,687,860</u>	<u>154,988</u>
Fund balances, end of year	<u>\$ 2,928,901</u>	<u>\$ 173,904</u>	<u>\$ 724,258</u>	<u>\$ 166,488</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR CAPITAL PROJECT FUNDS
 YEAR ENDED JUNE 30, 2014**

	<u>Orangeburg County/City Industrial Park</u>	<u>Capital Equipment Fund</u>	<u>Non-major Capital Project Funds Total</u>
Revenues			
Property taxes	\$ -	\$ -	\$ 444,470
Intergovernmental revenue	-	-	23,350
Miscellaneous	-	45,757	47,110
Total revenues	<u>-</u>	<u>45,757</u>	<u>514,930</u>
Expenditures			
Current:			
General government	-	-	1,768
Judicial	-	-	21,936
Public works	-	817	1,508,983
Public safety	-	1,940	1,940
Capital outlay			
General government	-	18,226	1,100,436
Public works	-	173,878	2,937,912
Public safety	-	1,003,537	1,003,537
Total expenditures	<u>-</u>	<u>1,198,398</u>	<u>6,576,512</u>
Excess of revenue over (under) expenditures	<u>-</u>	<u>(1,152,641)</u>	<u>(6,061,582)</u>
Other Financing Sources (Uses)			
General obligation bonds issued	-	-	2,200,000
Transfers in	-	-	50,000
Transfers (out)	-	-	(650,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,600,000</u>
Net change in fund balances	-	(1,152,641)	(4,461,582)
Fund balances , beginning of year	<u>171,649</u>	<u>1,251,809</u>	<u>8,725,950</u>
Fund balances, end of year	<u>\$ 171,649</u>	<u>\$ 99,168</u>	<u>\$ 4,264,368</u>

Fiduciary Funds

The **Fiduciary Funds** are used to account for assets held by the County in a trustee or agency capacity and include the agency funds. Agency funds are custodial in nature and are maintained to account for funds received and disbursed by the County on behalf of various organizations.

Education Agency Funds are used to account for the property tax and state aid collections and distributions for the County Consolidated School Districts 3, 4, 5 and the County Board of Education.

Municipal Agency Funds are used to account for the property tax collections and distributions to the various cities and towns in the County.

Special Tax District Agency Funds are used to account for the property tax collections and distributions to the various special tax districts in the County.

Departmental Agency Funds are used to account for the receipts and disbursement of funds collected by various County departments on behalf of other agencies or individuals.

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
Education Agency Funds				
Consolidated School District 3				
Assets				
Pooled cash	\$ 2,303,288	\$ 14,973,605	\$ (15,229,919)	\$ 2,046,974
Total assets	<u>\$ 2,303,288</u>	<u>\$ 14,973,605</u>	<u>\$ (15,229,919)</u>	<u>\$ 2,046,974</u>
Liabilities				
Due to taxing unit	\$ 2,303,288	\$ 14,973,605	\$ (15,229,919)	\$ 2,046,974
Total liabilities	<u>\$ 2,303,288</u>	<u>\$ 14,973,605</u>	<u>\$ (15,229,919)</u>	<u>\$ 2,046,974</u>
Consolidated School District 4				
Assets				
Pooled cash	\$ 3,160,068	\$ 12,963,008	\$ (14,740,273)	\$ 1,382,803
Total assets	<u>\$ 3,160,068</u>	<u>\$ 12,963,008</u>	<u>\$ (14,740,273)</u>	<u>\$ 1,382,803</u>
Liabilities				
Due to taxing unit	\$ 3,160,068	\$ 12,963,008	\$ (14,740,273)	\$ 1,382,803
Total liabilities	<u>\$ 3,160,068</u>	<u>\$ 12,963,008</u>	<u>\$ (14,740,273)</u>	<u>\$ 1,382,803</u>
Consolidated School District 5				
Assets				
Pooled cash	\$ 3,098,631	\$ 33,258,659	\$ (34,005,261)	\$ 2,352,029
Total assets	<u>\$ 3,098,631</u>	<u>\$ 33,258,659</u>	<u>\$ (34,005,261)</u>	<u>\$ 2,352,029</u>
Liabilities				
Due to taxing unit	\$ 3,098,631	\$ 33,258,659	\$ (34,005,261)	\$ 2,352,029
Total liabilities	<u>\$ 3,098,631</u>	<u>\$ 33,258,659</u>	<u>\$ (34,005,261)</u>	<u>\$ 2,352,029</u>
County Board of Education				
Assets				
Pooled cash	\$ 419,446	\$ 8,390,461	\$ (8,587,958)	\$ 221,949
Total assets	<u>\$ 419,446</u>	<u>\$ 8,390,461</u>	<u>\$ (8,587,958)</u>	<u>\$ 221,949</u>
Liabilities				
Due to taxing unit	\$ 419,446	\$ 8,390,461	\$ (8,587,958)	\$ 221,949
Total liabilities	<u>\$ 419,446</u>	<u>\$ 8,390,461</u>	<u>\$ (8,587,958)</u>	<u>\$ 221,949</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

Municipal Agency Funds	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Town of Bowman				
Assets				
Pooled cash	\$ 3,070	\$ 127,635	\$ (126,566)	\$ 4,139
Total assets	<u>\$ 3,070</u>	<u>\$ 127,635</u>	<u>\$ (126,566)</u>	<u>\$ 4,139</u>
Liabilities				
Due to taxing unit	\$ 3,070	\$ 127,635	\$ (126,566)	\$ 4,139
Total liabilities	<u>\$ 3,070</u>	<u>\$ 127,635</u>	<u>\$ (126,566)</u>	<u>\$ 4,139</u>
Town of Branchville				
Assets				
Pooled cash	\$ 3,004	\$ 109,568	\$ (108,501)	\$ 4,071
Total assets	<u>\$ 3,004</u>	<u>\$ 109,568</u>	<u>\$ (108,501)</u>	<u>\$ 4,071</u>
Liabilities				
Due to taxing unit	\$ 3,004	\$ 109,568	\$ (108,501)	\$ 4,071
Total liabilities	<u>\$ 3,004</u>	<u>\$ 109,568</u>	<u>\$ (108,501)</u>	<u>\$ 4,071</u>
Town of Cope				
Assets				
Pooled cash	\$ 97	\$ 4,276	\$ (4,323)	\$ 50
Total assets	<u>\$ 97</u>	<u>\$ 4,276</u>	<u>\$ (4,323)</u>	<u>\$ 50</u>
Liabilities				
Due to taxing unit	\$ 97	\$ 4,276	\$ (4,323)	\$ 50
Total liabilities	<u>\$ 97</u>	<u>\$ 4,276</u>	<u>\$ (4,323)</u>	<u>\$ 50</u>
Town of Cordova				
Assets				
Pooled cash	\$ 72	\$ 3,948	\$ (3,970)	\$ 50
Total assets	<u>\$ 72</u>	<u>\$ 3,948</u>	<u>\$ (3,970)</u>	<u>\$ 50</u>
Liabilities				
Due to taxing unit	\$ 72	\$ 3,948	\$ (3,970)	\$ 50
Total liabilities	<u>\$ 72</u>	<u>\$ 3,948</u>	<u>\$ (3,970)</u>	<u>\$ 50</u>
Town of Elloree				
Assets				
Pooled cash	\$ 2,322	\$ 238,268	\$ (238,350)	\$ 2,240
Total assets	<u>\$ 2,322</u>	<u>\$ 238,268</u>	<u>\$ (238,350)</u>	<u>\$ 2,240</u>
Liabilities				
Due to taxing unit	\$ 2,322	\$ 238,268	\$ (238,350)	\$ 2,240
Total liabilities	<u>\$ 2,322</u>	<u>\$ 238,268</u>	<u>\$ (238,350)</u>	<u>\$ 2,240</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

