

**CALHOUN COUNTY
ST. MATTHEWS, SOUTH CAROLINA**

ANNUAL REPORT

YEAR ENDED JUNE 30, 2012

**CALHOUN COUNTY
ST. MATTHEWS, SOUTH CAROLINA**

ANNUAL REPORT

YEAR ENDED JUNE 30, 2012

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| | | | | | | |
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January 10, 2013

INDEPENDENT AUDITOR'S REPORT

Calhoun County, South Carolina
Calhoun County Council
St. Matthews, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Calhoun County, South Carolina, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Calhoun County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Calhoun County, South Carolina, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT

(continued)

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2013, on our consideration of Calhoun County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of funding progress for the retiree health plan on pages 3 through 12 and 62, 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Calhoun County's financial statements as a whole. The combining and individual nonmajor fund financial schedules, the budgetary comparison information, the fiduciary fund schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial schedules, the budgetary comparison information, the fiduciary fund schedules and the statistical section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McShige & Co. LLP

**CALHOUN COUNTY
ST. MATTHEWS, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2012**

Calhoun County management's discussion and analysis offers readers of the County's financial statements a narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and notes to the basic financial statements.

The government-wide financial statements include Calhoun County (known as the primary government) and its blended component units. Legally separate entities for which the County is financially accountable, such as the Sandy Run-Calhoun Fire District, is not included in the financial statements due to its financial insignificance to the County. Information included in this discussion and analysis focuses on the activities of the primary government.

Financial Highlights:

- Calhoun County's assets exceeded its liabilities at June 30, 2012 by \$37,157,929 (net assets). Of this amount, \$10,287,671 (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets increased \$1,136,002 over the previous year with an increase of \$1,010,401 resulting from governmental activities.
- At June 30, 2012, the County's governmental fund balance sheet reported a combined ending fund balance of \$13,581,685, an increase of \$872,256 from the previous fiscal year. Of this amount, \$8,213,606 remains in the various funds of the County as unassigned.
- The General Fund reported a fund balance of \$8,823,107, an increase from last fiscal year of \$83,577. Calhoun County had budgeted \$1,677,210 as carry over funds from its fund balance to cover the anticipated shortfall of revenue. The unassigned fund balance of \$8,213,606 equates to 82% of General Fund expenditures for the year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

CALHOUN COUNTY
ST. MATTHEWS, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2012

Government-wide financial statements: The government-wide financial statements are provided as part of the new approach mandated by the Governmental Accounting Standards Board (GASB). The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Calhoun County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The County's governmental activities include general government, public safety, physical environment, economic environment, human services, and cultural/recreation.

The government-wide financial statements can be found on pages 13 and 14 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Calhoun County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2012**

Calhoun County maintains 19 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and Capital Projects Fund which are considered to be major funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining schedules elsewhere in this report.

Calhoun County adopts an annual appropriation budget for its governmental funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with the budget.

The basic governmental funds financial statements can be found on pages 15 through 19 of this report.

Proprietary funds: Municipal Water District and Water/Wastewater Fund. Proprietary Funds are used to account for operations (a) that are financed and operated in a manner similar to private enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary fund: Fiduciary funds are used to account for 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 basic fiduciary fund financial statement can be found on page 25 of this report.

Notes to the basic financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 26 through 61 of this report.

Other information: In addition to the basic financial statements and accompanying notes, the combining schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund schedules can be found on pages 63 through 68 of this report.

**CALHOUN COUNTY
ST. MATTHEWS, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2012**

Government-wide Financial Analysis

The government-wide financial statements are provided as part of the new approach mandated by the GASB. GASB sets the uniform standards for presenting government financial reports.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Calhoun County, assets exceeded liabilities by \$37,157,929 at the close of the most recent fiscal year. The County's increase in net assets for this fiscal year amounts to \$1,136,002.

The largest portion of the County's net assets (63%) reflects its investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets (10%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$10,287,671) may be used to meet the government's ongoing obligations to citizens and creditors.

Calhoun County's Net Assets

| | (Dollars in Thousands) | |
|---|-------------------------|-------------------------|
| | 2012 | 2011 |
| Current and other assets | \$ 15,354 | \$ 14,175 |
| Capital assets | <u>26,284</u> | <u>26,069</u> |
| Total assets | <u>41,638</u> | <u>40,244</u> |
| Long-term liabilities outstanding | 3,619 | 3,690 |
| Other liabilities | <u>862</u> | <u>1,128</u> |
| Total liabilities | <u>4,481</u> | <u>4,818</u> |
| Net Assets | | |
| Invested in capital assets, net of related debt | 23,288 | 22,632 |
| Restricted | 3,584 | 2,509 |
| Unrestricted | <u>10,287</u> | <u>10,285</u> |
| Total net assets | <u>\$ 37,157</u> | <u>\$ 35,426</u> |

**CALHOUN COUNTY
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2012**

At the end of the current fiscal year, Calhoun County is able to report positive balances in all three categories of net assets as a whole and individually within the governmental activities.

The changes in net assets displayed below shows the governmental activities and business-type activities during the fiscal year.

Calhoun County's Changes in Net Assets

| | (Dollars in Thousands) | |
|---|-------------------------------|----------------------|
| | 2012 | 2011 |
| Revenues | | |
| Program revenues: | | |
| Charges for services | \$ 1,753 | \$ 2,117 |
| Operating grants | 945 | 861 |
| Capital grants and contributions | 360 | 466 |
| General revenue: | | |
| Taxes: | | |
| Property taxes, levied for general purposes | 9,121 | 9,478 |
| Property taxes, levied for debt services | 395 | 504 |
| State shared revenue | 619 | 703 |
| Sales tax | 799 | 928 |
| Interest | 20 | 20 |
| Other | 44 | 60 |
| Gain on the sale of capital assets | <u>-</u> | <u>9</u> |
| Total revenues | <u>14,056</u> | <u>15,146</u> |
| Expenses: | | |
| General government | 2,911 | 2,728 |
| Finance and Taxation | 766 | 674 |
| Public safety | 2,343 | 2,324 |
| Physical environment | 1,729 | 1,685 |
| Water system | 746 | 380 |
| Health and welfare | 2,535 | 2,400 |
| Cultural and recreational | 681 | 793 |
| Court related | 640 | 634 |
| Agencies | 561 | 810 |
| Interest | <u>8</u> | <u>225</u> |
| Total expenses | <u>12,920</u> | <u>12,653</u> |
| Increase in net assets | <u>1,136</u> | <u>2,493</u> |
| Net assets, July 1, 2011 – as restated | <u>36,021</u> | <u>33,528</u> |
| Net assets, June 30, 2012 | <u>\$ 37,157</u> | <u>\$ 36,021</u> |

**CALHOUN COUNTY
ST. MATTHEWS, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2012**

Governmental Activities: Revenues for the County's governmental activities were \$13,333,089 for fiscal year 2012. Taxes constitute the largest source of County revenues, amounting to approximately \$10,315,128 for the fiscal year 2012. Real, personal property, and vehicle taxes of \$9,516,708 represent over 92% of total taxes and 71% of all revenue combined.

Financial Analysis of Calhoun County's Funds

As noted earlier, Calhoun County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of Calhoun County governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Calhoun County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2012, Calhoun County governmental funds reported combined fund balances of \$13,581,685, an increase of \$872,256 over the prior year balances.

The General Fund is the chief operating fund of the County. At June 30, 2012, total fund balance in the General Fund was \$8,823,107, of which \$8,535,609 was unrestricted and \$8,213,606 was unassigned. As a measure of the General Fund's liquidity, the total and unrestricted fund balances compared to total fund expenditures shows percentages of 89% and 86%, respectively. The fund balance of the General Fund increased by \$83,577 during the current fiscal year.

Other governmental funds are used to account for specific revenues and expenditures. Total fund balances of all other governmental funds increased by \$788,679 from the prior year.

Proprietary funds: The wastewater operations had an operating loss of \$18,773. The Municipal Water Department had an operating loss of \$5,885 for a total net operating loss for both the wastewater operations and the Municipal Water Department of \$24,658.

General Fund Budgetary Highlights

Budget to actual statement is provided for the General Fund on page 19. The expenditures incurred during the year were within budget limitations.

**CALHOUN COUNTY
ST. MATTHEWS, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2012**

Capital asset and Debt Administration

Capital assets: Calhoun County's investment in capital assets for its governmental activities as of June 30, 2012 amounts to \$21,047,160 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, construction in progress, and infrastructure. Each year construction of roads, bridges, and drainage systems (infrastructure) incurred during the current fiscal year is added to the County's capital assets.

Calhoun County's Capital Assets (Net)

| | Governmental Activities | Business-Type Activities |
|-----------------------------------|------------------------------------|-------------------------------------|
| Land | \$ 1,481,522 | \$ 4,500 |
| Land improvements | 731,209 | - |
| Buildings and improvements | 10,987,119 | - |
| Machinery and equipment | 3,869,674 | 44,755 |
| Vehicles | 2,424,850 | 59,938 |
| Infrastructure | 6,326,164 | - |
| Museum collection | 3,127,547 | - |
| Water and wastewater system | <u>-</u> | <u>7,117,606</u> |
| Total capital assets | 28,948,085 | 7,226,799 |
| Less accumulated depreciation | <u>(7,900,925)</u> | <u>(1,989,510)</u> |
| Total capital assets, net | <u>\$ 21,047,160</u> | <u>\$ 5,237,289</u> |

Additional information on the County's capital assets can be found in Note 7 on pages 40 through 42 of this report

**CALHOUN COUNTY
ST. MATTHEWS, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2012**

Long-term debt: At the end of the current fiscal year, Calhoun County had a total bonded debt outstanding of \$2,996,746, all of which is backed by the full faith and credit of the County.

| Calhoun County's Outstanding Debt | 2012 |
|--|---------------------|
| (Governmental Activities) | |
| General Obligation Bonds | <u>\$ 188,257</u> |
| (Business-Type Activities) | |
| Revenue Bonds | <u>\$ 2,808,489</u> |

Note issued

Additional information on Calhoun County's long-term debt can be found in Note 11 on pages 54 through 56 of this report.

Economic Factors and Next Year's Budgets and Rates

Calhoun County has been impacted by the recent down turn in the economy. The State of South Carolina has experienced a budget shortfall and has made across-the-board cuts to all agencies and subdivisions of the State of South Carolina. The Local Government Fund was reduced from the statutory formula but was increased from last year's budget. Calhoun County budgeted \$573,332 for fiscal year 2013.

Building permits have slowed in 2012, which will result in a small shortfall in revenue from permit fees. Additionally, Calhoun County is expecting a reduction in projected sales tax revenue. The County has a strong fund balance and expects to cover any shortfall in the 2012-2013 fiscal year with reserves.

CALHOUN COUNTY
ST. MATTHEWS, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2012

South Carolina Code of Laws §6-1-320(A) set millage rate limitations as follows:

"...a local governing body may increase the millage rate imposed for general operating purposes above the rate imposed for such purposes for the preceding tax year only to the extent of the increase in the average of the twelve monthly consumer price indices for the most recent twelve-month period consisting of January through December of the preceding calendar year, plus, beginning in 2007, the percentage increase in the previous year in the population of the entity as determined by the Office of Research and Statistics of the State Budget and Control Board. If the average of the twelve monthly consumer price indices experience a negative percentage, the average is deemed to be zero. If an entity experiences a reduction in population, the percentage change in population is deemed to be zero. However, in the year in which a reassessment program is implemented, the rollback millage, as calculated pursuant to §12-37-251(E), must be used in lieu of the previous year's millage rate "

Section 6-1-320(B) was amended to provide that the millage rate limitation may only be suspended and the millage rate increased upon a two-thirds vote of the membership of the county governing body and ONLY for the following purposes:

- (1) The deficiency of the preceding year;
- (2) Any catastrophic event;
- (3) Compliance with a court order or decree;
- (4) Taxpayer closure outside the control of the governing body that decreased by 10% or more the amount of revenue payable to the taxing jurisdiction in the preceding year; or
- (5) Compliance with a regulation/statute enacted by the federal/state government for which no funds of obtaining funds are provided.

The millage rate limitation does not affect millage that is levied to pay bonded indebtedness or payments for real property purchased using a lease-purchase agreement or used to maintain a reserve account.

The County has completed an expansion of its water system to serve the Fort Motte and New Bethany areas of Calhoun County.

Calhoun County is also a member of the Lake Marion Regional Water Agency which has completed a water treatment plant on Lake Marion to serve a five-county area. Calhoun County expects the agency to construct a water transmission line to Calhoun County by 2011. Calhoun County has a capacity subscription of 0.61 MGB. The Agency has been funded primarily by Federal funds. Calhoun County's cost is based on a demand rate and a volumetric rate based on a cost of service study completed annually.

USDA Rural development has announced a proposed grant/loan for Calhoun County to expand its water system into the lower part of the County in the Stumphole Landing and Poplar Creek areas. The project involves construction of water distribution lines. The proposed funding is a \$2,713,000 ARRA loan and \$1,611,500 regular grant funds. The County water system will purchase water wholesale from Lake Marion Regional Water Agency. The project includes refinancing \$1,083,000 in current debt from 7.125% to projected interest of 3.25%, and is expected to be completed by the spring of 2013.

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JUNE 30, 2012**

Eastman Chemical Company, South Carolina Division, has been operating a chemical manufacturing facility in Calhoun County for over forty years and has been the largest taxpayer. Eastman has completed the sale of its PET and PTA lines of business with related technology to DAK Americas for a reported 600 million dollars. It is expected that DAK Americas will continue to operate the facility to manufacture PET at the Calhoun site. Eastman will retain a large land holding, manufacturing buildings, and will continue to manufacture specialty plastics. Calhoun County has a Fee-in-Lieu of Taxes (FILOT) agreement in place. The impact of the sale of assets to DAK American cannot be fully assessed at this time; however the County expects the revenues to continue as agreed under the FILOT agreements.

Calhoun County also passed a referendum in November, 2004, authorizing a one-cent Local Option Sales Tax (LOST). The proceeds of the local option sales and use tax are subject to division in two ways.

- The County's Revenue Fund (29% of LOST) is expected to be allocated for fire service.
- A credit is issued against property taxes.

All of these factors will impact the County's 2012-2013 fiscal year and were considered in preparing the 2012-2013 budget. The County has a sufficient fund balance to cover expenses until tax revenue is collected.

Requests for Information

This financial report is designed to provide a general overview of Calhoun County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to County Administrator, Calhoun County Courthouse Annex, 102 Courthouse Drive, Suite 108, St. Matthews, South Carolina 29135.

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

| | Primary Government | | |
|---|----------------------------|-----------------------------|---------------|
| | Governmental Activities | Business-type Activities | Total |
| ASSETS | | | |
| Current assets: | | | |
| Cash and investments - Note 3 | \$ 13,006,044 | \$ 525,350 | \$ 13,531,394 |
| Receivables: | | | |
| Delinquent taxes | 497,356 | - | 497,356 |
| Other | 878,556 | 17,363 | 895,919 |
| Due from fiduciary funds - Note 4 | 23,295 | - | 23,295 |
| Other assets | 103 | 808 | 911 |
| Current portion - notes receivable - Note 6 | 43,159 | - | 43,159 |
| Grant receivable | 65,660 | - | 65,660 |
| Total current assets | 14,514,173 | 543,521 | 15,057,694 |
| Restricted cash: | | | |
| Restricted cash - Note 3 | - | 227,761 | 227,761 |
| Total restricted cash | - | 227,761 | 227,761 |
| Non-current assets: | | | |
| Capital assets-net - Note 7 | 21,047,160 | 5,237,289 | 26,284,449 |
| Notes receivable - Note 6 | 68,506 | - | 68,506 |
| Total non-current assets | 21,115,666 | 5,237,289 | 26,352,955 |
| Total assets | 35,629,839 | 6,008,571 | 41,638,410 |
| LIABILITIES | | | |
| Current liabilities (payable from current assets): | | | |
| Accounts payable | 441,315 | 8,039 | 449,354 |
| Other liabilities | 62,323 | - | 62,323 |
| Accrued interest payable | - | 4,729 | 4,729 |
| Accrued compensated absences - Note 11 | 42,527 | - | 42,527 |
| Closures and maintenance costs payable - Note 11 | 14,200 | - | 14,200 |
| Bond payable - Note 11 | 188,257 | - | 188,257 |
| Total current liabilities | 748,622 | 12,768 | 761,390 |
| Liabilities (payable from restricted assets): | | | |
| Customer deposits | - | 48,422 | 48,422 |
| Current portion of revenue bonds payable | - | 51,798 | 51,798 |
| Total liabilities (payable from restricted assets): | - | 100,220 | 100,220 |
| Non-current liabilities: | | | |
| Accrued compensated absences - Note 11 | 250,409 | - | 250,409 |
| Closures and maintenance costs payable - Note 11 | 156,200 | - | 156,200 |
| Bond payable - Note 11 | - | 2,756,691 | 2,756,691 |
| OPEB liability - Note 9 | 455,571 | - | 455,571 |
| Total long-term liabilities | 862,180 | 2,756,691 | 3,618,871 |
| Total liabilities | 1,610,802 | 2,869,679 | 4,480,481 |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 20,858,903 | 2,428,801 | 23,287,704 |
| Restricted for: | | | |
| Capital projects | 2,101,981 | - | 2,101,981 |
| Debt services | 662,345 | 177,210 | 839,555 |
| Victim's fund | 64,454 | - | 64,454 |
| Local option sale tax reserve | 576,564 | - | 576,564 |
| Unrestricted | 9,754,790 | 532,881 | 10,287,671 |
| Total net assets | \$ 34,019,037 | \$ 3,138,892 | \$ 37,157,929 |