Municipal Agency Funds - continued	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Town of Eutawville				
Assets				
Pooled cash	\$ 830	\$ 62,319	\$ (62,509)	\$ 640
Total assets	<u>\$ 830</u>	<u>\$ 62,319</u>	<u>\$ (62,509)</u>	<u>\$ 640</u>
Liabilities				
Due to taxing unit	\$ 830	\$ 62,319	\$ (62,509)	\$ 640
Total liabilities	<u>\$ 830</u>	<u>\$ 62,319</u>	<u>\$ (62,509)</u>	<u>\$ 640</u>
Town of Holly Hill				
Assets				
Pooled cash	\$ 4,338	\$ 268,222	\$ (266,945)	\$ 5,615
Total assets	<u>\$ 4,338</u>	<u>\$ 268,222</u>	<u>\$ (266,945)</u>	<u>\$ 5,615</u>
Liabilities				
Due to taxing unit	\$ 4,338	\$ 268,222	\$ (266,945)	\$ 5,615
Total liabilities	<u>\$ 4,338</u>	<u>\$ 268,222</u>	<u>\$ (266,945)</u>	<u>\$ 5,615</u>
Town of Livingston				
Assets				
Pooled cash	\$ 96	\$ 4,648	\$ (4,580)	\$ 164
Total assets	<u>\$ 96</u>	<u>\$ 4,648</u>	<u>\$ (4,580)</u>	<u>\$ 164</u>
Liabilities				
Due to taxing unit	\$ 96	\$ 4,648	\$ (4,580)	\$ 164
Total liabilities	<u>\$ 96</u>	<u>\$ 4,648</u>	<u>\$ (4,580)</u>	<u>\$ 164</u>
Town of Neeses				
Assets				
Pooled cash	\$ 566	\$ 25,153	\$ (25,259)	\$ 460
Total assets	<u>\$ 566</u>	<u>\$ 25,153</u>	<u>\$ (25,259)</u>	<u>\$ 460</u>
Liabilities				
Due to taxing unit	\$ 566	\$ 25,153	\$ (25,259)	\$ 460
Total liabilities	<u>\$ 566</u>	<u>\$ 25,153</u>	<u>\$ (25,259)</u>	<u>\$ 460</u>
Town of North				
Assets				
Pooled cash	\$ 4,339	\$ 136,006	\$ (138,469)	\$ 1,876
Total assets	<u>\$ 4,339</u>	<u>\$ 136,006</u>	<u>\$ (138,469)</u>	<u>\$ 1,876</u>
Liabilities				
Due to taxing unit	\$ 4,339	\$ 136,006	\$ (138,469)	\$ 1,876
Total liabilities	<u>\$ 4,339</u>	<u>\$ 136,006</u>	<u>\$ (138,469)</u>	<u>\$ 1,876</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

Municipal Agency Funds - continued	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Town of Norway				
Assets				
Pooled cash	\$ 1,115	\$ 35,170	\$ (35,409)	\$ 876
Total assets	<u>\$ 1,115</u>	<u>\$ 35,170</u>	<u>\$ (35,409)</u>	<u>\$ 876</u>
Liabilities				
Due to taxing unit	\$ 1,115	\$ 35,170	\$ (35,409)	\$ 876
Total liabilities	<u>\$ 1,115</u>	<u>\$ 35,170</u>	<u>\$ (35,409)</u>	<u>\$ 876</u>
City of Orangeburg				
Assets				
Pooled cash	\$ 20,900	\$ 290,106	\$ (290,975)	\$ 20,031
Total assets	<u>\$ 20,900</u>	<u>\$ 290,106</u>	<u>\$ (290,975)</u>	<u>\$ 20,031</u>
Liabilities				
Due to taxing unit	\$ 20,900	\$ 290,106	\$ (290,975)	\$ 20,031
Total liabilities	<u>\$ 20,900</u>	<u>\$ 290,106</u>	<u>\$ (290,975)</u>	<u>\$ 20,031</u>
Town of Rowesville				
Assets				
Pooled cash	\$ 277	\$ 20,715	\$ (20,666)	\$ 326
Total assets	<u>\$ 277</u>	<u>\$ 20,715</u>	<u>\$ (20,666)</u>	<u>\$ 326</u>
Liabilities				
Due to taxing unit	\$ 277	\$ 20,715	\$ (20,666)	\$ 326
Total liabilities	<u>\$ 277</u>	<u>\$ 20,715</u>	<u>\$ (20,666)</u>	<u>\$ 326</u>
Town of Santee				
Assets				
Pooled cash	\$ 9,000	\$ 740,563	\$ (736,921)	\$ 12,642
Total assets	<u>\$ 9,000</u>	<u>\$ 740,563</u>	<u>\$ (736,921)</u>	<u>\$ 12,642</u>
Liabilities				
Due to taxing unit	\$ 9,000	\$ 740,563	\$ (736,921)	\$ 12,642
Total liabilities	<u>\$ 9,000</u>	<u>\$ 740,563</u>	<u>\$ (736,921)</u>	<u>\$ 12,642</u>
Town of Springfield				
Assets				
Pooled cash	\$ 5,415	\$ 59,461	\$ (62,958)	\$ 1,918
Total assets	<u>\$ 5,415</u>	<u>\$ 59,461</u>	<u>\$ (62,958)</u>	<u>\$ 1,918</u>
Liabilities				
Due to taxing unit	\$ 5,415	\$ 59,461	\$ (62,958)	\$ 1,918
Total liabilities	<u>\$ 5,415</u>	<u>\$ 59,461</u>	<u>\$ (62,958)</u>	<u>\$ 1,918</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