See Notes to the Basic Financial Statements

**CALHOUN COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

| Functions/Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | | | |
|--|------------------|----------------------|------------------------------------|---|-------------------------|--------------------------|----------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | Total |
| | | | | | Governmental Activities | Business-type Activities | |
| Primary Government: | | | | | | | |
| Governmental activities: | | | | | | | |
| General government | \$ 2,911,570 | \$ 61,643 | \$ 179,211 | \$ 104,687 | \$ (2,566,029) | \$ - | \$ (2,566,029) |
| Finance and taxation | 766,468 | 105,848 | - | - | (660,620) | - | (660,620) |
| Public safety | 2,343,144 | 44,317 | 84,185 | 28,480 | (2,186,162) | - | (2,186,162) |
| Physical environment | 1,728,922 | 5,936 | 8,317 | 43,156 | (1,671,513) | - | (1,671,513) |
| Health and welfare | 2,535,256 | 726,952 | 508,078 | 9,565 | (1,290,661) | - | (1,290,661) |
| Culture/Recreation | 681,429 | - | 106,598 | 15,436 | (559,395) | - | (559,395) |
| Court related | 639,827 | 243,639 | 58,216 | - | (337,972) | - | (337,972) |
| Agencies | 560,546 | - | - | - | (560,546) | - | (560,546) |
| Interest | 8,373 | - | - | - | (8,373) | - | (8,373) |
| Total governmental activities | \$ 12,175,535 | \$ 1,188,335 | \$ 944,605 | \$ 201,324 | \$ (9,841,271) | \$ - | \$ (9,841,271) |
| Business-type Activities: | | | | | | | |
| Water/wastewater plant | \$ 104,454 | \$ 85,681 | \$ - | \$ 158,994 | \$ - | \$ 140,221 | \$ 140,221 |
| Municipal water system | 484,994 | 479,109 | - | - | - | (5,885) | (5,885) |
| Interest | 156,712 | - | - | - | - | (156,712) | (156,712) |
| Total business-type activities | \$ 746,160 | \$ 564,790 | \$ - | \$ 158,994 | \$ - | \$ (22,376) | \$ (22,376) |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes, levied for general purposes | | | | | \$ 9,121,305 | \$ - | \$ 9,121,305 |
| Property taxes, levied for debt services | | | | | 395,403 | - | 395,403 |
| Sales tax | | | | | 798,420 | - | 798,420 |
| Franchise fees | | | | | 6,439 | - | 6,439 |
| State shared revenues | | | | | 619,255 | - | 619,255 |
| Interest earnings | | | | | 19,285 | 1,155 | 20,440 |
| Miscellaneous | | | | | 38,718 | - | 38,718 |
| Loss on sale of capital assets | | | | | (331) | - | (331) |
| Transfers | | | | | (146,822) | 146,822 | - |
| Total general revenues and transfers | | | | | 10,851,672 | 147,977 | 10,999,649 |
| Change in net assets | | | | | 1,010,401 | 125,601 | 1,136,002 |
| Net assets - beginning - as restated - Note 17 | | | | | 33,008,636 | 3,013,291 | 36,021,927 |
| Net assets - ending | | | | | \$ 34,019,037 | \$ 3,138,892 | \$ 37,157,929 |

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012**

| | GENERAL | CAPITAL PROJECTS FUND | OTHER GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|--------------------------------------|---------------------|-----------------------------|--------------------------------|--------------------------------|
| ASSETS | | | | |
| Cash and investments | \$ 8,739,005 | \$ 1,907,406 | \$ 2,359,633 | \$ 13,006,044 |
| Accounts receivable | | | | |
| Property taxes | 420,131 | 13,704 | 63,521 | 497,356 |
| Other | 469,395 | 872 | 408,289 | 878,556 |
| Due from other funds | 219,164 | 194,726 | 172,806 | 586,696 |
| Due from fiduciary funds | 23,295 | - | - | 23,295 |
| Other assets | 102 | - | - | 102 |
| Notes receivable | 111,665 | - | - | 111,665 |
| Grant receivable | - | - | 65,660 | 65,660 |
| Total assets | <u>\$ 9,982,757</u> | <u>\$ 2,116,708</u> | <u>\$ 3,069,909</u> | <u>\$ 15,169,374</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 310,038 | \$ 1,023 | \$ 130,254 | \$ 441,315 |
| Due to other funds | 367,532 | - | 219,164 | 586,696 |
| Deferred revenue | 420,131 | 13,704 | 63,521 | 497,356 |
| Payroll taxes and withholdings | 52,610 | - | - | 52,610 |
| Other liabilities | 9,339 | - | 373 | 9,712 |
| Total liabilities | <u>1,159,650</u> | <u>14,727</u> | <u>413,312</u> | <u>1,587,689</u> |
| Fund balances: | | | | |
| Nonspendable | 68,506 | - | - | 68,506 |
| Restricted | 218,992 | - | 2,664,321 | 2,883,313 |
| Assigned | 322,003 | 2,101,981 | 145 | 2,424,129 |
| Unassigned | 8,213,606 | - | (7,869) | 8,205,737 |
| Total fund balances | <u>8,823,107</u> | <u>2,101,981</u> | <u>2,656,597</u> | <u>13,581,685</u> |
| Total Liabilities and Fund balances | <u>\$ 9,982,757</u> | <u>\$ 2,116,708</u> | <u>\$ 3,069,909</u> | <u>\$ 15,169,374</u> |

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012**

| | |
|---|---------------|
| Total fund balance - total governmental funds | \$ 13,581,685 |
| Amounts reported for governmental activities in the Statement of Net Assets are different because: | |
| Delinquent taxes receivable will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred revenue in the funds. | 497,356 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds | 21,047,160 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds: | |
| Due within a year | (244,984) |
| Due in more than one year | (862,180) |
| | (1,107,164) |
| Total net assets - total governmental activities | \$ 34,019,037 |

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

| | GENERAL | CAPITAL PROJECTS FUND | OTHER GOVERNMENTAL FUNDS | TOTAL |
|---|---------------------|-----------------------------|--------------------------------|----------------------|
| REVENUES | | | | |
| Taxes | \$ 7,145,375 | \$ 1,355,026 | \$ 958,411 | \$ 9,458,812 |
| Rent | 34,200 | - | - | 34,200 |
| Intergovernmental | 834,208 | - | 306,989 | 1,141,197 |
| Charges for services | 861,662 | - | - | 861,662 |
| Fines and forfeitures | 171,516 | - | - | 171,516 |
| Local sources | 198,551 | - | 1,307,974 | 1,506,525 |
| Interest | 17,462 | - | 1,823 | 19,285 |
| Miscellaneous | 81,996 | - | - | 81,996 |
| Total revenues | <u>9,344,970</u> | <u>1,355,026</u> | <u>2,575,197</u> | <u>13,275,193</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Administration | 478,421 | - | 34 | 478,455 |
| Public works | 852,795 | - | 43,155 | 895,950 |
| Public buildings | 440,562 | - | - | 440,562 |
| Finance and taxation | 746,827 | - | - | 746,827 |
| Judicial | 623,340 | - | - | 623,340 |
| Public safety | 1,935,571 | - | 222,072 | 2,157,643 |
| Health and welfare | 1,836,243 | - | 446,738 | 2,282,981 |
| Culture and recreation | 564,088 | - | 28,278 | 592,366 |
| Miscellaneous | 585,863 | - | - | 585,863 |
| Employee fringe benefits | 1,771,501 | - | - | 1,771,501 |
| Agencies | 132,044 | - | 428,502 | 560,546 |
| Debt service: | | | | |
| Principal | - | - | 391,743 | 391,743 |
| Interest and fiscal charges | - | - | 8,373 | 8,373 |
| Capital outlay | - | 687,130 | 53,482 | 740,612 |
| Total expenditures | <u>9,967,255</u> | <u>687,130</u> | <u>1,622,377</u> | <u>12,276,762</u> |
| Excess revenues over (under) expenditures before other financial sources (uses) | <u>(622,285)</u> | <u>667,896</u> | <u>952,820</u> | <u>998,431</u> |
| Other financing sources (uses) | | | | |
| Net proceeds from sale of property | 20,647 | - | - | 20,647 |
| Transfers in (out) | 685,215 | (146,822) | (685,215) | (146,822) |
| Total other financing sources (uses) | <u>705,862</u> | <u>(146,822)</u> | <u>(685,215)</u> | <u>(126,175)</u> |
| Net changes in fund balances | 83,577 | 521,074 | 267,605 | 872,256 |
| Fund balances at beginning of year, as restated - Note 17 | <u>8,739,530</u> | <u>1,580,907</u> | <u>2,388,992</u> | <u>12,709,429</u> |
| Fund balances at end of year | <u>\$ 8,823,107</u> | <u>\$ 2,101,981</u> | <u>\$ 2,656,597</u> | <u>\$ 13,581,685</u> |

See Notes to the Basic Financial Statements

**CALHOUN COUNTY, 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, 2012**

| | | |
|--|------------------|----------------------------|
| Net changes in fund balances - total governmental funds | | \$ 872,256 |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. | | |
| Expenditures for capital assets | 704,454 | |
| Less current year depreciation | <u>(854,792)</u> | (150,338) |
| Gains or losses on the sale of capital assets are not presented in this financial statement because they do not provide or use current financial resources but they are presented in the statement of activities. | (20,978) | (20,978) |
| Lease proceeds provide current financial resources to governmental funds, repayment of bond principal and capital lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and the proceeds increase them. | | |
| Bond principal payment | <u>391,743</u> | 391,743 |
| Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds. | | |
| Change in OPEB liability | (175,303) | |
| Change in compensated absences | 20,926 | |
| Change in closure and maintenance costs payable | <u>14,200</u> | (140,177) |
| Some property tax will not be collected for several months after the County's fiscal year-end; they are not considered "available" revenues in the governmental funds. | | <u>57,895</u> |
| Change in net assets of governmental activities | | <u><u>\$ 1,010,401</u></u> |

See Notes to the Basic Financial Statements

**CALHOUN COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2012**

| | Budget | Actual | Variance Favorable (Unfavorable) |
|--|-----------------------|---------------------|--|
| REVENUES | | | |
| Property taxes: | | | |
| Current | \$ 4,850,000 | \$ 4,988,304 | \$ 138,304 |
| Delinquent | 230,000 | 274,147 | 44,147 |
| Fee in lieu of taxes | 1,834,000 | 1,882,924 | 48,924 |
| Interest income | - | 17,462 | 17,462 |
| Other local sources | 1,193,288 | 1,347,925 | 154,637 |
| State sources | 667,166 | 703,472 | 36,306 |
| Federal sources | 71,500 | 130,736 | 59,236 |
| | <u>8,845,954</u> | <u>9,344,970</u> | <u>499,016</u> |
| EXPENDITURES | | | |
| Current | <u>11,123,164</u> | <u>9,967,255</u> | <u>1,155,909</u> |
| TOTAL EXPENDITURES | <u>11,123,164</u> | <u>9,967,255</u> | <u>1,155,909</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(2,277,210)</u> | <u>(622,285)</u> | <u>1,654,925</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Net Proceeds from Sales of Property | - | 20,647 | 20,647 |
| Transfers in/ out | 600,000 | 685,215 | 85,215 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>600,000</u> | <u>705,862</u> | <u>105,862</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES) | <u>\$ (1,677,210)</u> | 83,577 | <u>\$ 1,760,787</u> |
| Fund Balances at Beginning of Year, As Restated, Note 17 | | <u>8,739,530</u> | |
| Fund Balances at End of Year | | <u>\$ 8,823,107</u> | |

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA
 COMBINED STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 JUNE 30, 2012**

| | Business-Type Activities-Enterprise Funds | | |
|--|--|---------------------------------------|---------------------|
| | Water/ Wastewater Plant | Municipal Water System | Total |
| ASSETS | | | |
| Current Assets: | | | |
| Cash | \$ 112,464 | \$ 412,886 | \$ 525,350 |
| Accounts receivable | - | 17,363 | 17,363 |
| Prepaid insurance | - | 808 | 808 |
| Total Current Assets | <u>112,464</u> | <u>431,057</u> | <u>543,521</u> |
| Restricted Cash | <u>-</u> | <u>227,761</u> | <u>227,761</u> |
| Property, Plant, and Equipment (Net of accumulated depreciation) Note 7 | <u>572,703</u> | <u>4,664,586</u> | <u>5,237,289</u> |
| TOTAL ASSETS | <u>\$ 685,167</u> | <u>\$ 5,323,404</u> | <u>\$ 6,008,571</u> |

See Notes to the Basic Financial Statements

**CALHOUN COUNTY, SOUTH CAROLINA
COMBINED STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012**

| | Business-Type Activities-Enterprise Funds | | |
|---|--|---------------------------------------|---------------------|
| | Water/ Wastewater Plant | Municipal Water System | Total |
| LIABILITIES AND FUND EQUITY | | | |
| Current Liabilities: | | | |
| Accounts payable | \$ - | \$ 8,039 | 8,039 |
| Accrued interest payable | - | 4,729 | 4,729 |
| Total Current Liabilities | <u>-</u> | <u>12,768</u> | <u>12,768</u> |
| Current Liabilities (Payable from Restricted Assets) | | | |
| Meter deposits payable | - | 45,822 | 45,822 |
| Tap fees | - | 2,600 | 2,600 |
| Current portion of revenue bonds payable - Note 10 | - | 51,798 | 51,798 |
| Total Current Liabilities (Payable from Restricted Assets) | <u>-</u> | <u>100,220</u> | <u>100,220</u> |
| Noncurrent Liabilities | | | |
| Revenue bonds payable - Note 10 | - | 2,756,691 | 2,756,691 |
| Total Liabilities | <u>-</u> | <u>2,869,679</u> | <u>2,869,679</u> |
| Net Assets | | | |
| Invested in capital assets, net of related debt | 572,703 | 1,856,098 | 2,428,801 |
| Restricted for: | | | |
| Expendable: | | | |
| Debt retirement | - | 177,210 | 177,210 |
| Unrestricted | 112,464 | 420,417 | 532,881 |
| Total Net Assets | <u>\$ 685,167</u> | <u>\$ 2,453,725</u> | <u>\$ 3,138,892</u> |

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2012**

| | Business-Type Activities-Enterprise Funds | | |
|--|--|---------------------------------------|--|
| | Water/ Wastewater Plant | Municipal Water System | Total (Memorandum Only) |
| Operating Revenues: | | | |
| Water revenue | \$ 85,682 | \$ 479,108 | \$ 564,790 |
| Total Operating Revenues | <u>85,682</u> | <u>479,108</u> | <u>564,790</u> |
| Operating Expenses: | | | |
| Operating and maintenance | 83,466 | 319,921 | 403,387 |
| Depreciation expense | 20,988 | 165,073 | 186,061 |
| Total Operating Expenses | <u>104,454</u> | <u>484,994</u> | <u>589,448</u> |
| Operating Income (Loss) | <u>(18,772)</u> | <u>(5,886)</u> | <u>(24,658)</u> |
| Non-Operating Income (Expense): | | | |
| Interest expense | - | (156,712) | (156,712) |
| Interest income | 56 | 1,099 | 1,155 |
| Net Non-Operating Income (Expense) | <u>56</u> | <u>(155,613)</u> | <u>(155,557)</u> |
| Income(loss) before capital contributions and transfers | <u>(18,716)</u> | <u>(161,499)</u> | <u>(180,215)</u> |
| Capital contributions | - | 158,994 | 158,994 |
| Transfers in | <u>-</u> | <u>146,822</u> | <u>146,822</u> |
| Change in net assets | <u>(18,716)</u> | <u>144,317</u> | <u>125,601</u> |
| Net Assets - Beginning of Year - Restated - Note 17 | <u>703,883</u> | <u>2,309,408</u> | <u>3,013,291</u> |
| Net Assets - End of Year | <u>\$ 685,167</u> | <u>\$ 2,453,725</u> | <u>\$ 3,138,892</u> |

See Notes to the Basic Financial Statements.

CALHOUN COUNTY, SOUTH CAROLINA
 COMBINED STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2012

| | <u>Business-Type Activities-Enterprise Funds</u> | | |
|--|--|------------------------------|-------------------|
| | Water/ Wastewater Plant | Municipal Water System | Total |
| Cash Flows From Operating Activities: | | | |
| Cash received from customers | \$ 85,686 | \$ 482,212 | \$ 567,898 |
| Cash paid to suppliers for goods and services | (83,466) | (187,295) | (270,761) |
| Cash paid to employees for services | - | (127,666) | (127,666) |
| Net Cash Provided by (Used For) Operating Activities | <u>2,220</u> | <u>167,251</u> | <u>169,471</u> |
| Cash Flows From Capital and Related Financing Activities: | | | |
| Capital contributions | - | 158,994 | 158,994 |
| Transfers in | - | 146,822 | 146,822 |
| Principal paid on bonds | - | (48,774) | (48,774) |
| Interest paid on bonds | - | (156,712) | (156,712) |
| Net asset restatement | - | 1,140 | 1,140 |
| Purchase of fixed assets | - | (409,330) | (409,330) |
| Net Cash Used in Capital and Related Financing Activities | <u>-</u> | <u>(307,860)</u> | <u>(307,860)</u> |
| Cash Flows From Investing Activities: | | | |
| Interest income | <u>55</u> | <u>1,099</u> | <u>1,154</u> |
| Net Provided by (Used For) Investing Activities | <u>55</u> | <u>1,099</u> | <u>1,154</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 2,275 | (139,510) | (137,235) |
| Cash and Cash Equivalents at Beginning of Year | <u>110,189</u> | <u>780,157</u> | <u>890,346</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 112,464</u> | <u>\$ 640,647</u> | <u>\$ 753,111</u> |
| Classified as: | | | |
| Current Assets | \$ 112,464 | \$ 412,886 | \$ 525,350 |
| Restricted Assets | <u>-</u> | <u>227,761</u> | <u>227,761</u> |
| Totals | <u>\$ 112,464</u> | <u>\$ 640,647</u> | <u>\$ 753,111</u> |

See Notes to the Basic Financial Statements.