Municipal Agency Funds - continued	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Town of Vance				
Assets				
Pooled cash	\$ 287	\$ 10,384	\$ (10,660)	\$ 11
Total assets	<u>\$ 287</u>	<u>\$ 10,384</u>	<u>\$ (10,660)</u>	<u>\$ 11</u>
Liabilities				
Due to taxing unit	\$ 287	\$ 10,384	\$ (10,660)	\$ 11
Total liabilities	<u>\$ 287</u>	<u>\$ 10,384</u>	<u>\$ (10,660)</u>	<u>\$ 11</u>
Town of Woodford				
Assets				
Pooled cash	\$ 66	\$ 3,504	\$ (3,557)	\$ 13
Total assets	<u>\$ 66</u>	<u>\$ 3,504</u>	<u>\$ (3,557)</u>	<u>\$ 13</u>
Liabilities				
Due to taxing unit	\$ 66	\$ 3,504	\$ (3,557)	\$ 13
Total liabilities	<u>\$ 66</u>	<u>\$ 3,504</u>	<u>\$ (3,557)</u>	<u>\$ 13</u>
Special Tax District Agency Funds				
Horse Range Watershed District				
Assets				
Pooled cash	\$ 25,105	\$ 20,398	\$ (16,573)	\$ 28,930
Total assets	<u>\$ 25,105</u>	<u>\$ 20,398</u>	<u>\$ (16,573)</u>	<u>\$ 28,930</u>
Liabilities				
Due to taxing unit	\$ 25,105	\$ 20,398	\$ (16,573)	\$ 28,930
Total liabilities	<u>\$ 25,105</u>	<u>\$ 20,398</u>	<u>\$ (16,573)</u>	<u>\$ 28,930</u>
Holly Hill Health and Drainage District				
Assets				
Pooled cash	\$ 330	\$ 12,012	\$ (11,257)	\$ 1,085
Total assets	<u>\$ 330</u>	<u>\$ 12,012</u>	<u>\$ (11,257)</u>	<u>\$ 1,085</u>
Liabilities				
Due to taxing unit	\$ 330	\$ 12,012	\$ (11,257)	\$ 1,085
Total liabilities	<u>\$ 330</u>	<u>\$ 12,012</u>	<u>\$ (11,257)</u>	<u>\$ 1,085</u>
Cow Castle Drainage District				
Assets				
Pooled cash	\$ 20,560	\$ -	\$ -	\$ 20,560
Total assets	<u>\$ 20,560</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,560</u>
Liabilities				
Due to taxing unit	\$ 20,560	\$ -	\$ -	\$ 20,560
Total liabilities	<u>\$ 20,560</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,560</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Special Tax District Agency Funds - continued				
Santee Fire District				
Assets				
Pooled cash	\$ 3,403	\$ 254,579	\$ (240,731)	\$ 17,251
Total assets	<u>\$ 3,403</u>	<u>\$ 254,579</u>	<u>\$ (240,731)</u>	<u>\$ 17,251</u>
Liabilities				
Due to taxing unit	\$ 3,403	\$ 254,579	\$ (240,731)	\$ 17,251
Total liabilities	<u>\$ 3,403</u>	<u>\$ 254,579</u>	<u>\$ (240,731)</u>	<u>\$ 17,251</u>
Departmental Agency Funds				
Solicitor's Drug Fund				
Assets				
Cash and cash equivalents	\$ 42,396	\$ 4	\$ 4,845	\$ 47,245
Total assets	<u>\$ 42,396</u>	<u>\$ 4</u>	<u>\$ 4,845</u>	<u>\$ 47,245</u>
Liabilities				
Due to others	\$ 42,396	\$ 4	\$ 4,845	\$ 47,245
Total liabilities	<u>\$ 42,396</u>	<u>\$ 4</u>	<u>\$ 4,845</u>	<u>\$ 47,245</u>
Solicitor's Forfeited Bond Fund				
Assets				
Cash and cash equivalents	\$ 18,284	\$ 375	\$ (60)	\$ 18,599
Total assets	<u>\$ 18,284</u>	<u>\$ 375</u>	<u>\$ (60)</u>	<u>\$ 18,599</u>
Liabilities				
Due to others	\$ 18,284	\$ 375	\$ (60)	\$ 18,599
Total liabilities	<u>\$ 18,284</u>	<u>\$ 375</u>	<u>\$ (60)</u>	<u>\$ 18,599</u>
Clerk of Court Agency Fund				
Assets				
Cash and cash equivalents	\$ 966,654	\$ 1,047,386	\$ (931,452)	\$ 1,082,588
Total assets	<u>\$ 966,654</u>	<u>\$ 1,047,386</u>	<u>\$ (931,452)</u>	<u>\$ 1,082,588</u>
Liabilities				
Due to other funds	\$ 271,533	\$ -	\$ -	\$ 271,533
Due to others	695,121	1,047,386	(931,452)	811,055
Total liabilities	<u>\$ 966,654</u>	<u>\$ 1,047,386</u>	<u>\$ (931,452)</u>	<u>\$ 1,082,588</u>
Master in Equity Agency Fund				
Assets				
Cash and cash equivalents	\$ 388,768	\$ -	\$ (373,328)	\$ 15,440
Total assets	<u>\$ 388,768</u>	<u>\$ -</u>	<u>\$ (373,328)</u>	<u>\$ 15,440</u>
Liabilities				
Due to others	\$ 388,768	\$ -	\$ (373,328)	\$ 15,440
Total liabilities	<u>\$ 388,768</u>	<u>\$ -</u>	<u>\$ (373,328)</u>	<u>\$ 15,440</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

Departmental Agency Funds - continued	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Probate Court Agency Fund				
Assets				
Cash and cash equivalents	\$ 237,224	\$ -	\$ (38,218)	\$ 199,006
Total assets	<u>\$ 237,224</u>	<u>\$ -</u>	<u>\$ (38,218)</u>	<u>\$ 199,006</u>
Liabilities				
Due to others	\$ 237,224	\$ -	\$ (38,218)	\$ 199,006
Total liabilities	<u>\$ 237,224</u>	<u>\$ -</u>	<u>\$ (38,218)</u>	<u>\$ 199,006</u>
Family Court Agency Fund				
Assets				
Cash and cash equivalents	\$ 214,734	\$ -	\$ (3,216)	\$ 211,518
Due from other funds	3,607	-	-	3,607
Total assets	<u>\$ 218,341</u>	<u>\$ -</u>	<u>\$ (3,216)</u>	<u>\$ 215,125</u>
Liabilities				
Due to others	\$ 218,341	\$ -	\$ (3,216)	\$ 215,125
Total liabilities	<u>\$ 218,341</u>	<u>\$ -</u>	<u>\$ (3,216)</u>	<u>\$ 215,125</u>
Magistrate Agency Fund				
Assets				
Cash and cash equivalents	\$ 157,180	\$ -	\$ (3,408)	\$ 153,772
Total assets	<u>\$ 157,180</u>	<u>\$ -</u>	<u>\$ (3,408)</u>	<u>\$ 153,772</u>
Liabilities				
Due to other funds	\$ 162,608	\$ -	\$ (25,663)	\$ 136,945
Due to others	(5,428)	22,255	-	16,827
Total liabilities	<u>\$ 157,180</u>	<u>\$ 22,255</u>	<u>\$ (25,663)</u>	<u>\$ 153,772</u>
Sheriff's Agency Fund				
Assets				
Cash and cash equivalents	\$ 48,711	\$ -	\$ (31,203)	\$ 17,508
Total assets	<u>\$ 48,711</u>	<u>\$ -</u>	<u>\$ (31,203)</u>	<u>\$ 17,508</u>
Liabilities				
Due to others	\$ 48,711	\$ -	\$ (31,203)	\$ 17,508
Total liabilities	<u>\$ 48,711</u>	<u>\$ -</u>	<u>\$ (31,203)</u>	<u>\$ 17,508</u>
Delinquent Tax Collector Agency Fund				
Assets				
Cash and cash equivalents	\$ 395,060	\$ 5,257,606	\$ -	\$ 5,652,666
Total assets	<u>\$ 395,060</u>	<u>\$ 5,257,606</u>	<u>\$ -</u>	<u>\$ 5,652,666</u>
Liabilities				
Due to others	\$ 395,060	\$ 5,257,606	\$ -	\$ 5,652,666
Total liabilities	<u>\$ 395,060</u>	<u>\$ 5,257,606</u>	<u>\$ -</u>	<u>\$ 5,652,666</u>

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

Departmental Agency Funds - continued	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Installment Tax Payment Agency Fund				
Assets				
Pooled cash	\$ 227,982	\$ 474,514	\$ (479,631)	\$ 222,865
Total assets	<u>\$ 227,982</u>	<u>\$ 474,514</u>	<u>\$ (479,631)</u>	<u>\$ 222,865</u>
Liabilities				
Due to other funds	\$ -	\$ 410	\$ -	\$ 410
Due to others	227,982	474,104	(479,631)	222,455
Total liabilities	<u>\$ 227,982</u>	<u>\$ 474,514</u>	<u>\$ (479,631)</u>	<u>\$ 222,865</u>
Totals - All Agency Funds	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Assets				
Cash and cash equivalents	2,469,011	6,305,371	(1,376,040)	7,398,342
Pooled cash	9,314,607	72,487,182	(75,452,221)	6,349,568
Due from other funds	3,607	-	-	3,607
Total assets	<u>\$ 11,787,225</u>	<u>\$ 78,792,553</u>	<u>\$ (76,828,261)</u>	<u>\$ 13,751,517</u>
Liabilities				
Due to other funds	434,141	410	(25,663)	408,888
Due to taxing unit	9,086,625	72,012,668	(74,972,590)	6,126,703
Due to others	2,266,459	6,801,730	(1,852,263)	7,215,926
Total liabilities	<u>\$ 11,787,225</u>	<u>\$ 78,814,808</u>	<u>\$ (76,850,516)</u>	<u>\$ 13,751,517</u>