CALHOUN COUNTY, SOUTH CAROLINA
 COMBINED STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2012

| | <u>Business-Type Activities-Enterprise Funds</u> | | |
|---|--|------------------------------|-------------------|
| | Water/ Wastewater Plant | Municipal Water System | Total |
| Reconciliation of Net Operating Income (Loss) | | | |
| Net Cash Provided by Operating Activities | | | |
| Operating income (loss) | \$ (18,773) | \$ (5,885) | \$ (24,658) |
| Adjustments to reconcile operating income by operating activities: | | | |
| Depreciation and amortization expense | 20,988 | 165,073 | 186,061 |
| Changes in assets and liabilities: | | | |
| (Increase) decrease in accounts receivable | - | (1,414) | (1,414) |
| (Increase) decrease in prepaid insurance | 5 | - | 5 |
| (Increase) decrease in due from General Fund | - | 3,640 | 3,640 |
| Increase (decrease) in accounts payable | - | 1,430 | 1,430 |
| Increase (decrease) in accrued interest payable | - | (110) | (110) |
| Increase (decrease) in deposits payable | - | 4,517 | 4,517 |
| Total Adjustments | <u>20,993</u> | <u>173,136</u> | <u>194,129</u> |
| Net Cash Provided by (Used for) Operating Activities | <u>\$ 2,220</u> | <u>\$ 167,251</u> | <u>\$ 169,471</u> |

See Notes to the Basic Financial Statements

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

ASSETS

| | |
|-----------------------------|--------------|
| Cash | \$ 4,070,009 |
| Delinquent taxes receivable | 644,128 |
| Due from General Fund | 465 |
| Due from others | 14 |
| | <hr/> |
| Total Assets | 4,714,616 |

LIABILITIES

| | |
|--------------------------------------|-----------|
| Due to trust fund holders | 4,038,521 |
| Outstanding bonds | 6,043 |
| Held for jurors | 410 |
| Due to Treasurer - overage - Note 10 | 2,219 |
| Due to other funds | 23,295 |
| Deferred revenue | 644,128 |
| | <hr/> |
| Total Liabilities | 4,714,616 |

NET ASSETS

| | |
|------------------|--------------------|
| Total Net Assets | <u><u>\$ -</u></u> |
|------------------|--------------------|

See Notes to the Basic Financial Statements

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Calhoun County was chartered in 1908. Section 47-26 of the 1962 Code of Laws, as amended (Home Rule Act 283 of 1975), required that counties adopt a specific form of government, and a charter was issued for Calhoun County adopting the Council form of Government.

The financial statements of the County have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The County applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The County does not apply FASB pronouncements issued after November 30, 1989.

A. FINANCIAL REPORTING ENTITY

The concept underlying the definition of the reporting entity is that elected officials are accountable to their constituents for their actions. The reporting entity's financial statements should allow users to distinguish between the primary government (the County) and its component units. However, some component units, because of the closeness of their relationships with the County, should be blended as though they are part of the County. Otherwise, most component units should be discretely presented. As required by generally accepted accounting principles, the financial reporting entity consists of (1) the primary government (the County), (2) organizations for which the County is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The County is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. The County may be financially accountable if an organization is fiscally dependent on the County regardless of whether the organization has (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board. Based on these criteria, County management examined all organizations which are legally separate in order to determine which organizations, if any, should be included in the County's financial statements. Management determined that the Calhoun County Library, Calhoun County Museum, and Calhoun County Council on Aging were the only organizations that should be included in the County's financial statements as component units.

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

A. FINANCIAL REPORTING ENTITY (continued)

Blended Component Units

Calhoun County Library

This organization is administered by a Board appointed by County Council. The library is financially dependent on the County, and the County has ultimate control over all activities of the library. The library is presented as a department of the County.

Calhoun County Museum

This organization is administered by a Historical Commission appointed by County Council. The museum is financially dependent on the County, and the County has ultimate control over all activities of the museum. The museum is presented as a department of the County.

Calhoun County Council on Aging

Calhoun County Council on Aging is funded by state, federal and county funds to provide services to senior citizens of the County. The County provided \$126,500 of funds to the Council on Aging during 2011-12. The Board which administers the Council on Aging is appointed by County Council. The County oversees financial activities of the Council on Aging and owns its building. The Council on Aging is presented as a special revenue fund of the County.

B. Measurement Focus and Basis of Accounting

The basic financial statements of the County are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting (continued)

1. Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units). For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and agency fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement 33 - Accounting and Financial Reporting for Non-exchange Transactions

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. The County chooses to eliminate the indirect costs between governmental activities to avoid a "doubling up" effect

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting (continued)

2. Fund Financial Statements

The underlying accounting system of the County is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. The fiduciary statement includes financial information for the trust funds. The trust funds of the County primarily represent assets held by the County in a custodial capacity for other individuals or governments.

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Franchise fees, licenses, sales taxes, gas taxes, operating and capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the County.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources". Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting (continued)

Non-current portions of long-term receivables (special assessments) due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

Non-current portions of other long-term receivables are offset by fund balance reserve accounts.

Because of their spending measurement focus, expenditure recognition for governmental funds exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County reports the following major enterprise funds:

Water System – This fund accounts for user charges, fees and other resources and all costs associated with the operation of the water and sewer system.

Wastewater Plant – This fund accounts for activity related to the operation of the wastewater system at the rest area.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the costs 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.

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation

GASB Statement 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category and the governmental and enterprise combined) for the determination of major funds. The County has used GASB 34 minimum criteria for major fund determination and has also electively disclosed funds which either had debt outstanding or specific community focus as major funds. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

1. Governmental Major Funds:

General Fund – The General Fund is the general operating fund of the County. It is used to account for all financial resources, except those required to be accounted for in another fund.

Capital Projects Fund – The Capital Projects Fund accounts for most of the capital assets purchased by the County.

Proprietary Fund Types

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Council has established two enterprise funds. These funds are the Water System and Wastewater Plant.

Other Governmental Funds

Special Revenue Funds – These funds are established to account for the proceeds of specific revenue sources and certain special assessments that are legally restricted to expenditures for specified purposes. It is the County's policy not to budget for all Special Revenue Funds in the form of a legally adopted budget format. Expendable trust funds in the previous years' audits have been reclassified to special revenue funds.

Debt Service Fund – This fund is established for the purpose of accumulating resources for the payment of principal and interest on general long-term debt other than those payable from Special Revenue Funds.

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Other Fund Types:

Fiduciary Fund Types - Fiduciary Fund Types are used to account for assets held by the County in a trustee capacity for individuals and other County agencies or governments. The County has seven fiduciary fund types as follows:

Agency Funds include funds held for individuals by the County Clerk of Court, the Master-in-Equity, the County Magistrates, and funds held by the County Treasurer for the Calhoun County School District. It also includes funds held by the Delinquent Tax Collector. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

3. Non-current Governmental Assets/Liabilities:

GASB Statement 34 requires non-current governmental assets, such as land and buildings and non-current governmental liabilities, such as general obligation bonds and capital leases, be reported in the governmental activities column in the government-wide statement of net assets.

D. Assets, Liabilities, and Net Assets or Equity

1. Cash and Cash Equivalents

Cash includes operating accounts, investments in certificates of deposit and investment in the state investment pool. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

3. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, right-of-ways, water and sewer distribution systems and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year.

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Assets or Equity (continued)

Assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation, except for the museum collection. The museum collection has been recorded at the insurance replacement value, as determined by a certified appraiser.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

| Assets | Years |
|------------------------------|--------------|
| Building and improvements | 15 – 50 |
| Machinery and equipment | 3 – 10 |
| Water and waste water system | 40 |
| Infrastructure | 75 |
| Vehicles | 8 |

4. Deferred Revenues

Deferred revenues reported in government-wide financial statements represent unearned revenues. The deferred revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Deferred revenues reported in governmental fund financial statements represent unearned revenues or revenues which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as deferred revenues.

5. Accrued Compensated Absences

The County accrues accumulated unpaid vacation and sick leave when earned by the employee. The current portion is the amount estimated to be used in the following year. The non-current portion is the amount estimated to be used in subsequent fiscal years. Both the current and non-current estimated accrued compensated absences amounts for governmental funds are maintained separately and represent a reconciling item between the fund and government-wide presentations.

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Assets or Equity (continued)

6. Landfill Closure Costs

Under the terms of current state and federal regulations, the County is required to place a final cover on closed landfill areas, and to perform certain monitoring and maintenance functions for a period of up to thirty years after closure. The County recognizes these costs of closure and post-closure maintenance over the active life of each landfill area, based on landfill capacity use during the period. Required obligations for closure and post-closure costs are recognized in the government activities column in the governmental-wide statement of net assets.

7. Fund Balances

Effective July 1, 2010, the County adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The County has evaluated the use of its Debt Service and Capital Projects Funds under the criteria set forth in GASB Statement 54 and has determined that there is no change needed.

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

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

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

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

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Assets or Equity (continued)

Assigned – includes amounts that contain self-imposed constraints of the government to be used for a particular purpose.

Unassigned – includes amounts that are not constrained for any particular purpose. They appear only in the general fund or in another fund as negative fund balances.

8. Net Assets/Fund Equity

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute. The County first utilizes restricted resources to finance qualifying activities. The government-wide statement of net assets reports \$37,157,929 of which \$641,018 is restricted by enabling legislation. Restricted resources are used first to fund appropriations.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The County follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. Each year, the County Administrator submits to the County Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Three public readings are conducted by County Council and one public hearing to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. The County Administrator is authorized to transfer budgeted amounts between departments within any fund. This transfer cannot exceed \$10,000 or 10% of said department's budget; however, any revisions that alter the total expenditures of any fund must be approved by the County Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Revenue Funds (Accommodation Tax Fund and the Fire Department), and Capital Projects Funds.

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

Budgets and Budgetary Accounting (continued)

6. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP) except for encumbrances. Budgetary comparisons presented for the General Fund in this report are on this non-GAAP budgetary basis.
7. Budgeted amounts are as originally adopted, or as amended by the County Council as close to June 30 as possible. Individual amendments were not material in relation to the original appropriations which were adopted.

NOTE 3 - CASH AND INVESTMENTS

Deposits

At year-end, the carrying amount of the County's deposits and investments was \$17,829,164 and the bank balance was \$18,111,241. To reconcile this information to the financial statements, we include the following:

| | |
|------------------------|----------------------|
| Cash and investments | \$ 17,709,755 |
| Cash on hand | 119,409 |
| Less: fiduciary cash | 4,070,009 |
| Less: proprietary cash | <u>753,111</u> |
| | <u>\$ 13,006,044</u> |
| Deposits | \$ 9,297,813 |
| Investments | <u>3,708,231</u> |
| | <u>\$ 13,006,044</u> |

Of the bank balance of \$16,290,586, excluding the investment pool funds, \$10,135,504 is secured by FDIC insurance and \$6,155,082 is secured by collateral pledged in the County's name.

Restricted Cash

Restricted cash in the Proprietary Fund was composed of the following:

| | |
|----------------|-------------------|
| Bond cushion | \$ 176,684 |
| Meter deposits | <u>51,077</u> |
| | <u>\$ 227,761</u> |

Custodial credit risk for deposits is the risk that in the event of a bank failure, the County's deposits may not be returned or the County will not be able to recover collateral securities in the possession of an outside party. The County does not have a written policy related to allowable deposits, investments, or custodial credit risk, but does have an agreement with its banking institution that securities be pledged to cover any deposits in excess of federal depository insurance coverage.

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 3 - CASH AND INVESTMENTS (continued)

Investment Policies

Credit Risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations. Generally, the County's investing activities are managed under the custody of the County Treasurer. Investing is performed in accordance with investment policies adopted by the County Council complying with State Statutes and the County Charter. County funds may be invested in: (1) direct obligations of the United States government or its agencies; (2) obligations of this State or any of its political subdivisions; (3) collateralized or insured certificates of deposit and other evidences of deposits at banks, savings banks, savings and loan associations, and credit unions located in the County when secured by an agency of the Federal government; (4) certificates of deposit where the certificates are collaterally secured by securities of type described in items (1) and (2) above held by the third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest, but the collateral is not required to the extent the certificates of deposit are insured by an agency of the federal government; or (5) no load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution where acting as trustee or agent for a bond or other debt issue of that county treasurer, if the particular portfolio of the investment company or investment trust in which the investment is (i) limited to obligations described in items (1) and (2) above, and (ii) have among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method. The portfolio may also consist of repurchase agreements when collateralized by obligations described in items (1) and (2) above.

Investments are carried at fair value, and are composed of the following:

| | Investment Maturities | | | |
|-------------------------|--------------------------------|-----------------------------------|-----------------------------------|----------------------|
| | Fair Book Value | Less than 6 months | 6 Months to 1 year | 1-5 Years |
| Certificates of Deposit | \$ 1,887,576 | \$ - | \$ 1,887,576 | \$ - |
| SC Investment Pool | <u>1,820,655</u> | <u>1,820,655</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 3,708,231</u> | <u>\$ 1,820,655</u> | <u>\$ 1,887,576</u> | <u>\$ -</u> |

The South Carolina Treasurer's Office oversees the SC Investment Pool. The SC Investment Pool is not registered with the Securities and Exchange Commission but is classified as 2a7-like, which means the pool operates in a way that is consistent with the Commissioner's Rule 2a7 of the Investment Company Act of 1940. The investment pool only invests in the types of instruments allowed under State laws. The County's investment in the SC Investment Pool is considered unclassified as a credit risk because it is not evidenced by securities that exist in physical or book entry form. The fair value of the position in the SC Investment Pool is the same as the value of the pool shares.

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 4 - INTERFUND BALANCES

Due From or to Other Funds

Interfund receivables and payables represent fund transfers of a nonmandatory nature, without interest, and with no specified time for repayment. A summary of individual fund interfund receivables and payables at June 30, 2012, follows:

| Fund | Interfund Receivables | Interfund Payables |
|----------------------------|----------------------------------|-------------------------------|
| General Fund | \$ 242,459 | \$ 367,532 |
| Special Revenue Fund: | | |
| Banks Estate Fund | 97,852 | - |
| E-911 | 9,093 | - |
| Victims Advocate | 64,454 | - |
| Library Lottery | 889 | - |
| EMS Grant | 373 | - |
| Ft. Motte Community Center | 145 | - |
| Local Option Fund | - | 150,000 |
| Grants Fund | - | 69,164 |
| Trust and Agency Funds: | | |
| Magistrates | - | 23,295 |
| Capital Improvements | <u>194,726</u> | <u>-</u> |
| | <u>\$ 609,991</u> | <u>\$ 609,991</u> |
| | | |
| Operating Transfers | Transfer In | Transfer Out |
| General Fund | \$ 685,215 | \$ - |
| Local Option Fund | - | 600,000 |
| Library Building Fund | - | 85,215 |
| Capital Projects Fund | - | 146,822 |
| Water System | <u>146,822</u> | <u>-</u> |
| | <u>\$ 832,037</u> | <u>\$ 832,037</u> |

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 5 - PROPERTY TAXES

Property taxes are levied by the County at varying rates per one hundred dollars (\$100) of assessed valuation of real estate and personal property owned and used in the County except exempt property as provided by the constitution and laws of the State of South Carolina and attach an enforceable lien when levied

In Calhoun County, taxes are collected for county and school purposes as a single tax bill which must be paid in full by the individual taxpayer. Taxes are collected on a calendar year basis. Real and personal taxes in the County are payable without penalty on or before January 15 of each year (except taxes on motor vehicles, which are payable on a monthly basis).

If taxes are not paid on or before January 15, a penalty of 3% is added thereon. If taxes are not paid on or before February 1, an additional penalty of 7% is added. If taxes are not paid on or before March 16, an additional 5% thereon is added plus all costs incurred and the property goes into execution. In September, properties on which the taxes have not been paid are advertised for public sale in a local newspaper for three consecutive weeks. The first Monday in November the property is sold. The County Tax Collector is responsible for the collection of delinquent taxes and is empowered to sell so much of the defaulting taxpayer's estate - real, personal or both - as may be sufficient to satisfy the taxes. As collections are made, the delinquent tax revenue is remitted to the County Treasurer.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with generally accepted accounting principles have been recognized as revenue.

NOTE 6 - NOTES RECEIVABLE

The County passed an ordinance during the 1999-2000 year to establish a revolving loan fund in the amount of \$200,000 for the volunteer fire departments in the County. The fire departments can use the funds for capital improvements. Repayment of loan and interest paid will go back into this fund. As of June 30, 2012, \$111,665 was receivable from the fire departments.