Schedule Required by State Law

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF COURT FINES AND ASSESSMENT ACTIVITY FOR
VICTIMS SERVICES - AS REQUIRED BY STATE LAW
FOR THE YEAR ENDED JUNE 30, 2014**

	FY 2014
Fines, assessments and surcharges	\$ 1,719,168
Remitted to State Treasurer	<u>(881,227)</u>
Retained by County	<u><u>\$ 837,941</u></u>
Fines, assessments and surcharges retained by the County	
General Fund	\$ 759,693
Victims' assistance services	<u>78,248</u>
Total	<u><u>\$ 837,941</u></u>
Funds allocated to victims' assistance services	
Carryover deficit from prior year	\$ (329,214)
Surcharges and assessments retained	78,248
Other revenues	<u>50,259</u>
Funds available for victims services	<u><u>(200,707)</u></u>
Expenditures	
Wages and fringes	203,751
Supplies	1,128
Travel	<u>1,800</u>
Total program expenditures	<u><u>206,679</u></u>
Remaining balance	<u><u>\$ (407,386)</u></u>

SUPPLEMENTARY FEDERAL FINANCIAL ASSISTANCE REPORTS

ORANGEBURG COUNTY, SOUTH CAROLINA

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

<u>Federal Grant/Prssthrough Grantor/Program Title/Cluster Title</u>	<u>CFDA#</u>	<u>Program ID</u>	<u>Expenditures</u>
U.S. Department of Housing and Urban Development			
Office of Community Planning and Development passed through S.C. Department of Commerce			
CDBG 2012 Regional Planning Grant	14.228	4-RP-12-005	\$ 50,000
2011 HUD HOME Investment Partnership	14.239	M11-DC-45-0216	513,935
			<u>563,935</u>
U.S. Department of Justice			
Edward Byrne Memorial Grant Passed Through S.C. Department of Public Safety			
FY 2010 JAG Program	16.738	2010-DJ-BX-0911	12,300
FY 2011 JAG Program	16.738	2011-DJ-BX-3340	2,934
FY 2012 JAG Program	16.738	2012-DJ-BX-0818	7,903
FY 2013 JAG Program	16.738	2013-DJ-BX-0978	7,562
			<u>30,699</u>
COPS 2010 Technology Program	16.710	2010-CK-WX-0110	16,025
2014 SVAP Outreach Advocate	16.889	1W14013	19,391
			<u>66,115</u>
U.S. Department of Health and Human Services			
Office of Child Support Enforcement Passed Through S.C. Department of Social Services			
Filing Fees	93.563	G-04SC404	62,850
Federal Financial Assistance	93.563	G-04SC404	21,329
Clerk of Court Incentive (IV-D)	93.563	G-04SC404	77,174
Family Court Filing Fees	93.563	G-04SC404	427,815
Sheriff's Department	93.563	G-04SC404	396
			<u>589,564</u>
U.S. Department of Transportation			
Passed Through S.C. Department of Transportation			
Rural Transit Program	20.509	SC-18-X035	272,576
U. S. Department of Homeland Security			
Passed Through S.C. Emergency Management Agency			
2012 LEMPG (Supplemental)	97.042	12EMPG01	11,655
2013 LEMPG	97.042	13EMPG	46,760
			<u>58,415</u>
FEMA Winter Storm Mitigation 2	97.039	4166	747,817
			<u>806,232</u>
U. S. Department of Agriculture			
USDA Rural Utility Service			
Broadband Community Connect	10.787		275,289
ARRA-Broadband Initiative Program	10.787	SC1104-A40	1,798,412
			<u>2,073,701</u>
Passed Through S.C. Department of Social Services			
At Risk After School Snack Program	10.558	AR20100	7,544
Child Development Lunch Program	10.558		20,398
			<u>27,942</u>
USDA Rural Development Water and Wastewater Loan and Grant Program			
ARRA Town of Bowman Phase I Water Improvements FY 2013	10.781		959,157
ARRA Town of Bowman Phase I Water Improvements FY 2014	10.781		1,760,843
Town of Bowman Phase I Water Improvements FY 2014	10.781		1,402,730
			<u>4,122,730</u>
ARRA West Edisto Phases II & IIIB FY 2013	10.781		2,088,000
West Edisto Phases II & IIIB FY 2014	10.781		699,735
			<u>2,787,735</u>
Holly Hill Town Project	10.781		2,200,000
ARRA Orangeburg County Water System Phase I FY 2013	10.781		1,465,554
ARRA Orangeburg County Water System Phase I FY 2014	10.781		1,345,397
Orangeburg County Water System Phase I FY 2014	10.781		917,266
			<u>3,728,217</u>
ARRA Vance Water Main Extension FY 2013	10.781		820,000
Vance Water Main Extension FY 2013	10.781		100,693
Vance Water Main Extension FY 2014	10.781		210,249
			<u>1,130,942</u>
Goodby's Creek Wastewater Transmission System FY 2013	10.781		3,660,286
Goodby's Creek Wastewater Transmission System FY 2014	10.781		2,418,945
			<u>6,079,231</u>
			<u>20,048,855</u>
Total			\$ 24,448,920

**COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County of Orangeburg, South Carolina, under programs of the federal government for the year ended June 30, 2014. The information in this Schedule is presented in accordance with the requirement of the Office of Management and Budget (OMB Circular A-133, *Audit of States, Local Governments and Non-Profit Organizations*). Because the Schedule presents only a selected portion of the operations of the County of Orangeburg, South Carolina, it is not intended to and does not present the basic financial statements of the County of Orangeburg, South Carolina.

B. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified-accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented.

C. Rural Economic Development Loan

As of June 30, 2014 the remaining balance for the U. S. Department of Agriculture Rural Economic Development Loan was \$389,109.

D. USDA Rural Development Water and Wastewater Loan and Grant Program

The expenditures listed for CFDA #10.781 represent amounts from inception to June 30, 2014 for the loan portion of the awards for those projects. As of June 30, 2014 grant awards in the amount of \$1,960,500 have yet to be drawn pending the completion of the loan phase of the projects. At June 30, 2014 the loan balances are \$12,525,044.

E. Rural Transit Program

The U.S. Department of Transportation by way of a pass-through from the Lower Savannah Council of Governments donated a transit building valued at \$3,150,142 in FY 2013. See restatement information in Note IV H of the financial statements.

The South Carolina Department of Transportation requires recipients of pass through Rural Transit Program grants fund to present budget to actual tables for program.