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 6 - NOTES RECEIVABLE (continued)

Note receivable – Caw Caw Volunteer Fire Department \$60,000 note, payable in five annual installments of \$13,667.50 with interest at 4.5%. First payment due January 2, 2009. \$50,000 note, payable in five annual installments of \$10,917.73 with interest at 3%. First payment due April 1, 2013. \$ 63,079

Note receivable – Ft. Motte Fire Department \$45,000 note payable in five annual installments of \$9,966.67 plus interest at 3.5%, first payment due October 14, 2011. 36,608

Note receivable – Belleville Fire Department \$20,800 note receivable due in six annual installments of \$3,401.69 plus interest at 3.5%, first payment due October 28, 2006. \$55,000 note receivable due in six annual installments plus interest at 3.5%, first payment due February 16, 2007. 11,978

Total Notes Receivable 111,665

Current Portion 43,159

Long-Term Notes Receivable \$ 68,506

NOTE 7 - CAPITAL ASSETS

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

| | Balance June 30, 2011 | Restate- ment | Additions | Deletions | Balance June 30, 2012 |
|--|-----------------------------|------------------|-----------|-----------|-----------------------------|
| Governmental Activities | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 1,481,522 | \$ - | \$ - | \$ - | \$ 1,481,522 |
| Museum collection | <u>3,127,547</u> | - | - | - | <u>3,127,547</u> |
| Total capital assets not being depreciated | <u>4,609,069</u> | - | - | - | <u>4,609,069</u> |

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 7 - CAPITAL ASSETS (continued)

| | Balance June 30, 2011 | Restate- ment | Additions | Deletions | Balance June 30, 2012 |
|--|-----------------------------|-------------------|---------------------|------------------|-----------------------------|
| Capital assets, being depreciated: | | | | | |
| Building and improvements | 10,621,653 | - | 365,466 | - | 10,987,119 |
| Infrastructure | 6,326,164 | - | - | - | 6,326,164 |
| Land improvements | 687,001 | 28,772 | 15,436 | - | 731,209 |
| Vehicles | 2,430,747 | 9,063 | 204,448 | 219,408 | 2,424,850 |
| Equipment, furniture and fixtures | <u>3,794,660</u> | <u>(37,835)</u> | <u>119,104</u> | <u>6,255</u> | <u>3,869,674</u> |
| Total capital assets being depreciated | <u>23,860,225</u> | <u>-</u> | <u>704,454</u> | <u>225,663</u> | <u>24,339,016</u> |
| Less accumulated depreciation for: | | | | | |
| Building and improvements | 1,738,379 | 5,374 | 246,332 | - | 1,990,085 |
| Land improvements | 49,651 | 3,157 | 22,218 | - | 75,026 |
| Infrastructure | 1,761,735 | (3,936) | 91,814 | - | 1,849,613 |
| Vehicles | 1,352,872 | 77,592 | 229,862 | 204,060 | 1,456,266 |
| Equipment, furniture and fixtures | <u>2,511,208</u> | <u>(245,214)</u> | <u>264,566</u> | <u>625</u> | <u>2,529,935</u> |
| Total accumulated depreciation | <u>7,413,845</u> | <u>(163,027)</u> | <u>854,792</u> | <u>204,685</u> | <u>7,900,925</u> |
| Total capital assets, being depreciated, net | <u>16,446,380</u> | <u>163,027</u> | <u>(150,338)</u> | <u>20,978</u> | <u>16,438,091</u> |
| Governmental activities capital assets | <u>\$ 21,055,449</u> | <u>\$ 163,027</u> | <u>\$ (150,338)</u> | <u>\$ 20,978</u> | <u>\$ 21,047,160</u> |
| Business-type activities | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 4,500 | \$ - | \$ - | \$ - | \$ 4,500 |
| Total capital assets not being depreciated | <u>4,500</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,500</u> |
| Capital assets, being depreciated: | | | | | |
| Water System | 6,671,146 | (20,106) | 409,330 | - | 7,060,370 |
| Wastewater System | 57,236 | - | - | - | 57,236 |
| Furniture and fixtures | 24,649 | 20,106 | - | - | 44,755 |
| Vehicles | <u>59,938</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>59,938</u> |
| Total capital assets being depreciated | <u>6,812,969</u> | <u>-</u> | <u>409,330</u> | <u>-</u> | <u>7,222,299</u> |
| Less accumulated Depreciation | <u>1,803,447</u> | <u>-</u> | <u>186,063</u> | <u>-</u> | <u>1,989,510</u> |
| Total capital assets, being depreciated, net | <u>5,009,522</u> | <u>-</u> | <u>223,267</u> | <u>-</u> | <u>5,232,789</u> |
| Business-type activities capital assets, net | <u>\$ 5,014,022</u> | <u>\$ -</u> | <u>\$ 223,267</u> | <u>\$ -</u> | <u>\$ 5,237,289</u> |

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 7 - CAPITAL ASSETS (continued)

Proprietary Fund capital assets are recorded at cost, and transfers from other funds and donated assets are recorded at their estimated fair value at the time of transfer and contribution. Repairs and maintenance are recorded as expenses. The sale or disposal of capital assets is recorded by removing the cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

The following is a summary of the proprietary fund capital assets at June 30, 2012:

| | Water/ Wastewater Plant | Municipal Water System | Total Proprietary Funds |
|--|--|---------------------------------------|--|
| Land | \$ - | \$ 4,500 | \$ 4,500 |
| Water system | 782,268 | 6,278,102 | 7,060,370 |
| Wastewater system | 57,236 | - | 57,236 |
| Vehicles | - | 59,938 | 59,938 |
| Furniture, fixtures, and software | - | 44,755 | 44,755 |
| Less, accumulated depreciation | <u>(266,801)</u> | <u>(1,722,709)</u> | <u>(1,989,510)</u> |
| Net Property, Plant and Equipment | <u>\$ 572,703</u> | <u>\$ 4,664,586</u> | <u>\$ 5,237,289</u> |

The depreciation and amortization expense for the Water/Wastewater Plant and the Water System was \$186,063 for the year ended June 30, 2012.

Depreciation expense was charged to functions/programs of the government activities as follows:

| | |
|-------------------------|----------------|
| Administration | \$ 75,448 |
| Judicial | 6,263 |
| Public Safety | 145,756 |
| Physical Environment | 163,670 |
| Health and Welfare | 180,319 |
| Cultural and Recreation | 66,746 |
| Public Works | <u>216,590</u> |

| | |
|--|--------------------------|
| Total depreciation expense-governmental activities | <u>\$ 854,792</u> |
|--|--------------------------|

NOTE 8 - RETIREMENT PLAN

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

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - RETIREMENT PLAN (continued)

Both the SCRS and PORS offer retirement, disability, survivor, and death benefits to eligible members or beneficiaries. Death benefits are also available to active State ORP participants. The Plans' provisions are established under Title 9 of the SC Code of Laws.

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

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

Required employee contributions to the Plans for fiscal year 2011-2012 are as follows:

| | |
|----------------------|--------------------------------|
| SCRS Class II | 6.50% of earnable compensation |
| State ORP | 6.50% of earnable compensation |
| PORS Class I | \$21 per month |
| PORS Class II | 6.50% of earnable compensation |

Employer contributions are established by the State Budget and Control Board at the actuarially determined rates recommended by the Systems' actuary. All employers are required to contribute at these actuarially determined rates.

Required employer contributions for fiscal year 2011-2012 are as follows:

SCRS

| | |
|-----------------------|---------------------------------|
| Class II | 9.385% of earnable compensation |
| Death Benefit Program | 0.15% of earnable compensation |

State ORS

| | |
|-----------------------|---------------------------------|
| Employer Contribution | 9.385% of earnable compensation |
| Death Benefit Program | 0.15% of earnable compensation |

PORS

| | |
|--------------------------|----------------------------------|
| Class I | 7.80% of earnable compensation |
| Class II | 11.363% of earnable compensation |
| Death Benefit Program | 0.20% of earnable compensation |
| Accidental Death Program | 0.20% of earnable compensation |

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - RETIREMENT PLAN (continued)

**SUMMARY OF BASIC PROVISIONS
FISCAL YEAR 2011-2012**

| | SCRS | PORS |
|----------------------------------|---|--|
| 1. Membership | All permanent, full-time or part-time employees of covered employers must join unless specifically exempted by statute or are eligible for and elect to participate in the State ORP. | To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position or be a peace officer employed by the Department of Corrections, Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per fiscal year to this work, unless exempted by statute. |
| 2. Employee Contributions | <u>Class II</u> – 6.50% of earnable compensation | <u>Class I</u> – \$21 per month <u>Class II</u> – 6.50% of earnable compensation |
| 3. Employer Contributions | <u>Class II</u> 9.385% of earnable compensation | <u>Class I</u> 7.80% of earnable compensation 11.13% of earnable compensation |

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - RETIREMENT PLAN (continued)

**SUMMARY OF BASIC PROVISIONS
FISCAL YEAR 2011-2012**

| | SCRS | PORS |
|--|---|---|
| 3. Employer Contributions (cont'd) | <u>Death Benefit Program</u> .15% of earnable compensation | <u>Death Benefit Program</u> 0.20% of earnable compensation <u>Accidental Death Program</u> 0.20% of earnable compensation |
| 4. Requirements for Full Service Retirement | Age 65 or 28 years of credited service The member must have a minimum of 5 years of earned service to qualify for retirement. | Age 55 or 25 years of credited service The member must have a minimum of 5 years of earned service to qualify for retirement. |
| 5. Early Retirement | Age 60 with 5% reduction for each year under age 65. Age 55 with 25 years of service, reduced 4% for each year of service under 28. | N/A |
| 6. Formula for Normal Service Retirement | <u>Class I</u> 1.82% of Average Final Compensation times years of credited service. <u>Class II</u> 2.14% of Average Final Compensation times years of credited service. | <u>Class I</u> \$10.97 per month for each year of service <u>Class II</u> 2.14% of Average Final Compensation times years of credited service. |
| 7. Requirements for Disability Retirement | 5 years of earned service, unless injury is job related. | 5 years of earned service, unless injury is job related. |
| 8. Formula for Disability Retirement | The disability retirement benefit is based on a projection of service to age 65 with an actuarial reduction. | The disability retirement benefit is based on a projection of service to age 55. |

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - RETIREMENT PLAN (continued)

**SUMMARY OF BASIC PROVISIONS
FISCAL YEAR 2011-2012**

| | SCRS | PORS |
|---------------------------|--|---|
| 9. Benefit Options | <p><u>Option A</u> (Maximum/Retiree Only) Formula benefit as calculated in item 8; Non-recovered contributions paid upon death.</p> <p><u>Option B</u> (100% - 100% Joint Retiree/Survivor) Provides a reduced (from Option A) lifetime benefit that upon retiree's death continues to retiree's beneficiary.</p> <p><u>Option C</u> (100% - 50% Joint Retiree/Survivor) Provides a reduced (from Option A) lifetime benefit that upon retiree's death will continue to retiree's beneficiary at 50% of the retiree's annuity</p> <p>Note: If a retiree selects Option B or Option C and all of the retiree's beneficiaries predecease the retiree, the retiree's benefit will revert to Option A.</p> | <p><u>Option A</u> (Maximum/Retiree Only) Formula benefit as calculated in item 8; Non-recovered contributions paid upon death.</p> <p><u>Option B</u> (100% - 100% Joint Retiree/Survivor) Provides a reduced (from Option A) lifetime benefit that upon retiree's death continues to retiree's beneficiary.</p> <p><u>Option C</u> (100% - 50% Joint Retiree/Survivor) Provides a reduced (from Option A) lifetime benefit that upon retiree's death will continue to retiree's beneficiary at 50% of the retiree's annuity.</p> <p>Note: If a retiree selects Option B or Option C and all of the retiree's beneficiaries predecease the retiree, the retiree's benefit will revert to Option A.</p> |

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - RETIREMENT PLAN (continued)

**SUMMARY OF BASIC PROVISIONS
FISCAL YEAR 2011-2012**

| | SCRS | PORS |
|--|---|-----------------|
| 10. Teacher and Employee Retention Incentive (TERI) | <p>TERI is a deferred retirement option program (DROP). Upon meeting normal retirement eligibility, a member can elect to retire and continue working under the TERI program for a maximum of five years, after which employment will cease. During the TERI participation, the retirement annuity is not paid to the TERI retirees, but monthly benefits are accumulated in TERI accounts and are distributed to the members upon termination of employment. For members retiring after June 30, 2005, a payment for annual leave is not included in calculating benefits. Upon termination, however, benefits are increased prospectively to include payment for up to 45 days annual leave paid at termination of employment. No interest is credited to the TERI account. TERI participants who entered the program after June 30, 2005, must continue to contribute at the same rate as active members. Those who entered prior to July 1, 2005, make no employee contributions while participating in TERI. No additional service credit is earned during this period and participants are ineligible for disability retirement benefits.</p> | Not applicable. |

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - RETIREMENT PLAN (continued)

**SUMMARY OF BASIC PROVISIONS
FISCAL YEAR 2011-2012**

| | SCRS | PORS |
|-------------------------------------|--|---|
| 11. Post Retirement Increase | <p>Provided that the actuarial assumed rate of investment return adopted by the Budget and Control Board is at or above 8 percent, each July 1, eligible SCRS retirees should receive an automatic cost-of-living adjustment (COLA) equal to the percentage of the annual increase in the CPI-W as of the previous December 31, up to an increase of 2 percent. If the CPI-W is less than 2 percent, the COLA should equal the percentage of the actual increase in the CPI-W. COLAs are awarded only during periods of inflation, so no COLA will be awarded if the CPI-W is negative.</p> <p>A member who retires under the early retirement provisions at age 55 with 25 years of service, is not eligible for COLAs until the second July 1 after reaching age 60 or the second July 1 after the date he would have had 28 years of service credit had he not retired.</p> <p>In addition to an automatic annual COLA increase of up to 2 percent, the SC Budget and Control Board may authorize additional ad hoc COLAs up to 2 percent provided all of the following conditions are met.</p> | <p>Provided that the actuarial assumed rate of investment return adopted by the Budget and Control Board is at or above 8 percent, each July 1, eligible SCRS retirees should receive an automatic cost-of-living adjustment (COLA) equal to the percentage of the annual increase in the CPI-W as of the previous December 31, up to an increase of 2 percent. If the CPI-W is less than 2 percent, the COLA should equal the percentage of the actual increase in the CPI-W. COLAs are awarded only during periods of inflation, so no COLA will be awarded if the CPI-W is negative.</p> <p>In addition to an automatic annual COLA increase of up to 2 percent, the SC Budget and Control Board may authorize additional ad hoc COLAs up to 2 percent provided all of the following conditions are met.</p> |

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - RETIREMENT PLAN (continued)

**SUMMARY OF BASIC PROVISIONS
FISCAL YEAR 2011-2012**

| | SCRS | PORS |
|--|--|--|
| 11. Post Retirement Increase (cont'd) | <ul style="list-style-type: none"> a. The amortization period for the prior year unfunded liability is at 25 years or below; and b. The estimated funded ratio in the current year, after the grant of an additional ad hoc COLA, does not decrease; and c. The estimated amortization period in the current year, after granting the additional ad hoc COLA, is still reduced by at least one year; and d. No increased employer contribution is required to support the grant of the additional ad hoc COLA. | <ul style="list-style-type: none"> a. The amortization period for the prior year unfunded liability is at 25 years or below; and b. The estimated funded ratio in the current year, after the grant of an additional ad hoc COLA, does not decrease; and c. The estimated amortization period in the current year, after granting the additional ad hoc COLA, is still reduced by at least one year; and d. No increased employer contribution is required to support the grant of the additional ad hoc COLA. |
| 12. Accident Death Program | N/A | Provides 50% of earnable compensation at the time of accidental death in the line of duty as an annuity to the surviving spouse, children, or parents. |
| 13. Death Benefits | <ul style="list-style-type: none"> • Lump-sum payment equal to one year's salary payable to the beneficiary upon the death of an active member with at least one year of service • No service requirement for death resulting from actual performance of duties for an active member | <ul style="list-style-type: none"> • Lump-sum payment equal to one year's salary payable to the beneficiary upon the death of an active member with at least one year of service • No service requirement for death resulting from actual performance of duties for an active member |

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - RETIREMENT PLAN (continued)

**SUMMARY OF BASIC PROVISIONS
FISCAL YEAR 2011-2012**

| | SCRS | PORS |
|---|---|---|
| 13. Death Benefits (cont'd) | <ul style="list-style-type: none"> • Lump-sum payment to retiree's beneficiary of up to \$6,000 based on years of service at retirement. TERI participants and retired contributing members are eligible for an increased death benefit equal to their annual salary in lieu of the standard retired member benefit. | <ul style="list-style-type: none"> • Lump-sum payment to retiree's beneficiary of up to \$6,000 based on years of service at retirement. Retired contributing members are eligible for an increased death benefit equal to their annual salary in lieu of the standard retired member benefit. |
| 14. Withdrawal of Employee Contributions | Accumulated contributions, plus interest, payable 90 days after termination of all covered employment. | Accumulated contributions, plus interest, payable 90 days after termination of all covered employment |
| 15. Actuarial Valuation Method | Projected benefit with level percentage entry age normal cost and open-end unfunded actuarial accrued liability. | Projected benefit with level percentage entry age normal cost and open-end unfunded actuarial accrued liability. |
| 16. Actuarial Interest Rate Assumption | 7.50% per annum, compounded annually | 7.50% per annum, compounded annually |
| 17. Unfunded Accrued Liability as of July 1, 2010 (In millions) | \$14,411 | \$1,097 |
| 18. Unfunded Accrued Liability Liquidation Period as of July 1, 2010 | 30 years | 30 years |

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 - RETIREMENT PLAN (continued)

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

| | 2010 | | 2011 | | 2012 | |
|---------------|------------|------------|------------|------------|------------|------------|
| | SCRS | PORS | SCRS | PORS | SCRS | PORS |
| Employee | | | | | | |
| contributions | \$ 204,613 | \$ 65,797 | \$ 211,722 | \$ 65,485 | \$ 212,584 | \$ 65,692 |
| Employer | | | | | | |
| contributions | \$ 295,558 | \$ 109,830 | \$ 305,856 | \$ 116,196 | \$ 306,939 | \$ 114,839 |

The County's 2011 – 2012 contributions represented less than one percent of total contributions required of all participating entities. Also, employer group-life contributions of \$8,948 were paid by the County in the current fiscal year. All employers contribute at the actuarially required contribution rates.

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS

Background

Beginning in fiscal year ended June 30, 2010, Calhoun County implemented Governmental Accounting Standards Board (GASB) Statement No. 45 for other post-employment benefits (OPEB) offered to retirees. This standard addresses how local governments should account for and report their costs related to post-employment health care and other non-pension benefits, such as the County's retiree health benefit subsidy. Historically, the County's subsidy was funded on a pay-as-you-go basis but GASB 45 requires that the County accrue the cost of the retiree health subsidy and other post-employment benefits during the period of employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability in order to accurately account for the total future cost of post-employment benefits and the financial impact on the County. This funding methodology mirrors the funding approach used for pension benefits.

For the year ended June 30, 2012, the County implemented a health benefit change and an actuarial valuation of the proposed revisions had to be done as of June 30, 2012.

Plan Description

Other post employment benefits provided by the County include a retiree health insurance premium contribution plan that covers retirees.