The table is presented on the next page:

COUNTY OF ORANGEBURG, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

South Carolina Department Of Transportation Rural Transit Program Budget to Actual Table
For the Fiscal Year Ended June 30, 2014

	Budget		Section 5311	Actual		Variance
	Original	Final		SMTF	Local	
Administration						
Personnel	\$ 53,493	\$ 14,743	\$ 5,383	\$ -	\$ 7,092	\$ 2,268
Fringe benefits	20,759	2,779	995	-	1,311	473
Professional services	5,400	600	312	45	95	148
Contract service - maintenance	4,117	317	405	59	124	(271)
Custodial fees	6,600	9,800	6,131	888	1,861	920
Supplies	1,250	2,450	458	66	139	1,787
Utilities	10,831	21,606	16,614	2,406	5,044	(2,458)
Miscellaneous						
Advertising and promotion media	8,950	1,335	4,071	590	1,236	(4,562)
Professional dues and subscriptions	500	250	-	-	-	250
Travel	600	300	206	30	62	2
Total administration	<u>112,500</u>	<u>54,180</u>	<u>34,575</u>	<u>4,084</u>	<u>16,964</u>	<u>(1,443)</u>
Operations						
Personnel	521,000	550,160	238,001	137,892	175,676	(1,409)
Other services						
Software	5,400	-	-	-	-	-
Other Materials and supplies						
Schedule printing	6,000	-	-	-	-	-
Total operations	<u>532,400</u>	<u>550,160</u>	<u>238,001</u>	<u>137,892</u>	<u>175,676</u>	<u>(1,409)</u>
Total program	<u>\$ 644,900</u>	<u>\$ 604,340</u>	<u>\$ 272,576</u>	<u>\$ 141,976</u>	<u>\$ 192,640</u>	<u>\$ (2,852)</u>
Reconciliation						
Approved budget			\$ 604,340			
TI Federal costs			272,576			
TI State costs			141,976			
TI Local costs			192,640			
Budget balance			<u>\$ (2,852)</u>			

ROBERT E. MILHOUS, C.P.A., P.A. & ASSOCIATES

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The Honorable Chairman and Members of County Council
Orangeburg County, South Carolina

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*

I have audited in accordance with auditing standards generally accepted in 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, 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 Orangeburg County, South Carolina, (the "County") as of and for the year then ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued my report thereon dated September 14, 2015, which included a reference to the report of other auditors. The financial statements of Orangeburg County Library were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Orangeburg County Library.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, I do not express an opinion on the effectiveness of the County's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, I identified certain deficiencies in internal control that I consider to be a material weakness and other deficiencies that I 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. I consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item #2014-001 to be a material weakness.

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. I consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items #2014-002 to #2014-006 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items #2014-006.

County's Response to Findings

The County's response to the findings identified in my audit are described in the accompanying section entitled "County's Response and Corrective Action Plan". The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control over compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

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.



September 14, 2015
Columbia, South Carolina

ROBERT E. MILHOUS, C.P.A., P.A. & ASSOCIATES

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The Honorable Chairman and Members of County Council
Orangeburg County, South Carolina

Report on Compliance for each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133

Compliance

I have audited Orangeburg County, 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, 2014. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the County's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have 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 I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of the County's compliance.

Basis for Qualified Opinion

As described in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with certain requirements regarding U.S. Department of Agriculture – Rural Development Water and Wastewater Loan and Grant Program, CFDA#10.781, as described in finding #2014-008. Compliance with such requirements is necessary, in my opinion, for the County to comply with the requirements applicable to that program.

As described in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with certain requirements regarding U.S. Department of Homeland Security – FEMA Winter Storm Mitigation 2, CFDA#97.039, as described in finding #2014-009. Compliance with such requirements is necessary, in my opinion, for the County to comply with the requirements applicable to that program.

Qualified Opinion of CFDA #10.781 and CFDA #97.039

In my opinion, except for the noncompliances described in the Basis for Qualified Opinion above, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on U.S. Department of Agriculture – Rural Development Water and Wastewater Loan and Grant Program, CFDA#10.781, and the U.S. Department of Homeland Security – FEMA Winter Storm Mitigation 2, CFDA#97.039, for the year ended June 30, 2014.

Unmodified Opinion on Each Other Major Federal Program

In my opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's result section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the County's internal control over compliance with the types of compliance requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program 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, I do not express an opinion on the effectiveness of the County's internal control over compliance.

My 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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, I identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs, which I consider to be material weaknesses and other deficiencies that I consider to be significant deficiencies.

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 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. I consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item #2014-007 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. I consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items #2014-006 and #2014-008 to be significant deficiencies.

Other Matters

The County's response to the noncompliance findings and internal control over compliance identified in my audit are described in the accompanying section entitled "County's Response and Corrective Action Plan". The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

Purpose of the Report

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the result of that testing based on requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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.



September 14, 2015
Columbia, South Carolina

ORANGEBURG COUNTY, SOUTH CAROLINA

ORANGEBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014

Part I— Summary of Auditor’s Results

Financial Statements:

I have issued an unmodified opinion dated September 14, 2015 on the 2014 financial statements of the Orangeburg County, South Carolina (the “County”).

Internal control over financial reporting:

- | | |
|--|-----|
| • Material weakness identified? | Yes |
| • Significant deficiencies identified? | Yes |
| • Noncompliance material to financial statements noted | No |

Federal Awards:

I have issued a modified opinion dated September 14, 2015 on the compliance for major programs.

Internal control over major programs:

- | | |
|--|-----|
| • Material weakness identified? | Yes |
| • Significant deficiencies identified? | Yes |
| • Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | Yes |

— CONTINUED —

ORANGEBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

— CONTINUED —

Part I— Summary of Auditor’s Results (continued)

Identification of Major Programs:

U.S. Department of Health and Human Services:

CFDA #93.563 Family Court Filing Fees (G-04SC404)

U.S. Department of Transportation:

CFDA # Transit Building – Donated Property

U.S. Department of Homeland Security:

CFDA #97.039 FEMA Winter Storm Mitigation 2 (FEMA 4166)

U.S. Department of Agriculture:

CFDA #10.787 ARRA - Broadband Initiative Program (SC1104-A40)

CFDA #10.781 Town of Bowman-Phase I Water System Improvements

CFDA #10.781 Goodby's Creek Waste Water Transmission System

CFDA #10.781 Holly Hill Town Project

CFDA #10.781 Orangeburg County Water System Phase I

CFDA #10.781 Vance Water Main Extension

CFDA #10.781 West Edisto Phases II & III B

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? No

— CONTINUED —

ORANGEBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

— CONTINUED —

Part II— Financial Statement Findings – Current Year

#2014-001 County’s Accounting and Financial Reporting System Needs Improvement
(Repeat finding from 2013)

Condition

The County’s present accounting system and financial reporting process cannot generate complete annual information in order to report the overall financial position and results of operations timely, without significant manual intervention. Significant reconciliations and analysis of financial transactions were required to be performed and financial records were not available to the external auditor until well into the subsequent fiscal year period.

The County’s Finance department (and the outside accountant), in preparation for the June 30, 2014 audit, used the general journal entry system (through the preparation and posting of “journal entries”) to record significant transactions and adjustments to the County’s general ledger. Thus, the general journal entry system was the primary tool used by the County to record transactions and correct account balances in the County’s general ledger. In some cases, these entries substantially recorded (in summary form) a year’s worth of financial transactions subsequent to year end. Such entries were made without documented supervisory review or approval.

Criteria

Generally accepted account principles (GAAP) along with Governmental Accounting Standards Board (GASB) pronouncements requires all financially-related transactions be recorded in the general ledger timely, completely, and at proper values. Furthermore, Government Auditing Standards (GAS) requires management to not only provide for an effective internal control environment, but be responsible for the thoroughness and timeliness of the general ledger and its annual financial statements.

An effective general ledger system, properly set-up to meet GAAP requirements, is fundamental to an internal control system to support both internal and external accounting and financial reporting requirements.

Cause

While some personnel changes took place in 2014 and subsequent thereto, the Finance department’s staff are not well versed in proper accounting, financial reporting, and in preparing for the annual audit. Additionally, the County’s current general ledger accounting system, fund identification structure, and related chart-of-accounts do not support the efficient and effective accounting and financial reporting required by GAAP and GAS. The County’s accounting is also decentralized and certain significant transactions occur outside of the present accounting system.

ORANGEBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

— CONTINUED —

Part II - Financial Statement Findings – Current Year (continued)

Effect

With some of the County's accounting being decentralized and certain significant transactions occurring outside of the present accounting system, the County cannot identify, correct and report financial information efficiently and effectively. These inefficiencies create a great deal of additional accounting and bookkeeping work to be performed subsequent to fiscal year-end in order to prepare for the annual audit and to produce the County's annual financial statements.

For the year ended June 30, 2014, the County's Finance Director relied extensively on a third-party (outside) accountant to gather year-to-date information, process significant general journal entries to the general ledger including restatements and reclassifications of prior-year reported amounts. The County has historically relied on the 'external auditor' to gather year-to-date information, process a complete general ledger, and compile annual financial statements.

These combined deficiencies create an environment that makes it difficult to prevent, detect and correct misstatements in the County's financial information on a timely basis and causes for very long delays after fiscal year-end to have meaningful annual financial information. Thus, the overall effect of the deficiencies described above is the County's inability to gather, record, correct and summarize financial information without an increased risk of failure to meet externally imposed audit and financial reporting deadlines.

Recommendation

We recommend the County establish policy and procedures to strengthen internal controls surrounding its accounting and financial reporting system. Such policy and procedures would include the development of a "comprehensive fiscal management" policy and procedures and a program to include the restructuring the County's general ledger, chart-of-accounts and financial reporting systems, organizational structure, personnel and related job duties as necessary. We recommend senior Finance department personnel be responsible for review and approval of general journal entries along with the timely review and approval of all account reconciliations to amounts recorded in department subsidiary record systems, and to insure that all significant transactions are appropriate and timely recorded in the general ledger system. Additionally, we recommend that County Finance personnel receive adequate training to allow them to technically review the general ledger and prepare the County's financial statements in accordance with GAAP and hire technically competent and experienced Finance personnel.

ORANGEBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

— CONTINUED —

Part II - Financial Statement Findings – Current Year (continued)

#2014-002 Delinquent Tax Account Reconciliation Needs Improvement and Control

Condition

The main Delinquent Tax Account has not been properly reconciled to the County's general ledger. Reconciling items, such as deposits-in-transit and outstanding check disbursements have been listed on the reconciliation form, but were not being accounted for in the County's general ledger. Furthermore, the Finance department was unaware of the differences and had not properly reviewed the monthly bank account reconciliations and compared reconciled amounts to the general ledger.

Criteria

Generally accepted account principles (GAAP) along with Governmental Accounting Standards Board (GASB) pronouncements requires all financially-related transactions be recorded in the general ledger timely, completely, and at proper values. Furthermore, Government Auditing Standards (GAS) requires management to not only provide for an effective internal control environment, but be responsible for the thoroughness and timeliness of the general ledger and its annual financial statements.

Cause

The Delinquent Tax official noted that the reconciled form had been completed, but the reconciled amount had never been in agreement with the general ledger, and was not being reviewed by a person other than the preparer.

Effect

Sound internal control is where all financially-related transactions are recorded timely, completely and at proper values. The failure to have proper internal control surrounding bank account reconciliations and general ledger adjustment, where applicable, could lead to misleading and/or incomplete financial statement reports. During the 2014 audit, the general ledger was adjusted for the reconciliation matters.

Recommendation

We recommend the County improve internal control surrounding bank account reconciliations and its reporting of general ledger of account balances. Segregation of duties should include that all reconciliations be reviewed by someone other than the preparer.

ORANGEBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

— CONTINUED —

Part II - Financial Statement Findings – Current Year (continued)

#2014-003 EMS Third-Party Billing Internal Control Report Needed
(Repeat finding from 2013)

Condition

The County contracts with a ‘third-party’ company (Lowcountry Billing Services, Inc.) to provide billing and collection services over the County’s EMS ambulance fees. This separate company manages all accounting operations including processing accounts receivable by billing, filing insurance reimbursements, collecting cash receipts, and adjusting/writing-off uncollectible accounts. While the EMS Department director presently reviews monthly reports and (net) remittances from Lowcountry Billing Services, which in turn are forwarded and deposited by the County Treasurer, the County does not receive, nor require under contract its third-party service provider to produce an independent report over internal controls in operation and their related effectiveness.

Criteria

Generally accepted accounting principles (GAAP) recommends that users of third-party service providers/administrators like the County receive an independent report (typically known as an AICPA Professional Standards SOC Type II report) from the provider to outline existing controls and their effectiveness over significant accounting and cash collection procedures.

Cause

The County has not developed policy and procedures to require/ implement effective internal controls over those transactions. Internal controls over these operations are essential to the County to provide reasonable assurance that such transactions are proper and amounts reported in the County’s financial statements are fairly stated.

Effect

When the County uses a third-party service organization, transactions that affect the County’s financial statements are subjected to controls that are, at least in part, physically and operationally separate from the County. Therefore, when a third-party service provider initiates, executes, collects and reconciles the accounting processes of the County’s EMS business, the County is not in control of such operations which increases the risk that errors or irregularities could occur and not be detected by county management.

Recommendation

We recommend the County develop policy and procedures to improve its internal controls over EMS billing and collection by requiring ‘third-party’ service providers to annually submit a report on their controls and their operating effectiveness. Additionally, the EMS Department director should forward to the Finance Department a copy of all reports that are submitted to the third-party service provider for billing and collecting. The Finance Department should record such receivables in the County’s general ledger timely, review supporting documentation for adjustments/write-offs, and reconcile with the Treasurer’s Office on amounts collected.

ORANGEBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

— CONTINUED —

Part II - Financial Statement Findings – Current Year (continued)

#2014-004 Inventories – EMS, Central Supply and Public Works
(Repeat finding from 2013)

Condition

The County does not maintain adequate control over accounting for its inventory supplies. At year ended June 30, 2014, a physical count by the County was performed, but when tested for audit purposes, many quantity items were inaccurate. The County maintains bulk supplies such as emergency medical items, fuel, supplies, and maintenance parts, etc., which are purchased and consumed throughout the year. The County's EMS department also handles certain 'controlled substances' which are required to be accounted for throughout the year by State law.

Criteria

In addition to certain requirements by the SC Department of Health and Environmental Control (DHEC) over medical-related supplies, generally accepted accounting principles (GAAP) requires governments to report consumable inventory as assets at proper values (quantities on hand times purchase price/cost).

Cause

The County does not utilize a perpetual inventory management system which would provide an accounting of inventory values through the recording of all purchases and usages. Additionally, the Finance Department only addresses inventory with County departments annually and in preparation for the annual audit.

Effect

By not having a perpetual inventory management system and only performing a physical count at year end (which was found not to be accurate), the County's controls over such operations are weak which increases the risk that errors or irregularities could occur and not be detected in the normal course of business.

Recommendation

We recommend the County develop policy and procedures to improve its internal controls over all inventory management. The Finance Department should record such amounts in the County's general ledger timely and review supporting documentation for adjustments/write-offs to changes in inventory values throughout the fiscal year, in addition to preparing for the annual audit.

ORANGEBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

— CONTINUED —

Part II - Financial Statement Findings – Current Year (continued)

#2014-005 Regional Medical Center Equity Interest Accounting Needed
(Repeat finding from 2013)

Condition

The County has not recorded or reported its equity interest in the Regional Medical Center of Orangeburg and Calhoun Counties, which is a joint venture of the County with Calhoun County.