Calhoun County (the "County") provides continued post-retirement health coverage for employees who meet eligibility requirements upon retirement. Insurance coverage is fully insured through the South Carolina Health Plan. The County pays into the health reimbursement account monthly for retirees as follows:

- Pre 65 retirees – The County will contribute \$489 per month.
- Post 65 retirees – The County will contribute \$350 per month.

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (continued)

No medical inflation has been calculated. Retirees will be required to pay their full medical premium and file for reimbursement of their premiums and deductible and co-insurance expenses.

Eligibility – Employees must retire under the State of South Carolina Retirement System and meet the following criteria:

- Hired before July 1, 2006 – Age 55 with 18 years of service or any age with 30 years of service.
- Hired on or after July 1, 2006 – Age 60 with 28 years of service

Other Plan Provisions

- Employees hired after July 1, 2011 are not eligible to participate in the medical plan for Calhoun County.
- Coverage is not provided upon disability termination during active service.
- Dependant coverage (medical and dental) is not available for reimbursement through the County health reimbursement account.

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

The annual cost of other post employment benefits (OPEB) under GASB 45 is called the annual required contribution or ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current employer contribution rates for the Board are 0 percent.

The County's annual OPEB cost and the net OPEB obligation based on a 4.5% discount rate, including an inflation component of 3%, and amortizing the initial unfunded actuarial liability over 30 years based on a level percent of payroll method for 2012 is as follows:

| | |
|--|-------------------|
| Annual required contribution | \$ 228,935 |
| Interest on net OPEB obligation | 12,612 |
| Adjustment to annual required contribution | <u>(16,465)</u> |
| Annual OPEB cost (expense) | 225,082 |
| Estimated contributions made | <u>(49,779)</u> |
| Increase (decrease) in net OPEB obligation | 175,303 |
| Net OPEB obligation, beginning of year | <u>280,268</u> |
| Net OPEB obligation, end of year | <u>\$ 455,571</u> |

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (continued)

Actuarial Methods and Assumptions

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

The Projected Unit Credit, Level Percent of Payroll actuarial cost method has been used to calculate the GASB ARC for this valuation. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability. If experience is in accordance with the assumptions used, the ARC will increase at approximately the same rate as active member payroll, and the ARC as a percentage of payroll will remain basically level on a year to year basis. This is both an accepted and reasonable cost method.

Trend Information:

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2012 were as follows:

| Fiscal Year Ending | Annual OPEB Cost | Employer Amount Contributed | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|-------------------------------|-----------------------------|--|---|--------------------------------|
| June 30, 2012 | \$ 225,082 | \$ 49,779 | 22% | \$ 455,571 |
| June 30, 2011 | \$ 207,855 | \$ 72,111 | 35% | \$ 280,268 |

Funded Status and Funding Progress:

As of June 30, 2011, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$2,255,929, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,255,929. For the fiscal year ended June 30, 2011, the covered payroll (annual payroll of active employees covered by the plan) was \$4,052,879, and the ratio of the UAAL to the covered payroll was 55.66%.

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (continued)

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

NOTE 10 - OVERAGES IN TRUST AND AGENCY FUNDS

As of June 30, 2012, excess funds were on deposit in the checking accounts of several trust and agency funds. These overages, totaling \$2,219, represent the amount that cash on deposit exceeds identifiable liabilities. (These monies will remain within the funds until proper identification can be made of the court or individual to whom they belong.)

NOTE 11 - LONG-TERM DEBT

A. Primary Government

Governmental Activities

The long-term debt transactions of Calhoun County were as follows:

| | Balance July 1, 2011 | Additions | Retirements | Balance June 30, 2012 | Due Within One Year |
|-------------------------------|-------------------------------------|--------------------|--------------------------|--------------------------------------|------------------------------------|
| Accrued Compensated Absences | \$ 313,862 | \$ - | \$ 20,926 | \$ 292,936 | \$ 42,527 |
| Closure and Maintenance Costs | 184,600 | - | 14,200 | 170,400 | 14,200 |
| General Obligation Bond 2011 | 380,000 | - | 191,743 | 188,257 | 188,257 |
| General Obligation Bond 2006 | <u>200,000</u> | <u>-</u> | <u>200,000</u> | <u>-</u> | <u>-</u> |
| Total long-term debt | <u>\$ 1,078,462</u> | <u>\$ -</u> | <u>\$ 426,869</u> | <u>\$ 651,593</u> | <u>\$ 244,984</u> |

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 11 - LONG-TERM DEBT (continued)

Annual Debt Service Payments – Governmental Activities

On June 17, 2011, the County sold general obligation bonds in the amount of \$380,000 Series 2011. The bonds paid off the \$212,700 capital lease for two ambulances. The bonds bear interest of 2.59% per annum. Principal and interest is payable on July 21, 2011 and July 21, 2012.

\$ 188,257

\$ 188,257

The annual debt service payments for bonds outstanding at June 30, 2012, are as follows:

| June 30, | Principal | Interest |
|-----------------|-------------------|-----------------|
| 2013 | <u>\$ 188,257</u> | <u>\$ 4,873</u> |
| | <u>\$ 188,257</u> | <u>\$ 4,873</u> |

Business-Type Activities:

The following is a summary of long-term debt transactions of the Business-Type Activities:

| | Revenue Bonds |
|---------------------------|--------------------------|
| Balance June 30, 2011 | \$ 2,857,263 |
| Issued during the period | - |
| Retired during the period | <u>(48,774)</u> |
| Balance at June 30, 2012 | <u>\$ 2,808,489</u> |

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 11 - LONG-TERM DEBT (continued)

Details of long-term debt at June 30, 2012 are as follows:

| | Revenue Bonds |
|---|-------------------------------|
| \$1,340,000 FHA Revenue Bonds due in monthly installments of \$8,498 through October 13, 2030, with interest at 7.125% | \$ 1,036,213 |
| \$265,000 FHA Revenue Bonds due in monthly installments of \$1,302 through December 15, 2043, with interest at 5.125% | 202,683 |
| \$1,632,400 Water and Sewer System Revenue Bond payable over 40 years, interest at 4.5%, first payment due August 26, 2008 with monthly payments of \$7,346, through July 25, 2048. | <u>1,569,593</u> 2,808,489 |
| Less current portion | <u>(51,798)</u> |
| Long-term portion | <u>\$ 2,756,691</u> |

The annual requirements to amortize all debt outstanding of the proprietary funds as of June 30, 2012, including bond interest payments of \$2,558,176 are as follows:

| Year Ending June 30, | Principal | Revenue Bonds Interest | Total |
|----------------------|---------------------|---------------------------|---------------------|
| 2013 | \$ 51,798 | \$ 153,954 | \$ 205,752 |
| 2014 | 55,019 | 150,733 | 205,752 |
| 2015 | 58,449 | 147,303 | 205,752 |
| 2016 | 62,103 | 143,649 | 205,752 |
| 2017 | 65,996 | 139,756 | 205,752 |
| 2018-2022 | 397,936 | 630,824 | 1,028,760 |
| 2023-2027 | 541,870 | 486,890 | 1,028,760 |
| 2028-2032 | 551,082 | 299,211 | 850,293 |
| 2033-2037 | 262,033 | 200,871 | 462,904 |
| 2038-2042 | 301,332 | 139,428 | 440,760 |
| 2043-2047 | 377,206 | 63,554 | 440,760 |
| 2048-2051 | <u>83,665</u> | <u>2,003</u> | <u>85,668</u> |
| | <u>\$ 2,808,489</u> | <u>\$ 2,558,176</u> | <u>\$ 5,366,665</u> |

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 12 - OPERATING LEASE

The County entered into an operating lease as of September 24, 2001 with the US Department of Agriculture to lease the Agriculture Building built by the County to the US Department of Agriculture. The lease expired September 2012, but was renewed until September 30, 2013. The current annual rent is \$34,200. The cost of the building is \$565,318 with accumulated depreciation of \$95,162.

The future minimum lease payments to be received are as follows:

| | |
|---------------|------------------|
| June 30, 2013 | <u>\$ 30,812</u> |
| June 30, 2014 | <u>\$ 8,550</u> |

NOTE 13 - DEFERRED COMPENSATION PLANS

All state and local government employees can participate in a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, administered by the state public employee retirement system through a state-approved nongovernmental third party, permits governmental employees to defer a portion of their salaries until future years. The deferred compensation is not available to an employee until termination, retirement, death or unforeseeable emergency. The State Attorney General issued an opinion that amounts deferred by local governmental units and administered through the statewide plan remain assets and liabilities of the local government unit. In prior years, the County included the cumulative amounts deferred in the agency fund of the County. However, effective July 24, 1998, the funds were placed in trust by the SC Deferred Compensation Commission. Therefore, the funds are no longer an asset of the County, subject only to claims of its general creditors, but are held in trust for exclusive benefits of participants and their beneficiaries.

NOTE 14 - CLOSURE AND POST CLOSURE CARE COSTS

State and federal regulations require that Calhoun County place a final cover on the portion of its landfill that holds municipal waste. The County has to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. Calhoun County closed the landfill in August, 1994 to municipal waste, but it will remain open for inert waste. An amount to be provided for payment of these costs and related liabilities are reported as long-term debt and are recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts municipal waste. Because the landfill is closed to municipal waste, 100% of the liability for the above costs must be recognized. The estimated liability for landfill closure and postclosure care costs has a balance of \$170,400 as of June 30, 2012, which is based on 100% usage (filled) of the landfill for municipal waste.

The estimated total current cost of the landfill closure and postclosure care is based on the amount that would be paid if all equipment, facilities and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2012. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Calhoun County has not accumulated or segregated funds to meet this liability.

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 15 - RISK MANAGEMENT

The County is exposed to various risks of loss and maintains elements of both self-insurance and purchased insurance policies divided into coverage for worker's compensation, property and casualty, and employee health insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. The County also pays insurance premiums to certain other commercial insurers to cover risks that may occur in normal operations. The insurers promise to pay to or on behalf of the insured for covered economic losses sustained during the policy in accordance with insurance policy and benefit program limits.

Several state funds accumulate assets and the State itself assumes substantially all risks for the following:

- 1) Claims of covered public employees for health and dental insurance benefits (Office of Insurance Services) and
- 2) Claims of covered public employees for long-term disability and group-life insurance benefits (Retirement System)

The County assumes the risk for unemployment compensation benefits by paying directly to the Employment Security Commission actual claims filed against the County.

Employees elect health coverage through either a health maintenance organization or through the State's self-insured plan. All other coverages listed above are through the applicable State self-insured plan except dependent and optional life premiums which are remitted to commercial carriers.

The County has recorded insurance premium expenditures in the applicable functional expenditure categories of the unrestricted current funds. These expenditures do not include estimated claim losses and estimable premium adjustments.

The County has not reported a supplemental premium assessment expenditure, and the related liability at June 30, 2012, because the requirements of GASB Statement No. 10, which states that a liability for supplemental assessments must be reported if information prior to issuance of the financial statements indicates that it is probable that an asset has been impaired or a liability has been incurred on or before June 30, 2012, and that the amount of the premiums is reasonably estimable, have not been satisfied.

In management's opinion, supplemental premium assessments, if any, would not be significant enough to have a material adverse effect on the financial position of the County.

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 16 - FUND BALANCE REPORTING AND NET ASSETS

The County has classified their fund balances with the following hierarchy: Nonspendable, Restricted, Assigned and Unassigned according to GASB Statement 54

The County's fund balances as of June 30, 2012 was classified as follows:

| Description | General Fund | Capital Projects | Other Govern- mental Funds | Total Govern- mental Funds |
|--------------------------------|---------------------|---------------------|-------------------------------------|-------------------------------------|
| Nonspendable: | | | | |
| Long-term notes receivable | \$ 68,506 | \$ - | \$ - | \$ 68,506 |
| Restricted: | | | | |
| LOST Reserve | - | - | 135,120 | 135,120 |
| Debt Service | - | - | 517,665 | 517,665 |
| Victim's Fund | - | - | 64,454 | 64,454 |
| Library Lottery | - | - | 889 | 889 |
| E-911 Funds | - | - | 405,428 | 405,428 |
| Tech/Gressette | - | - | 406,292 | 406,292 |
| Sandy Run Fire Department | - | - | 231,624 | 231,624 |
| Council on Aging | - | - | 361,435 | 361,435 |
| Sheriff Department Drug Funds | - | - | 2,118 | 2,118 |
| Child Support Funds | 218,992 | - | - | 218,992 |
| Banks Estate Fund | - | - | 97,852 | 97,852 |
| Local Option Distribution Fund | - | - | 441,444 | 441,444 |
| Assigned: | | | | |
| Capital Projects | - | 2,101,981 | - | 2,101,981 |
| Ft. Motte Community Center | 237 | - | 145 | 382 |
| Museum Funds | 111,325 | - | - | 111,325 |
| Economic Development Banquet | 872 | - | - | 872 |
| EMS Donations | 4,590 | - | - | 4,590 |
| Credit card escrow | 1,740 | - | - | 1,740 |
| RDA Funds | 193,131 | - | - | 193,131 |
| Veterans Memorial | 10,108 | - | - | 10,108 |
| Unassigned | <u>8,213,606</u> | <u>-</u> | <u>(7,869)</u> | <u>8,205,737</u> |
| Total fund balances | <u>\$ 8,823,107</u> | <u>\$ 2,101,981</u> | <u>\$ 2,656,597</u> | <u>\$ 13,581,685</u> |

The above unassigned balance of \$(7,869) is the fund balance of the grants fund. The deficit balance is due to matching funds of the general fund not transferred to the grants fund. In the future, these funds will be transferred to bring this balance to a positive balance.

**CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 17 - RESTATEMENT OF FUND BALANCE AND NET ASSETS

Fund balances and net assets for June 30, 2011 were restated as follows:

| | Net Assets | Fund Balance |
|------------------------------------|-----------------------|-------------------------|
| Balance, June 30, 2011 | \$ 32,421,934 | \$ 12,285,754 |
| From adjustments below | 423,675 | 423,675 |
| To adjust accumulated depreciation | <u>163,027</u> | <u>-</u> |
| Balance restated at June 30, 2011 | <u>\$ 33,008,636</u> | <u>\$ 12,709,429</u> |

| | Other Governmental Funds | General Fund | Capital Projects |
|--|---|-------------------------|-----------------------------|
| Balance, June 30, 2011 | \$ 2,013,570 | \$ 8,689,458 | \$ 1,582,726 |
| To write off due to/from funds | (227) | 12,813 | - |
| To adjust miscellaneous items | - | (2,433) | (1,819) |
| To write off amount due Orangeburg County | - | 278,233 | - |
| To adjust cash balance | - | (340) | - |
| To adjust payroll accounts | - | 7,282 | - |
| Local option prior year | - | 130,167 | - |
| Adjust between funds | <u>375,649</u> | <u>(375,650)</u> | <u>-</u> |
| Balance restated at June 30, 2011 | <u>\$ 2,388,992</u> | <u>\$ 8,739,530</u> | <u>\$ 1,580,907</u> |

Proprietary Fund – Net Assets

| | Water/ Wastewater | Water System |
|-----------------------------------|------------------------------|-------------------------|
| Balance at June 30, 2011 | \$ 696,153 | \$ 2,308,267 |
| To write off due to customer | 7,730 | - |
| To correct deposit balances | <u>-</u> | <u>1,141</u> |
| Balance restated at June 30, 2011 | <u>\$ 703,883</u> | <u>\$ 2,309,408</u> |

NOTE 18 - CONTINGENCIES AND COMMITMENTS

Contingencies:

The Orangeburg-Calhoun Regional Law Enforcement Commission was created by Joint Ordinances of Orangeburg and Calhoun Counties. The Commission is directly responsible for the operation and maintenance of a detention facility. Calhoun County Code of Ordinances Section 2-351 of Calhoun County Code states: "The Board may do all things necessary or convenient for the establishment and maintenance of adequate facilities for the incarceration of prisoners for Calhoun and Orangeburg Counties, provided, however, that in no event shall the board have the power to create any indebtedness or obligation against Calhoun or Orangeburg Counties without the written consent of each of their Councils."

CALHOUN COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 18 - CONTINGENCIES AND COMMITMENTS (continued)

Section 2-355(a) states: "The Board shall annually prepare a fiscal year (July 1 to June 30) budget for submission to the council of each of the counties... that no budget shall become final until each of the councils adopts its budget ordinance including its share of such budget. The counties agree that each of them shall be responsible for such portion of the approved budget of the Commission as such county's population, according to the most recent decennial census, bears to the combined population of both counties..." The ratio for FY2011-12 was Calhoun 14.1%, Orangeburg 85.9%. Calhoun County Council agreed to pay its 14.1% of FLSA Legal Settlement and 14.1% of an unbudgeted workers compensation insurance premium. The balance was posted as a potential liability in prior years

The County participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County had not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the County, there are no significant contingent liabilities related to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

NOTE 19 - SUBSEQUENT EVENTS

The Orangeburg-Calhoun Regional Law Enforcement Commission was dissolved by repealing the ordinances of both counties on October 8, 2012. A two-year contract between Orangeburg and Calhoun Counties was entered into providing inmate services to Calhoun County by Orangeburg County at an annual cost of \$695,609 paid by Calhoun County for the first year, and \$724,323 for the second year. The contract allows for two additional one-year terms, if determined necessary near the end of the second year. The previous budget overruns were settled with a lump sum payment by Calhoun County to Orangeburg County in the amount of \$100,000. This cleared the County's potential liability previously recorded on its general ledger. Calhoun is in the process of having a feasibility study prepared to determine whether or not to build its own inmate facility.

A project is underway for the extension of the County's water system. The project involves the installation of a water distribution line in the southern portion of Calhoun County. The Rural Development proposed funding is not to exceed \$2,713,000, ARRA loan and \$1,611,500 regular grant funds. The project is expected to be complete in the spring of 2013. A contract has been signed as of June 26, 2012 for the construction at a total of \$1,278,253. The project began in September, 2012 and presently is eighty percent complete.