Criteria

Pursuant to the County Ordinance which created the Regional Medical Center (Hospital), the percentage of interest by Orangeburg and Calhoun counties shall be determined by dividing the net equity of the Hospital by the counties' respective ownership interest. Net equity is defined as being assets minus liabilities of the Hospital as of September 30, 1981. Also, the resulting percentages shall be the percentage of equity ownership of each county for determining equity ownership at any time in the future. However, if one county invests in or improves the Hospital in excess of \$5,000 at any one time, and the other county declines to participate therein, then the amount of such investment or improvement of the participating county shall be added to the net equity of the Hospital as of the end of the current year, and the percentages of equity ownership shall be recomputed.

Cause

The County, for the most part, was unaware of the Ordinance's criteria in establishing and valuing an equity interest in the Hospital. Additionally, the County's Finance Department has relied on the external auditors to gather and prepare information for the County's annual financial statement report.

Effect

The Finance Department's historically reliance on the external auditors to gather and prepare information for the County's annual financial statement report which weakens the County's system of internal control. The process of identifying significant transactions along with determining the appropriate accounting treatment does not result in timely consideration by the County of how to record or report such activities appropriately, and has increased the risk of inconsistent and/or incorrect reporting.

Recommendation

We recommend the County, in conjunction with Calhoun County and the Regional Medical Center trustees, review the ordinance which created the hospital and determine the equity interest percentages and valuation, respectively. The County should appropriately report its current investment in the joint venture in its general ledger and in its annual financial statement report.

ORANGEBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

— CONTINUED —

Part III - Federal Award Findings

#2014-006 Federal Awards Schedule Needs Completeness and Control
(Repeat finding from 2013)

Condition

The County's Schedule of Expenditures of Federal Awards submitted for audit for the year ended June 30, 2014 had not been thoroughly reviewed by the Finance Department, contained inaccurate year-to-date expenditure information for its major programs, did not properly identify ARRA funds, and had not been reconciled to underlying financial records of the County. The Schedule was subsequently updated and corrected by management.

Additionally, the County does not maintain a system of internal control over its federal awards and related expenditures that would identify, in a timely fashion, noncompliance with grant conditions and requirements. Currently, certain grants are maintained and managed by the County's Administration Office, while other information is maintained by the Grants Manager. The Finance Department does not monitor any grant compliance.

Criteria

Pursuant to OMB Circular A-133, its Compliance Supplement and other professional literature, the Schedule should be prepared by management and agreed to the underlying accounting records of the County, which would be the Finance Department's general ledger. Federal awarding agencies require the County to determine its compliance with applicable requirements.

Cause

The Finance Director informed the auditors that the Schedule of Expenditures of Federal Awards is prepared by the Grants Department, and the County's Finance Department does not agree it to the underlying accounting records (general ledger) and does not take responsibility for the Schedule. The Grants Department informed the auditors that other County departments maintain certain grant records and that they do not have all the information necessary to insure that the amounts reported on the Schedule are complete and accurate.

Effect

This results in possible noncompliance with federal award requirements and in not timely completing and filing the Schedule of Expenditures of Federal Awards, and its required electronic submission of the data collection form (SF-SAC) to the Federal Audit Clearinghouse.

Recommendation

We recommend the County improve its internal control over its federal awards and expenditure compliance monitoring. We recommend the County review its organization chart and establish policy and procedures to assign ultimate responsibility for the preparation and filing of the County's grant schedules, reports and related compliance. Such policy and procedures should also include the routine agreement and reconciliation of the annual Schedule of Expenditures of Federal Awards to the County's general ledger. We also recommend that all grant-related documents be maintained in a central location and that personnel responsible for grant compliance(s) have complete access to financial information for insuring reported amounts agree to the County's general ledger and grant conditions.

ORANGEBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

— CONTINUED —

Part III - Federal Award Findings (continued)

#2014-007 County's Accounting and Financial Reporting System Needs Improvement
(See finding #2014-001 in Part II)

#2014-008 County's Noncompliance of Capital Assets Recordkeeping
U.S. Department of Agriculture – Rural Development Water and Wastewater Loan and
Grant Program, CFDA #10.781

Condition

The County's detail capital asset records do not completely identify the asset's source of funding relating to federal award programs. While some capital asset titles did identify federal funded sources, significant capital assets acquired in 2014 were not so identified.

Specifically, the USDA Rural Development Water and Wastewater Loan and Grant Program, CFDA #10.781, projects did not properly identify in the capital assets records the federal funding portions of the capital assets acquired.

Questioned Costs

Undeterminable.

Criteria

Federal awards require specific identification compliance of the funded sources (e.g., USDA, Homeland Security, etc.). Additionally, the American Recovery and Reinvestment Act (ARRA) specifically requires such assets (or portions thereto) to be specifically identified as such in the government's capital asset records.

Cause

The County's system of internal control over compliance of its federal awards is in need of improvement.

Effect

This results in noncompliance with federal award requirements.

Recommendation

We recommend the County improve its internal control over its federal award programs and related compliance recording of capital assets.

ORANGEBURG COUNTY, SOUTH CAROLINA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS

— CONTINUED —

Part III - Federal Award Findings (continued)

#2014-009 County's Noncompliance of Rates Charged

U.S. Department of Homeland Security – FEMA Winter Storm Mitigation 2, CFDA#97.039

Condition

The County's application for reimbursement of total payroll and certain benefits, through the FEMA's form entitled "Applicant's Benefits Calculation Worksheet" did not contain applicable benefit amounts for certain payroll-related items. Those items in question are as follows:

Questioned Costs

Category	Application's % Used for Regular Time	FEMA Rates Or Statutory Benefit %	Questioned Rate Differences
Unemployment	6.33%	0.25%	6.08%
Worker's Comp	8.20%	3.00%	5.20%
Retirement	23.25%	15.37%	7.88%
Health Benefits	16.07%	11.32%	4.75%
Life Insurance	.29%	0.15%	0.14%
TOTAL	54.14%	30.09%	24.05%

Of the County's application requests for these categories, the reimbursed amounts totaled approximately \$240,627, while the reimbursement amount based on FEMA recommended rates or statutory benefit rates of applicable payroll would have equaled approximately \$206,404, or a difference of \$34,223. Additionally, the total annual payroll amount used (\$1,501,715) did not agree with salary and wage amounts reported in the County's general ledger for the Public Works department. The County did not supply any documentation to support these differences.

Criteria

Federal awards require specific compliance with the approved or actual benefit rates to support funding requests.

Cause

The County's system of internal control over compliance of its federal awards is in need of improvement.

Effect

This results in noncompliance with federal award requirements.

Recommendation

We recommend the County improve its internal control over its federal award programs and related compliance.

ORANGEBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

— CONTINUED —

Part IV - Summary Schedule of Prior Audit Findings

#2013-001 County's Accounting and Financial Reporting System Needs Improvement
(An updated repeat finding from 2012)

Condition: The County's present accounting system and financial reporting process cannot generate complete annual information in order to report the overall financial position and results of operations timely. Significant reconciliations and analysis of financial transactions were required to be performed and financial records were not available to the external auditor until well into the subsequent fiscal year period.

Status: No Change in Status.

#2013-002 Federal Awards Schedule Needs Completeness and Review

Condition: The County's Schedule of Expenditures of Federal Awards for the year ended June 30, 2013 did not contain accurate year-to-date expenditure information for its major programs, and had not been reconciled to underlying financial records of the County, and had not been thoroughly reviewed by the Finance Department.

Status: No Change in Status.

#2013-003 Non-Compliance of Quarterly Grant Reporting

Condition: The quarterly reports for the County's major program, the U.S. Department of Agriculture Broadband Initiative Program, CFDA #10.787, had not been completed timely or accurately. The last report filed for the grant program during the 2012-2013 fiscal year was February 27, 2013, and the reported expenditures were found to be \$3,000,000 under reported.

Status: Corrected.

ORANGEBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

— CONTINUED —

Part IV - Summary Schedule of Prior Audit Findings (continued)

#2013-004 Determination of Reporting Entity and Classification of Component Units

Condition: The County, in its prior annual financial reports, had not been reporting the Orangeburg County Development Corporation, a discretely presented component unit. As a result of the June 30, 2013 audit, the County made determinations about classification and the inclusion/exclusion of certain affiliated or related entities in its basic financial statements. The resulting analysis determined that the County had not included certain component units in its annual financial reports while others had been included.

Status: Corrected.

#2013-005 Accounting for All Long-term Indebtedness Including Landfill and Other Post Employment Benefit Liabilities

Condition: While the County's present general ledger system does not maintain accounts to efficiently and effectively report the County's long-term debt obligations and the changes during the year in those accounts, the County's Finance department had not obtained and analyzed supporting documents associated with the County's landfill closure and post-closure costs as well as other long-term post employment benefit obligations. Typically, long-term indebtedness includes bonds, notes, capital leases, as well as obligations from landfill closure and post-closure costs, pensions and other post employment retirement benefits.

Status: Corrected.

#2013-006 Orangeburg County Public Library - Accounting and Financial Reporting Systems Need Improvement

Condition: The Orangeburg County Library (the "Library"), a discretely presented component unit of the Orangeburg County, could not generate complete annual financial information in order to report its financial position and results of operations as of and for the year ended June 30, 2013. Neither the County nor the Library's accounting systems could generate complete and accurate financial information for the Library's operations. This process is further compounded by turnover in key financial personnel, multiple ledger systems, weak controls over segregation of duties, and unreconciled financial activities.

Status: Corrected.

ORANGEBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

— CONTINUED —

Part IV - Summary Schedule of Prior Audit Findings (continued)

#2013-007 Orangeburg County Public Library - Segregation of Duties and Unreconciled Activities

Condition: The Orangeburg County Library (the “Library”), a discretely presented component unit of the Orangeburg County, is in need of better segregation of duties over key financial functions. Additionally, certain key financial activities are not reconciled or properly accounted for.

Status: Corrected.

#2013-008 EMS Third-Party Billing Internal Control Report Needed

Condition: The County contracts with a ‘third-party’ company (Lowcountry Billing Services, Inc.) to provide billing and collection services over the County’s EMS ambulance fees. This separate company manages all accounting operations including processing accounts receivable by billing, filing insurance reimbursements, collecting cash receipts, and adjusting/writing-off uncollectible accounts. While the EMS Department director presently reviews monthly reports and (net) remittances from Lowcountry Billing Services, which in turn are forwarded and deposited by the County Treasurer, the County does not receive, nor require under contract its third-party service provider to produce an independent report over internal controls in operation and their related effectiveness.

Status: No Change in Status.

#2013-009 Inventories – EMS, Central Supply and Public Works

Condition: The County does not maintain adequate control over accounting for its inventory supplies. At year ended June 30, 2013, a physical count by the County was performed, but when tested for audit purposes, many quantity items were inaccurate. The County maintains bulk supplies such as emergency medical items, fuel, supplies, and maintenance parts, etc., which are purchased and consumed throughout the year. The County’s EMS department also handles certain ‘controlled substances’ which are required to be accounted for throughout the year by State law.

Status: No Change in Status.

ORANGEBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

— CONTINUED —

Part IV - Summary Schedule of Prior Audit Findings (continued)

#2014-010 Regional Medical Center Equity Interest Accounting Needed

Condition: The County has not recorded or reported its equity interest in the Regional Medical Center of Orangeburg and Calhoun Counties, which is a joint venture of the County with Calhoun County.

Pursuant to the County Ordinance which created the Regional Medical Center (Hospital), the percentage of interest by Orangeburg and Calhoun counties shall be determined by dividing the net equity of the Hospital by the counties' respective ownership interest. Net equity is defined as being assets minus liabilities of the Hospital as of September 30, 1981. Also, the resulting percentages shall be the percentage of equity ownership of each county for determining equity ownership at any time in the future. However, if one county invests in or improves the Hospital in excess of \$5,000 at any one time, and the other county declines to participate therein, then the amount of such investment or improvement of the participating county shall be added to the net equity of the Hospital as of the end of the current year, and the percentages of equity ownership shall be recomputed.

Status: No Change in Status.

* * * * *

ORANGEBURG COUNTY, SOUTH CAROLINA

COUNTY'S RESPONSE AND CORRECTIVE ACTION PLAN

ORANGEBURG COUNTY, SOUTH CAROLINA

Responses to 2014 Financial Statement Findings

2014-001 County's Accounting and Financial Reporting System Needs Improvement

Departments within the County's structure uses different types of accounting software to handle transactions. In order to get these transactions recorded in the County's general ledger some manual entries are required. However, all manual entries are discussed with management before being entered in the County's general ledger. The County provides training to financial personnel on an ongoing basis. Throughout the fiscal year, the Finance Department worked chair-side with the (outside accountant who was recommended by Robert E. Milhous, C.P.A., P.A.) as discussions were held and brought before management. In addition, the County has hired Elert & Associates, to prepare a strategic plan to analyze all software being used by the County, including the accounting software. The County already has plans to restructure the current chart of accounts. This should be implemented at the beginning of FY2017.

2014-002 Delinquent Tax Account Reconciliation Needs Improvement and Control

As a result of this finding, the Delinquent Tax Office submits reconciled bank statements to the Finance Department. The Finance Department reconciles to the general ledger.

2014-003 EMS Third-Party Billing Internal Control Report Needed

Policy and procedures will be implemented to address this finding. The EMS director will provide the Finance Department with a copy of all reports submitted to the third-party service provider for billing and collecting. The third-party service provider will be required to submit a report on their controls and their operating effectiveness on an annual basis.

2014-004 Inventories-EMS, Central Supply and Public Works

The County has an inventory system in place for EMS, Central Supply and Public Works. A physical inventory count is conducted on a fiscal year basis. The amounts are recorded in the County's general ledger through the Sungard Software System. The County will develop policy and procedures to improve the internal controls over all inventory management.

2014-005 Regional Medical Center Equity Interest Accounting Needed

The county has commissioned a third party accounting review of the TRMC assets, investments and holdings to be used to determine the equity position of Orangeburg and Calhoun Counties.

Responses to 2014 Federal Awards Findings

2014-006 Federal Awards Schedule Needs Completeness and Control

The original Schedule of Expenditures was submitted by Management of the Grants Department. However, after reviewing the Schedule, the Finance Department worked extensively with the management of the Grants Department to get the schedule corrected. Because of the size and activity performed within the County's structure, information was not always relayed to all parties involved. In order to correct this, the County has implemented monthly meetings with Administration, Grants and Finance to ensure all information is relayed in a timely manner and establish policy and procedures. The Finance Director has held meetings and discussions with Administration concerning the importance of a central location for all grants. The Finance Department works had in hand with the Grants Administrator and reconciling to the general ledger.

2014-007 County's Accounting and Financial Reporting System Needs Improvement

See response to Financial Statement Finding #2014-001

2014-008 County's Noncompliance of Capital Assets Recordkeeping

New personnel has been hired in the Finance Department to handle capital assets. New forms have been developed and new procedures are in place.

2014-009 County's Noncompliance and Questioned Costs – FEMA

The County worked with FEMA on the Winter Storm Mitigation 2 federal program. The rates used were agreed upon by FEMA and the County. After an extensive onsite review by FEMA, Federal and State officials, the County was reimbursed according to FEMA guidelines. Documentation was obtained from FEMA and shared with the external auditor.