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

| | (1) | (2) | (3) | (4) | (5) | (6) |
|--------------------------|---------------------------|-----------------------------------|-----------------------------|----------------------|------------------------|---|
| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Unfunded AAL (UAAL) (2)-(1) | Funded Ratio (1)/(2) | Annual Covered Payroll | UAAL as a Percentage of Covered Payroll ((2)-(1))/(5) |
| Calhoun County 6/30/2010 | \$ - | \$ 6,578,913 | \$ 6,578,913 | 0.00% | \$ 4,073,872 | 161.49% |
| 6/30/2011 | \$ - | \$ 2,255,929 | \$ 2,255,929 | 0.00% | \$ 4,052,879 | 55.66% |

The County implemented GASB 45 in Fiscal Year 2010; therefore, six years of data is not available, but will be accumulated over time. The valuation has been calculated using the Projected Unit Credit Actuarial Cost Method, discount rates of 4.5%, and the initial unfunded actuarial liability is amortized over 30 years based on a level percent of payroll method. It should be noted that an actuarial cost method determines a contribution or expense by assigning portions of the present value of projected benefits to various years with the general goal of accruing the cost of benefits over the working lifetime of the employees. A valuation was done as of 6/30/11 due to a benefit plan change.

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

SPECIAL REVENUE

| | Arts Commission | O-C Tec and L M Gressette Center | Library Lottery | Sheriff's Department | Sandy Run Fire Department | Victims Advocate |
|--|--------------------|---|--------------------|-------------------------|---------------------------------|---------------------|
| ASSETS | | | | | | |
| Cash | \$ - | \$ 403,675 | \$ - | \$ 2,118 | \$ 230,751 | \$ - |
| Delinquent property taxes | - | 30,366 | - | - | 1,634 | - |
| Due from other funds | - | - | 889 | - | - | 64,454 |
| Grant Receivable | - | - | - | - | - | - |
| Accounts Receivable | - | 2,617 | - | - | 873 | - |
| TOTAL ASSETS | \$ - | \$ 436,658 | \$ 889 | \$ 2,118 | \$ 233,258 | \$ 64,454 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities | | | | | | |
| Deferred revenue | | | | | | |
| Delinquent property taxes | \$ - | \$ 30,366 | \$ - | \$ - | \$ 1,634 | \$ - |
| Other | - | - | - | - | - | - |
| Accounts payable | - | - | - | - | - | - |
| Due to General Fund | - | - | - | - | - | - |
| Total Liabilities | - | 30,366 | - | - | 1,634 | - |
| Fund Balances | | | | | | |
| Restricted | - | 406,292 | 889 | 2,118 | 231,624 | 64,454 |
| Assigned | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - |
| Total Fund Balances | - | 406,292 | 889 | 2,118 | 231,624 | 64,454 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ - | \$ 436,658 | \$ 889 | \$ 2,118 | \$ 233,258 | \$ 64,454 |

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

SPECIAL REVENUE

| | E-911 | Local Option Fund | EMS Grant | Ft. Motte Community Center | Library Building Fund | Bond Proceeds Fund |
|--|-------------------|-------------------------|---------------|----------------------------------|-----------------------------|--------------------------|
| ASSETS | | | | | | |
| Cash | \$ 396,335 | \$ 8,301 | \$ - | \$ - | \$ - | \$ - |
| Delinquent property taxes | - | - | - | - | - | - |
| Due from other funds | 9,093 | - | 373 | 145 | - | - |
| Grant Receivable | - | - | - | - | - | - |
| Accounts Receivable | - | 276,819 | - | - | - | - |
| TOTAL ASSETS | \$ 405,428 | \$ 285,120 | \$ 373 | \$ 145 | \$ - | \$ - |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities | | | | | | |
| Deferred revenue | | | | | | |
| Delinquent property taxes | - | - | - | - | - | - |
| Other | - | - | 373 | - | - | - |
| Accounts payable | - | - | - | - | - | - |
| Due to General Fund | - | 150,000 | - | - | - | - |
| Total Liabilities | - | 150,000 | 373 | - | - | - |
| Fund Balances | | | | | | |
| Restricted | 405,428 | 135,120 | - | - | - | - |
| Assigned | - | - | - | 145 | - | - |
| Unassigned | - | - | - | - | - | - |
| Total Fund Balances | 405,428 | 135,120 | - | 145 | - | - |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 405,428 | \$ 285,120 | \$ 373 | \$ 145 | \$ - | \$ - |

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

| | SPECIAL REVENUE | | | | | DEBT SERVICE | TOTAL |
|--|-------------------|------------------|-------------------|-------------------------------------|------------------------------|---------------------|-------|
| | Council on Aging | Grants Fund | Banks Estate Fund | Local Option Sales Tax Distribution | Non-Major Governmental Funds | | |
| ASSETS | | | | | | | |
| Cash | \$ 353,610 | \$ 5,670 | \$ - | \$ 331,401 | \$ 627,772 | \$ 2,359,633 | |
| Delinquent property taxes | - | - | - | - | 31,521 | 63,521 | |
| Due from other funds | - | - | 97,852 | - | - | 172,806 | |
| Grant Receivable | - | 65,660 | - | - | - | 65,660 | |
| Accounts Receivable | 14,885 | - | - | 110,043 | 3,052 | 408,289 | |
| TOTAL ASSETS | \$ 368,495 | \$ 71,330 | \$ 97,852 | \$ 441,444 | \$ 662,345 | \$ 3,069,909 | |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities | | | | | | | |
| Deferred revenue | | | | | | | |
| Delinquent property taxes | \$ - | \$ - | \$ - | \$ - | \$ 31,521 | \$ 63,521 | |
| Other | - | - | - | - | - | 373 | |
| Accounts payable | 7,060 | 10,035 | - | - | 113,159 | 130,254 | |
| Due to General Fund | - | 69,164 | - | - | - | 219,164 | |
| Total Liabilities | 7,060 | 79,199 | | | 144,680 | 413,312 | |
| Fund Balances | | | | | | | |
| Restricted | 361,435 | - | 97,852 | 441,444 | 517,665 | 2,664,321 | |
| Assigned | - | - | - | - | - | 145 | |
| Unassigned | - | (7,869) | - | - | - | (7,869) | |
| Total Fund Balances | 361,435 | (7,869) | 97,852 | 441,444 | 517,665 | 2,656,597 | |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 368,495 | \$ 71,330 | \$ 97,852 | \$ 441,444 | \$ 662,345 | \$ 3,069,909 | |

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

| | SPECIAL REVENUE | | | | | | |
|--|--------------------|---|--------------------|-------------------------|---------------------------------|---------------------|--|
| | Arts Commission | O-C Tec and L. M. Gressette Center | Library Lottery | Sheriff's Department | Sandy Run Fire Department | Victims Advocate | |
| REVENUES | | | | | | | |
| Property taxes: | | | | | | | |
| Current | \$ - | \$ 438,141 | \$ - | \$ - | \$ 81,849 | \$ - | |
| Delinquent | - | 19,353 | - | - | 1,104 | - | |
| Interest income | - | 514 | - | - | 345 | - | |
| Local sources | - | - | - | - | - | - | |
| State sources | - | - | 10,059 | - | - | 31,359 | |
| Federal sources | 4,969 | - | - | - | - | - | |
| Total Revenues | 4,969 | 458,008 | 10,059 | - | 83,298 | 31,359 | |
| EXPENDITURES | | | | | | | |
| Administrative | - | - | - | - | - | - | |
| Public Works | - | - | - | - | - | - | |
| Public safety | - | - | - | - | - | 27,803 | |
| Health and welfare | - | - | - | - | - | - | |
| Culture and recreation | 4,969 | - | 10,059 | - | - | - | |
| Capital improvements | - | - | - | - | - | - | |
| Agencies | - | 378,502 | - | - | 50,000 | - | |
| Debt Service | - | - | - | - | - | - | |
| Total Expenditures | 4,969 | 378,502 | 10,059 | - | 50,000 | 27,803 | |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | - | 79,506 | - | - | 33,298 | 3,556 | |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfer in / (out) | - | - | - | - | - | - | |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - | - | - | |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES) | - | 79,506 | - | - | 33,298 | 3,556 | |
| Fund Balances at Beginning of Year, As Restated, Note 17 | - | 326,786 | 889 | 2,118 | 198,326 | 60,898 | |
| Fund Balances at End of Year | - | 406,292 | 889 | 2,118 | 231,624 | 64,454 | |

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

| | | SPECIAL REVENUE | | | | | | |
|--|-------------------|-------------------------|--------------|----------------------------------|-----------------------------|--------------------------|-------------|--|
| | E-911 | Local Option Fund | EMS Grant | Ft. Motte Community Center | Library Building Fund | Bond Proceeds Fund | | |
| REVENUES | | | | | | | | |
| Property taxes: | | | | | | | | |
| Current | - | - | - | - | - | - | - | |
| Delinquent | - | - | - | - | - | - | - | |
| Interest income | 448 | 9 | - | - | 495 | - | - | |
| Local sources | 52,758 | 544,397 | - | - | 4,456 | - | - | |
| State sources | 111,435 | - | - | - | - | - | - | |
| Federal sources | - | - | - | - | - | - | - | |
| Total Revenues | 164,641 | 544,406 | - | - | 4,951 | - | - | |
| EXPENDITURES | | | | | | | | |
| Administrative | - | 34 | - | - | - | - | - | |
| Public Works | - | - | - | - | - | - | - | |
| Public safety | - | - | - | - | - | - | - | |
| Health and welfare | 93,851 | - | - | - | - | - | - | |
| Culture and recreation | - | - | - | - | 486 | - | - | |
| Capital improvements | - | - | - | - | - | - | - | |
| Agencies | - | - | - | - | - | - | - | |
| Debt Service | - | - | - | - | - | - | - | |
| Total Expenditures | 93,851 | 34 | - | - | 486 | - | - | |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 70,790 | 544,372 | - | - | 4,465 | - | - | |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfer in / (out) | - | (600,000) | - | - | (85,215) | - | - | |
| TOTAL OTHER FINANCING SOURCES (USES) | - | (600,000) | - | - | (85,215) | - | - | |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES) | 70,790 | (55,628) | - | - | (80,750) | - | - | |
| Fund Balances at Beginning of Year, As Restated, Note 17 | 334,638 | 190,748 | - | 145 | 80,750 | - | - | |
| Fund Balances at End of Year | \$ 405,428 | \$ 135,120 | \$ - | \$ 145 | \$ - | \$ - | \$ - | |

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

| | SPECIAL REVENUE | | | | DEBT SERVICES | | TOTAL |
|--|-------------------|-------------------|-------------------|-------------------------------------|-------------------|------------------------------|---------------------|
| | Council on Aging | Grants Fund | Banks Estate Fund | Local Option Sales Tax Distribution | | Non-Major Governmental Funds | |
| REVENUES | | | | | | | |
| Property taxes: | | | | | | | |
| Current | \$ - | \$ - | \$ - | \$ - | \$ 395,403 | \$ - | \$ 915,393 |
| Delinquent | - | - | - | - | 22,561 | - | 43,018 |
| Interest income | - | - | - | 12 | - | - | 1,823 |
| Local sources | 323,128 | - | 97,852 | 254,024 | - | - | 1,307,974 |
| State sources | - | 121,345 | - | - | - | - | 242,839 |
| Federal sources | 20,554 | 38,627 | - | - | - | - | 64,150 |
| Total Revenues | 343,682 | 159,972 | 97,852 | 254,036 | 417,964 | - | 2,575,197 |
| EXPENDITURES | | | | | | | |
| Administrative | - | - | - | - | - | - | 34 |
| Public Works | - | 43,155 | - | - | - | - | 43,155 |
| Public safety | - | 8,507 | - | 185,762 | - | - | 222,072 |
| Health and welfare | 304,262 | 48,625 | - | - | - | - | 446,738 |
| Culture and recreation | - | 12,764 | - | - | - | - | 28,278 |
| Capital improvements | - | 53,482 | - | - | - | - | 53,482 |
| Agencies | - | - | - | - | - | - | 428,502 |
| Debt Service | - | - | - | - | 400,116 | - | 400,116 |
| Total Expenditures | 304,262 | 166,533 | - | 185,762 | 400,116 | - | 1,622,377 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 39,420 | (6,561) | 97,852 | 68,274 | 17,848 | - | 952,820 |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Bond proceeds | - | - | - | - | - | - | - |
| Transfer in(out) | - | - | - | - | - | - | (685,215) |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - | - | - | (685,215) |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES) | 39,420 | (6,561) | 97,852 | 68,274 | 17,848 | - | 267,605 |
| Fund Balances at Beginning of Year, As Restated, Note 17 | 322,015 | (1,308) | - | 373,170 | 499,817 | - | 2,388,992 |
| Fund Balances at End of Year | \$ 361,435 | \$ (7,869) | \$ 97,852 | \$ 441,444 | \$ 517,665 | \$ - | \$ 2,656,597 |

CALHOUN COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2012

| | Budgeted | | Actual | Variance Favorable (Unfavorable) |
|-----------------------------------|------------------|------------------|------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Local Sources | | | | |
| Taxes: | | | | |
| Current | \$ 4,850,000 | \$ 4,850,000 | \$ 4,988,304 | \$ 138,304 |
| Delinquent | 230,000 | 230,000 | 274,147 | 44,147 |
| Fee in lieu of taxes - County | 1,834,000 | 1,834,000 | 1,882,924 | 48,924 |
| Total Property Taxes | 6,914,000 | 6,914,000 | 7,145,375 | 231,375 |
| Interest income | - | - | 17,462 | 17,462 |
| Total Interest Income | - | - | 17,462 | 17,462 |
| Other Local Sources | | | | |
| Court income, fines and penalties | 200,000 | 200,000 | 171,516 | (28,484) |
| Fees of offices | 300,000 | 300,000 | 190,931 | (109,069) |
| EMS Service | 500,000 | 500,000 | 670,731 | 170,731 |
| Rent | 34,200 | 34,200 | 34,200 | - |
| Chamber of Commerce | 12,769 | 12,769 | 13,446 | 677 |
| Calhoun County Public Schools | 46,319 | 46,319 | 57,868 | 11,549 |
| Donations | - | - | 22,550 | 22,550 |
| RDA funds | - | - | 104,687 | 104,687 |
| Miscellaneous | 100,000 | 100,000 | 81,996 | (18,004) |
| Total Other Local Sources | 1,193,288 | 1,193,288 | 1,347,925 | 154,637 |
| Total Local Sources | 8,107,288 | 8,107,288 | 8,510,762 | 403,474 |

**CALHOUN COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2012**

| | <u>Budgeted</u> | | Actual | Variance Favorable (Unfavorable) |
|-------------------------------------|------------------|------------------|------------------|--|
| | Original | Final | | |
| State Sources | | | | |
| Aid to Subdivisions | 491,366 | 491,366 | 467,094 | (24,272) |
| Accommodations Tax | 100,000 | 100,000 | 146,278 | 46,278 |
| Mini Bottle tax | - | - | (192) | (192) |
| Salary supplements: | | | | |
| Clerk of Court | 1,575 | 1,575 | 1,575 | - |
| Judge of Probate | 1,575 | 1,575 | 1,575 | - |
| Sheriff | 1,575 | 1,575 | 1,575 | - |
| Coroner | 1,575 | 1,575 | 1,575 | - |
| SC Public Service | 5,000 | 5,000 | (225) | (5,225) |
| State Aid - Library | 60,000 | 60,000 | 60,000 | - |
| Veteran Affairs officer | 4,500 | 4,500 | 4,337 | (163) |
| Election Commission | - | - | 11,563 | 11,563 |
| Solid Waste Tire Fee | - | - | 7,317 | 7,317 |
| Pollution control | - | - | 1,000 | 1,000 |
| Total State Sources | <u>667,166</u> | <u>667,166</u> | <u>703,472</u> | <u>36,306</u> |
| Federal Sources | | | | |
| Emergency Management Performance | 8,500 | 8,500 | 15,246 | 6,746 |
| Child Support Cost - Clerk of Court | 40,000 | 40,000 | 58,216 | 18,216 |
| Child Support Cost - Sheriff | 8,000 | 8,000 | 924 | (7,076) |
| DSS - In Lieu of rent | 15,000 | 15,000 | 37,575 | 22,575 |
| DSS - Filing fees | - | - | 8,743 | 8,743 |
| DSS - IV-D Incentives | - | - | 10,032 | 10,032 |
| Total Federal Sources | <u>71,500</u> | <u>71,500</u> | <u>130,736</u> | <u>59,236</u> |
| TOTAL REVENUES | <u>8,845,954</u> | <u>8,845,954</u> | <u>9,344,970</u> | <u>499,016</u> |

CALHOUN COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2012

| | Budgeted | | Actual | Variance |
|--|-----------------------|-----------------------|---------------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| EXPENDITURES | | | | |
| Administration | 578,837 | 573,137 | 478,421 | 94,716 |
| Public works | 970,994 | 976,394 | 852,795 | 123,599 |
| Public buildings | 536,303 | 533,211 | 440,562 | 92,649 |
| Finance and taxation | 772,560 | 782,352 | 746,827 | 35,525 |
| Judicial | 639,447 | 639,447 | 623,340 | 16,107 |
| Public safety | 2,073,467 | 2,073,467 | 1,935,571 | 137,896 |
| Health and welfare | 2,000,702 | 2,001,052 | 1,836,243 | 164,809 |
| Culture and recreation | 590,400 | 590,400 | 564,088 | 26,312 |
| Miscellaneous | 745,758 | 739,008 | 585,863 | 153,145 |
| Employee fringe benefits | 2,082,500 | 2,082,500 | 1,771,501 | 310,999 |
| Agencies | 132,196 | 132,196 | 132,044 | 152 |
| TOTAL EXPENDITURES | <u>11,123,164</u> | <u>11,123,164</u> | <u>9,967,255</u> | <u>1,155,909</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(2,277,210)</u> | <u>(2,277,210)</u> | <u>(622,285)</u> | <u>1,654,925</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Net proceeds from sales of property | - | - | 20,647 | 20,647 |
| Transfer from Library Building Fund | | | 85,215 | 85,215 |
| Transfer from Local Option Fund | 600,000 | 600,000 | 600,000 | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>600,000</u> | <u>600,000</u> | <u>705,862</u> | <u>105,862</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES) | <u>\$ (1,677,210)</u> | <u>\$ (1,677,210)</u> | 83,577 | <u>\$ 1,760,787</u> |
| Fund Balance at Beginning of Year, As Restated - Note 17 | | | <u>8,739,530</u> | |
| Fund Balance at End of Year | | | <u>\$ 8,823,107</u> | |

CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2012

| | Budgeted | | Actual | Variance Favorable (Unfavorable) |
|---|----------------|----------------|----------------|--|
| | Original | Final | | |
| Administration | | | | |
| Salaries | \$ 376 970 | \$ 376,970 | \$ 334 875 | \$ 42 095 |
| Travel members | 2,500 | 2,500 | 657 | 1 843 |
| Vehicle maintenance | 2 000 | 2 000 | 623 | 1,377 |
| Membership dues, and meetings | 16 000 | 16 000 | 10 593 | 5 407 |
| Lower Savannah Council | 11 389 | 11 389 | 11 389 | - |
| SC Assoc of Counties | 6 478 | 6 478 | 6 477 | 1 |
| Lake Marion Regional Water | 35 000 | 35 000 | 28 319 | 6,681 |
| Supplies and operating | 15,000 | 15 000 | 11,267 | 3 733 |
| Gasoline and oil | 1 500 | 1,700 | 1 541 | 159 |
| Telephone | 6 000 | 100 | 14 | 86 |
| Contract services | 20 000 | 30 000 | 20 899 | 9 101 |
| Oburg/Calhoun Transit Prog | 10 000 | 10 000 | 10 000 | - |
| Professional services | 75 000 | 65 000 | 41 767 | 23 233 |
| Legislative Delegation | 1,000 | 1,000 | - | 1,000 |
| TOTAL ADMINISTRATION | 578,837 | 573,137 | 478,421 | 94,716 |
| PUBLIC WORKS | | | | |
| Roads, Repair, and Construction: | | | | |
| Salaries | 186 273 | 186 273 | 165,406 | 20 867 |
| Equipment maintenance | 40 000 | 50 000 | 45 670 | 4 330 |
| Supplies and operating | 25 000 | 14 955 | 14 293 | 662 |
| Gas fuel and oil | 44 000 | 44 000 | 36 264 | 7 736 |
| Telephone | 750 | 795 | 794 | 1 |
| | 296 023 | 296 023 | 262 427 | 33 596 |
| Landfill: | | | | |
| Salaries | 33 900 | 34 990 | 34,990 | - |
| Supplies and operating | 14 000 | 12 910 | 5,464 | 7 446 |
| Telephone | 1 500 | 1 500 | 1 209 | 291 |
| Electricity | 3 000 | 3 000 | 2 698 | 302 |
| Equipment maintenance | 30 000 | 38 000 | 37,697 | 303 |
| Heat | 1 200 | 1 200 | 667 | 533 |
| Landfill closeout | 32,000 | 24 000 | 16 901 | 7 099 |
| Water | 500 | 500 | 217 | 283 |
| Gas fuel and oil | 10,000 | 10,000 | 9,864 | 136 |
| | 126,100 | 126 100 | 109 707 | 16,393 |

CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2012

| | Budgeted | | Actual | Variance Favorable (Unfavorable) |
|-------------------------------|----------------|----------------|----------------|--|
| | Original | Final | | |
| Collections: | | | | |
| Salaries | 198 171 | 198 171 | 168 153 | 30 018 |
| Equipment maintenance | 30 000 | 40,000 | 33 966 | 6 034 |
| Supplies and operating | 3 000 | 2 950 | 974 | 1 976 |
| Gas, fuel, and oil | 45 000 | 50 400 | 45 316 | 5 084 |
| Contract service | 250 000 | 235,000 | 207 146 | 27 854 |
| Telephone | 2,900 | 2 950 | 2 950 | - |
| Electricity | 14 000 | 14,000 | 11 591 | 2 409 |
| Collection site maintenance | 5 000 | 10 000 | 10 000 | - |
| Water | 800 | 800 | 565 | 235 |
| | <u>548,871</u> | <u>554,271</u> | <u>480,661</u> | <u>73,610</u> |
| TOTAL PUBLIC WORKS | <u>970,994</u> | <u>976,394</u> | <u>852,795</u> | <u>123,599</u> |
| PUBLIC BUILDINGS | | | | |
| Salaries | 63 803 | 63 803 | 62,803 | 1 000 |
| Supplies and operating | 10 000 | 25 619 | 18 619 | 7 000 |
| Telephone | 1 500 | (1,592) | (2 063) | 471 |
| Electricity | 210 000 | 210 000 | 198,707 | 11 293 |
| Water | 12 000 | 13 000 | 12 298 | 702 |
| Janitorial service | 50 000 | 50 000 | 42 849 | 7 151 |
| Heat | 6 000 | 6 000 | 5 438 | 562 |
| Building maintenance | 60 000 | 50 000 | 38 967 | 11 033 |
| Vehicle maintenance | 5 000 | 5 000 | 4 929 | 71 |
| Grounds maintenance | 80 000 | 70 000 | 17 802 | 52 198 |
| Copier contracts | 23 000 | 26 381 | 26 381 | - |
| Gas, fuel and oil | 15,000 | 15,000 | 13,832 | 1,168 |
| | <u>536,303</u> | <u>533,211</u> | <u>440,562</u> | <u>92,649</u> |
| TOTAL PUBLIC BUILDINGS | <u>536,303</u> | <u>533,211</u> | <u>440,562</u> | <u>92,649</u> |
| FINANCE AND TAXATION | | | | |
| County Auditor: | | | | |
| Salaries | 65 750 | 65 750 | 60,750 | 5 000 |
| Travel and dues | 2 250 | 2 250 | 1 856 | 394 |
| Supplies and postage | 1 250 | 1 250 | 1 124 | 126 |
| Telephone | 750 | 750 | 667 | 83 |
| | <u>70 000</u> | <u>70 000</u> | <u>64 397</u> | <u>5 603</u> |
| County Treasurer: | | | | |
| Salaries | 85 750 | 85,750 | 83 750 | 2,000 |
| Travel and dues | 2 250 | 2 655 | 2 435 | 220 |
| Supplies and postage | 25 500 | 25 095 | 21,707 | 3 388 |
| Telephone | 750 | 750 | 188 | 562 |
| | <u>114 250</u> | <u>114 250</u> | <u>108,080</u> | <u>6 170</u> |

CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30 2012

| | Budgeted | | Actual | Variance |
|-----------------------------------|----------------|----------------|----------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| County Tax Collector: | | | | |
| Salaries | 30 000 | 30 000 | 30 000 | - |
| Travel and dues | 2 250 | 2 250 | 342 | 1 908 |
| Supplies and postage | 33 000 | 33 000 | 26 136 | 6 864 |
| Telephone | 300 | 300 | 128 | 172 |
| Contract Service | 32,000 | 32,000 | 27,300 | 4,700 |
| | <u>97 550</u> | <u>97 550</u> | <u>83 906</u> | <u>13 644</u> |
| County Tax Assessor: | | | | |
| Salaries | 177 385 | 177 535 | 177,532 | 3 |
| Travel and dues | 3 200 | 3 200 | 3,163 | 37 |
| Vehicle maintenance | 2 500 | 2,000 | 1 197 | 803 |
| Supplies and postage | 10 440 | 10 290 | 7,934 | 2 356 |
| Gasoline and oil | 3 000 | 3 800 | 3 615 | 185 |
| Telephone | 750 | 1 250 | 1 069 | 181 |
| Assessment Appeals Board | 1 500 | 1 500 | - | 1 500 |
| GIS parcel maintenance | 11 060 | 11 060 | 7 829 | 3 231 |
| GIS mapping | 5 200 | 5 200 | 5 200 | - |
| Legal advertisement | 500 | 500 | - | 500 |
| | <u>215 535</u> | <u>216 335</u> | <u>207 539</u> | <u>8 796</u> |
| Computer Service: | | | | |
| Computer service | 136 900 | 139 315 | 139 314 | 1 |
| I T contract//salaries | 50 125 | 47 710 | 47 317 | 393 |
| Wide area telephone network | 75,000 | 83 992 | 83 992 | - |
| Travel and training | 1 200 | 1 200 | 1 200 | - |
| On Line Access | 12,000 | 12,000 | 11,082 | 918 |
| | <u>275,225</u> | <u>284,217</u> | <u>282,905</u> | <u>1,312</u> |
| TOTAL FINANCE AND TAXATION | <u>772,560</u> | <u>782,352</u> | <u>746,827</u> | <u>35,525</u> |
| JUDICIAL | | | | |
| Clerk of Court: | | | | |
| Salaries | 187 865 | 187 865 | 184,297 | 3 568 |
| Travel and dues | 2 250 | 2 250 | 2 094 | 156 |
| Supplies and operating | 13 000 | 13 000 | 12 662 | 338 |
| Court expense | 18 000 | 17,152 | 16 997 | 155 |
| Contract services | 20 000 | 21 487 | 21 488 | (1) |
| Telephone | 1 400 | 1 960 | 1 958 | 2 |
| Case management system | 36 000 | 36 000 | 36 000 | - |
| Child Support Unit Cost | 5,000 | 3,801 | 3,374 | 427 |
| | <u>283,515</u> | <u>283 515</u> | <u>278 870</u> | <u>4,645</u> |
| Judge of Probate: | | | | |
| Salaries | 80 501 | 80 501 | 80,170 | 331 |
| Travel and dues | 3 000 | 3 000 | 2 872 | 128 |
| Supplies | 2 500 | 2,430 | 1 502 | 928 |
| Telephone | 500 | 570 | 569 | 1 |
| | <u>86,501</u> | <u>86,501</u> | <u>85 113</u> | <u>1,388</u> |

CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2012

| | Budgeted | | Actual | Variance |
|-----------------------------------|----------------|----------------|----------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| Magistrate - St. Matthews: | | | | |
| Salaries | 87,009 | 87,009 | 87,009 | - |
| Travel and dues | 2,250 | 2,250 | 304 | 1,946 |
| Court expense | 8,750 | 8,750 | 6,971 | 1,779 |
| Supplies and operating | 7,000 | 6,125 | 5,658 | 467 |
| Telephone | 500 | 1,375 | 1,348 | 27 |
| Contract service - custodial | 3,638 | 3,638 | 3,637 | 1 |
| Rent | 7,200 | 7,200 | 7,200 | - |
| | <u>116,347</u> | <u>116,347</u> | <u>112,127</u> | <u>4,220</u> |
| Magistrate - Cameron: | | | | |
| Salaries | 15,394 | 15,394 | 10,294 | 5,100 |
| Travel and dues | 1,400 | 1,400 | 760 | 640 |
| Supplies | 1,500 | 1,500 | 1,438 | 62 |
| Telephone | 750 | 750 | 401 | 349 |
| Rent | - | - | - | - |
| Clerical | 5,000 | 5,000 | 4,243 | 757 |
| | <u>24,044</u> | <u>24,044</u> | <u>17,136</u> | <u>6,908</u> |
| Magistrate - Sandy Run: | | | | |
| Salaries | 17,956 | 17,956 | 19,612 | (1,656) |
| Travel and dues | 1,400 | 1,400 | 1,606 | (206) |
| Telephone | 2,850 | 2,850 | 2,900 | (50) |
| Rent | - | - | - | - |
| Clerical | 5,000 | 5,000 | 4,220 | 780 |
| Contract service/janitor | 4,680 | 4,680 | 4,680 | - |
| Supplies and operating | 1,500 | 1,500 | 1,422 | 78 |
| | <u>33,386</u> | <u>33,386</u> | <u>34,440</u> | <u>(1,054)</u> |
| Public Defender: | | | | |
| Contract funding | 28,957 | 28,957 | 28,957 | - |
| Master-In-Equity: | | | | |
| Salaries | 13,031 | 13,031 | 13,031 | - |
| Supplies | 2,166 | 2,166 | 2,166 | - |
| | <u>15,197</u> | <u>15,197</u> | <u>15,197</u> | <u>-</u> |
| Solicitor's Office: | | | | |
| Supplement | 51,500 | 51,500 | 51,500 | - |
| TOTAL JUDICIAL | <u>639,447</u> | <u>639,447</u> | <u>623,340</u> | <u>16,107</u> |

CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2012

| | Budgeted | | Actual | Variance |
|----------------------------------|------------------|------------------|------------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| PUBLIC SAFETY | | | | |
| County Sheriff: | | | | |
| Salaries | 880 154 | 894 554 | 858 333 | 36,221 |
| Travel and dues | 4 500 | 4 800 | 4 800 | - |
| Supplies and operating | 44 000 | 48 000 | 44 999 | 3,001 |
| Gasoline and oil | 140,000 | 140 000 | 132 853 | 7 147 |
| Uniforms | 16,000 | 16 020 | 15 108 | 912 |
| Telephone | 20 000 | 19 425 | 18 737 | 688 |
| Vehicle maintenance | 40 000 | 40 000 | 24 642 | 15 358 |
| Tactical aids | 10 000 | 10 000 | 8 630 | 1 370 |
| Contract service/custodial | 14,550 | 14,550 | 13 068 | 1 482 |
| Contract service/radio | 22 000 | 22 575 | 22,564 | 11 |
| Sheriff's Posse | 1 200 | 1 200 | - | 1,200 |
| Information service | 2 000 | 2 000 | 2 000 | - |
| Child Support Unit Cost | 3 500 | 3 500 | - | 3,500 |
| Sheriff/Auto Allowance | 14 400 | - | - | - |
| Certification school | 8,000 | 3,680 | 2,850 | 830 |
| | <u>1 220 304</u> | <u>1 220 304</u> | <u>1 148 584</u> | <u>71 720</u> |
| County Coroner: | | | | |
| Salaries | 18 968 | 18 968 | 18 637 | 331 |
| Travel and dues | 1,200 | 1 200 | 1 184 | 16 |
| Supplies and operating | 2 500 | 2 600 | 2 580 | 20 |
| Gasoline and oil | 1 200 | 1 200 | 824 | 376 |
| Vehicle maintenance | 1 000 | 1 000 | 74 | 926 |
| Contract service/radio | 500 | 1,075 | 1,075 | - |
| Post mortem and inquests | 11 000 | 9 900 | 7 500 | 2,400 |
| Telephone | 1,400 | 1,825 | 1,825 | - |
| | <u>37 768</u> | <u>37 768</u> | <u>33 699</u> | <u>4 069</u> |
| Emergency Management: | | | | |
| Salaries | 39 336 | 39 336 | 22 109 | 17 227 |
| Travel and dues | 1 500 | 1 500 | 1 465 | 35 |
| Supplies and operating | 3 000 | 3 000 | 2,680 | 320 |
| Telephone | 750 | 750 | 1 346 | (596) |
| Sat phone / weather | 2 000 | 2 000 | 1 020 | 980 |
| Transmitter/towers/generators | 25 000 | 25 000 | 24 583 | 417 |
| LEPC | 1 500 | 1 500 | 1 276 | 224 |
| Internet | 500 | 500 | - | 500 |
| Special projects | 2,000 | 2,000 | 2,000 | - |
| | <u>75 586</u> | <u>75 586</u> | <u>56 479</u> | <u>19,107</u> |
| Victims Witness Advocate: | | | | |
| Salaries | 26 000 | 26 000 | - | 26 000 |
| Travel and dues | 1 000 | 1,000 | - | 1 000 |
| Supplies and operating | 1,000 | 1,000 | - | 1,000 |
| | <u>28,000</u> | <u>28 000</u> | <u>-</u> | <u>28 000</u> |
| Detention Center: | | | | |
| Contingent | 15 000 | 15 000 | 14 482 | 518 |
| Travel commission members | 1 200 | 1 200 | 1,200 | - |
| O-C Detention Center | 695,609 | 695,609 | 681,127 | 14,482 |
| | <u>711,809</u> | <u>711,809</u> | <u>696,809</u> | <u>15,000</u> |
| TOTAL PUBLIC SAFETY | <u>2,073,467</u> | <u>2,073,467</u> | <u>1,935,571</u> | <u>137,896</u> |

CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2012

| | Budgeted | | Actual | Variance Favorable (Unfavorable) |
|---|------------------|------------------|------------------|--|
| | Original | Final | | |
| HEALTH AND WELFARE | | | | |
| Health Department: | | | | |
| Supplies and operating | 7 500 | 7 500 | 1 516 | 5 984 |
| Contract services - custodial | 14 972 | 14 972 | 14 971 | 1 |
| Contract services | 1 500 | 1 500 | 358 | 1 142 |
| Telephone | 3,500 | 3,500 | 2,621 | 879 |
| | <u>27,472</u> | <u>27,472</u> | <u>19,466</u> | <u>8 006</u> |
| Emergency Medical Service: | | | | |
| Salaries | 953 596 | 953 596 | 889 339 | 64 257 |
| Travel and dues | 3 000 | 3 000 | 3 002 | (2) |
| Vehicle maintenance | 35 000 | 35 000 | 33 345 | 1 655 |
| Supplies and operating | 50,000 | 50 425 | 50,415 | 10 |
| Gasoline and oil | 60 000 | 55 820 | 53 513 | 2 307 |
| Telephone | 5 500 | 9 255 | 9 255 | - |
| Contract service/radio | 2 000 | 2 000 | 946 | 1 054 |
| Internet | 1 500 | 1 500 | 854 | 646 |
| Medical control physician | 4 800 | 4 800 | 4 800 | - |
| Medical control physician insurance | 8 000 | 8 000 | 6 452 | 1 548 |
| Uniforms | 6 000 | 6 000 | 5 327 | 673 |
| Special projects | 5,000 | 5,000 | 3,844 | 1,156 |
| | <u>1 134 396</u> | <u>1 134 396</u> | <u>1 061 092</u> | <u>73,304</u> |
| Council on Aging: | | | | |
| Grant match | 126 500 | 126 500 | 126 500 | - |
| Alcohol and Drug Abuse Commission: | | | | |
| Appropriation | 9 000 | 9 000 | 9 000 | - |
| Department of Social Services: | | | | |
| Emergency fund | 2 000 | 2 000 | 2 000 | - |
| Contract service - custodial | 17 247 | 17 247 | 17 246 | 1 |
| Telephone | 7,500 | 7,500 | 7,083 | 417 |
| | <u>26 747</u> | <u>26 747</u> | <u>26 329</u> | <u>418</u> |
| Veteran Affairs Office: | | | | |
| Salaries | 18 911 | 18 911 | 18 911 | - |
| Travel and dues | 1 046 | 1 000 | 1,110 | (110) |
| Supplies and operating | 800 | 800 | 793 | 7 |
| Telephone | 654 | 700 | 653 | 47 |
| | <u>21,411</u> | <u>21 411</u> | <u>21 467</u> | <u>(56)</u> |

CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2012

| | Budgeted | | Actual | Variance |
|--------------------------------------|------------------|------------------|------------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| Animal and Mosquito Control: | | | | |
| Salaries | 83 120 | 83 120 | 74 351 | 8 769 |
| Travel & dues | 1 500 | 1 500 | 565 | 935 |
| Vehicle expenses | 1 800 | 1 800 | 1 519 | 281 |
| Supplies and operating | 9 000 | 12 745 | 10 774 | 1 971 |
| Gasoline/Oil | 9 000 | 9 000 | 7 027 | 1 973 |
| Mosquito Supply | 10 000 | 6 055 | 554 | 5,501 |
| Telephone | 3 500 | 3 500 | 3 705 | (205) |
| Electricity | 4 000 | 4 000 | 2 910 | 1 090 |
| Heat | 3 500 | 3 700 | 999 | 2,701 |
| Advertising | 500 | 500 | - | 500 |
| Animal Control Vet | 1,400 | 1,400 | 700 | 700 |
| | <u>127 320</u> | <u>127 320</u> | <u>103,104</u> | <u>24 216</u> |
| Litter & Risk Management: | | | | |
| Salaries | 38 112 | 38 112 | 38 112 | - |
| Travel and dues | 500 | 500 | 198 | 302 |
| Vehicle expenses | 1 000 | 1 000 | 594 | 406 |
| Supplies and operating | 1 500 | 1,340 | 953 | 387 |
| Gasoline and oil | 3 600 | 3 950 | 3 524 | 426 |
| Telephone | 500 | 660 | 657 | 3 |
| | <u>45 212</u> | <u>45 562</u> | <u>44 038</u> | <u>1 524</u> |
| E-911: | | | | |
| Salaries | 36 000 | 36,000 | 36 000 | - |
| Travel and dues | 2 000 | 2 000 | 1 054 | 946 |
| Vehicle expense | 1 000 | 1 000 | 111 | 889 |
| Supplies and operating | 12 000 | 11 500 | 7 018 | 4 482 |
| Gasoline and oil | 1 000 | 1 000 | 95 | 905 |
| Telephone | 500 | 1,000 | 978 | 22 |
| | <u>52 500</u> | <u>52 500</u> | <u>45 256</u> | <u>7 244</u> |
| Indigent Burial Fund | 1 200 | 1 200 | - | 1,200 |
| Communications Center: | | | | |
| Salaries | 393 244 | 393 244 | 352 167 | 41 077 |
| Uniforms | 3 000 | 3 000 | 1 074 | 1 926 |
| Travel and training | 3 000 | 3,000 | 556 | 2 444 |
| Supplies and operating | 10 000 | 8 285 | 6 038 | 2 247 |
| Radio service contract | 5 000 | 1 217 | 1 217 | - |
| Telephone | 8 000 | 8 000 | 7 941 | 59 |
| Generator Svc. Contract | 1,200 | 1 200 | - | 1 200 |
| Contract services | 5,500 | 10,998 | 10,998 | - |
| | <u>428,944</u> | <u>428,944</u> | <u>379,991</u> | <u>48,953</u> |
| TOTAL HEALTH AND WELFARE | <u>2,000,702</u> | <u>2,001,052</u> | <u>1,836,243</u> | <u>164,809</u> |

**CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2012**

| | Budgeted | | Actual | Variance |
|---------------------------------------|-----------------------|-----------------------|-----------------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| CULTURE AND RECREATION | | | | |
| County Library: | | | | |
| Salaries | 224 680 | 224 680 | 213 593 | 11 087 |
| Travel and dues | 2 425 | 2 425 | 2 459 | (34) |
| Supplies and operating | 36 000 | 40,772 | 40 772 | - |
| Gasoline and oil | 2 000 | 2 000 | 1 180 | 820 |
| Telephone | 3 320 | 3 320 | 1 119 | 2 201 |
| Copier & Supplies | 3 000 | 3,000 | 2 702 | 298 |
| Contract Serv/Custodial | 19 395 | 19 395 | 19,395 | - |
| Contract Serv/Youth Librarian | 45 363 | 45,363 | 45 363 | - |
| Contract Serv/IT Support | 3 000 | 550 | 550 | - |
| Materials | - | - | 60 000 | (60 000) |
| Building maintenance/air conditioning | 42 000 | 39,678 | 11 848 | 27 830 |
| Vehicle maintenance | 2,000 | 2,000 | 1,767 | 233 |
| | <u>383 183</u> | <u>383 183</u> | <u>400 748</u> | <u>(17 565)</u> |
| Historical Commission: | | | | |
| Salaries | 119 220 | 119 220 | 109 025 | 10 195 |
| Travel and dues | 3 000 | 3 000 | 2 896 | 104 |
| Supplies and operating | 19 000 | 18 100 | 16 251 | 1 849 |
| Telephone | 750 | 1 650 | 1 641 | 9 |
| Advertising | 3 000 | 3 000 | 368 | 2 632 |
| Contract Service - Custodial | 6 547 | 6 547 | 6 547 | - |
| Insurance appraisal | 1 700 | 1 700 | - | 1 700 |
| S C Arts Grant Match | 11,500 | 11,500 | 10,994 | 506 |
| | <u>164 717</u> | <u>164,717</u> | <u>147 722</u> | <u>16 995</u> |
| Santee Cooper Country | 500 | 500 | 500 | - |
| Recreation: | | | | |
| Recreation Commission | 20 000 | 20 000 | 11,008 | 8 992 |
| District 1 | 2,000 | 2 000 | 2 000 | - |
| District 2 | 2 000 | 2 000 | 525 | 1,475 |
| District 3 | 2 000 | 2 000 | - | 2 000 |
| District 4 | 2 000 | 2,000 | - | 2 000 |
| District 5 | 2 000 | 2 000 | 175 | 1 825 |
| Lights grounds maintenance | 12,000 | 12,000 | 1,410 | 10,590 |
| | <u>42,000</u> | <u>42,000</u> | <u>15,118</u> | <u>26,882</u> |
| TOTAL CULTURE AND RECREATION | <u>590,400</u> | <u>590,400</u> | <u>564,088</u> | <u>26,312</u> |

CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2012

| | Budgeted | | Actual | Variance |
|---|----------------|----------------|----------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| MISCELLANEOUS | | | | |
| Board of Registration: | | | | |
| Salaries | 90 400 | 89 550 | 83,821 | 5,729 |
| Travel and dues | 2 080 | 2,080 | 3 027 | (947) |
| Supplies and operating | 18 000 | 18 000 | 19,495 | (1 495) |
| Commission | - | - | 1 975 | (1,975) |
| Telephone | - | 850 | 831 | 19 |
| | <u>110,480</u> | <u>110,480</u> | <u>109 149</u> | <u>1 331</u> |
| Fort Motte Community Center Commission | 5,000 | 5 000 | - | 5 000 |
| Development Commission: | | | | |
| Salaries | 40 488 | 40,488 | 40,488 | - |
| Travel and dues | 1 000 | 1 000 | 2 940 | (1,940) |
| Supplies and operating | 750 | 750 | 504 | 246 |
| Telephone | - | 75 | 75 | - |
| Special events advertising, and options | 4 000 | 3 925 | 1 527 | 2 398 |
| Special projects | 15 000 | 15 000 | - | 15 000 |
| RDA funds disbursement | - | - | 62 570 | (62 570) |
| Central Alliance | 72,000 | 72,000 | 72,000 | - |
| | <u>133 238</u> | <u>133 238</u> | <u>180 104</u> | <u>(46,866)</u> |
| Contingent | | | | |
| Contingent | 100 000 | 100 000 | 13 420 | 86 580 |
| Fuel Contingent | 25,000 | 18,250 | - | 18,250 |
| | <u>125 000</u> | <u>118 250</u> | <u>13 420</u> | <u>104 830</u> |
| Building and Planning: | | | | |
| Salary | 69,013 | 69 013 | 51 066 | 17 947 |
| Board members | 1 500 | 1 500 | 1 435 | 65 |
| Salary Supplement | 2 472 | 2 472 | - | 2,472 |
| Travel Dues | 2 250 | 2 250 | 22 | 2 228 |
| Vehicle Expense | 1 250 | 1 250 | 404 | 846 |
| Supplies and operating | 3 500 | 3 500 | 1 521 | 1 979 |
| Gasoline and oil | 4,100 | 4 100 | 2,616 | 1,484 |
| Telephone | 1 500 | 1 500 | 2 111 | (611) |
| Legal Fees | - | - | - | - |
| | <u>85 585</u> | <u>85,585</u> | <u>59,175</u> | <u>26,410</u> |
| Other: | | | | |
| Nondepartmental/part-time | 30 000 | 30 000 | 3 145 | 26 855 |
| Donation expense | 75,000 | 75 000 | 47 350 | 27 650 |
| Tort liability insurance | 144,455 | 144,455 | 142 450 | 2,005 |
| Auto insurance | - | - | 1,829 | (1,829) |
| Auditing county records | 33 000 | 33 000 | 27,350 | 5 650 |
| Bond premium | 3 000 | 3 000 | 1 746 | 1,254 |
| Bank charges | 1,000 | 1,000 | 145 | 855 |
| | <u>286,455</u> | <u>286,455</u> | <u>224,015</u> | <u>62,440</u> |
| TOTAL MISCELLANEOUS | <u>745,758</u> | <u>739,008</u> | <u>585,863</u> | <u>153,145</u> |

CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2012

| | Budgeted | | Actual | Variance |
|---|----------------------|----------------------|---------------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| EMPLOYEE FRINGE BENEFITS | | | | |
| HRA account | 130,000 | 130,000 | 128,592 | 1,408 |
| Unemployment | 10,000 | 10,000 | 2,593 | 7,407 |
| Social Security | 355,000 | 355,000 | 312,596 | 42,404 |
| Retirement | 360,000 | 360,000 | 301,964 | 58,036 |
| Police retirement/cnty | 115,000 | 115,000 | 118,750 | (3,750) |
| Health and life insurance | 850,000 | 850,000 | 702,911 | 147,089 |
| Worker's compensation insurance | 187,500 | 187,500 | 152,094 | 35,406 |
| Retirees/health insurance | 75,000 | 75,000 | 52,001 | 22,999 |
| TOTAL EMPLOYEE FRINGE BENEFITS | <u>2,082,500</u> | <u>2,082,500</u> | <u>1,771,501</u> | <u>310,999</u> |
| AGENCIES | | | | |
| Mental Health | 9,000 | 9,000 | 9,000 | - |
| Indigent Hospitalization | 51,946 | 51,946 | 51,946 | - |
| Vocational Rehabilitation | 3,000 | 3,000 | 3,000 | - |
| OCAB Community Action | 7,500 | 7,500 | 7,500 | - |
| Fire Commission | 44,000 | 44,000 | 43,848 | 152 |
| Boys Clubs of America | 5,000 | 5,000 | 5,000 | - |
| Extension Leader and 4H Club Work | 4,000 | 4,000 | 4,000 | - |
| Family Health Center | 4,250 | 4,250 | 4,250 | - |
| Red Cross | 1,500 | 1,500 | 1,500 | - |
| Tri County CASA | 2,000 | 2,000 | 2,000 | - |
| TOTAL AGENCIES | <u>132,196</u> | <u>132,196</u> | <u>132,044</u> | <u>152</u> |
| TOTAL EXPENDITURES | <u>\$ 11,123,164</u> | <u>\$ 11,123,164</u> | <u>\$ 9,967,255</u> | <u>\$ 1,155,909</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Net Proceeds from Sale of Property | \$ - | \$ - | \$ 20,647 | \$ 20,647 |
| Transfers from Special Revenue Funds | 600,000 | 600,000 | 685,215 | 85,215 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>\$ 600,000</u> | <u>\$ 600,000</u> | <u>\$ 705,862</u> | <u>\$ 105,862</u> |

CALHOUN COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF FIDUCIARY NET ASSETS
JUNE 30, 2012

| | Clerk of Court | Magistrate St. Matthews | Magistrate Sandy Run | Magistrate Cameron | School District | Master in Equity | Delinquent Tax | Total |
|--|----------------|-------------------------|----------------------|--------------------|------------------|------------------|----------------|------------------|
| ASSETS | | | | | | | | |
| Cash | \$ 48,955 | \$ 18,603 | \$ 9,315 | \$ 4,049 | \$ 3,710,105 | \$ 21,998 | \$ 256,984 | \$ 4,070,009 |
| Delinquent property taxes | - | - | - | - | 644,128 | - | - | 644,128 |
| Due from Bank | - | - | - | - | - | 14 | - | 14 |
| Due from Others | 465 | - | - | - | - | - | - | 465 |
| TOTAL ASSETS | 49,420 | 18,603 | 9,315 | 4,049 | 4,354,233 | 22,012 | 256,984 | 4,714,616 |
| LIABILITIES | | | | | | | | |
| Deferred revenue: | | | | | | | | |
| Delinquent property tax | - | - | - | - | 644,128 | - | - | 644,128 |
| Due to Trust Fund holders | 49,420 | - | - | - | 3,710,105 | 22,012 | 256,984 | 4,038,521 |
| Due to Treasurer | - | 13,085 | 8,700 | 1,510 | - | - | - | 23,295 |
| Outstanding Bonds | - | 5,677 | 81 | 285 | - | - | - | 6,043 |
| Held for jurors | - | - | - | 410 | - | - | - | 410 |
| Due to Treasurer - cash overage (shortage) - Note 10 | - | (159) | 534 | 1,844 | - | - | - | 2,219 |
| Total Liabilities | 49,420 | 18,603 | 9,315 | 4,049 | 4,354,233 | 22,012 | 256,984 | 4,714,616 |
| NET ASSETS | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

CALHOUN COUNTY, SOUTH CAROLINA
 FIDUCIARY FUNDS
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 JUNE 30, 2012

| | Balance July 1, 2011 | Additions | Deductions | Balance June 30, 2012 |
|---|----------------------------|-------------------|-------------------|-----------------------------|
| CLERK OF COURT | | | | |
| Assets | | | | |
| Cash | \$ 49,905 | \$ - | \$ 950 | \$ 48,955 |
| Due from General Fund | 465 | - | - | 465 |
| Total Assets | <u>\$ 50,370</u> | <u>\$ -</u> | <u>\$ 950</u> | <u>\$ 49,420</u> |
| Liabilities | | | | |
| Due to Trust Fund Holders | \$ 50,370 | \$ - | \$ 950 | \$ 49,420 |
| Total Liabilities | <u>\$ 50,370</u> | <u>\$ -</u> | <u>\$ 950</u> | <u>\$ 49,420</u> |
| ST. MATTHEWS MAGISTRATE FUND | | | | |
| Assets | | | | |
| Cash | \$ 32,985 | \$ 213,365 | \$ 227,747 | \$ 18,603 |
| Total Assets | <u>\$ 32,985</u> | <u>\$ 213,365</u> | <u>\$ 227,747</u> | <u>\$ 18,603</u> |
| Liabilities | | | | |
| Due to Treasurer | \$ 22,394 | \$ - | \$ 9,309 | \$ 13,085 |
| Outstanding Bonds | 5,874 | - | 197 | 5,677 |
| Due to Treasurer - Cash overage (shortage) - Note 10 | 4,717 | - | 4,876 | (159) |
| Total Liabilities | <u>\$ 32,985</u> | <u>\$ -</u> | <u>\$ 14,382</u> | <u>\$ 18,603</u> |
| SANDY RUN MAGISTRATE FUND | | | | |
| Assets | | | | |
| Cash | \$ 4,918 | \$ 62,206 | \$ 57,809 | \$ 9,315 |
| Total Assets | <u>\$ 4,918</u> | <u>\$ 62,206</u> | <u>\$ 57,809</u> | <u>\$ 9,315</u> |
| Liabilities | | | | |
| Due to Treasurer | \$ 3,591 | \$ 5,109 | \$ - | \$ 8,700 |
| Outstanding Bonds | 854 | - | 773 | 81 |
| Due to Treasurer - Cash overage (shortage) - Note 10 | 473 | 61 | - | 534 |
| Total Liabilities | <u>\$ 4,918</u> | <u>\$ 5,170</u> | <u>\$ 773</u> | <u>\$ 9,315</u> |

**CALHOUN COUNTY, SOUTH CAROLINA
FIDUCIARY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
JUNE 30, 2012**

| | Balance July 1, 2011 | Additions | Deductions | Balance June 30, 2012 |
|---|----------------------------|-------------------|-------------------|-----------------------------|
| CAMERON MAGISTRATE FUND | | | | |
| Assets | | | | |
| Cash | \$ 5,689 | \$ 29,630 | \$ 31,270 | \$ 4,049 |
| Total Assets | <u>\$ 5,689</u> | <u>\$ 29,630</u> | <u>\$ 31,270</u> | <u>\$ 4,049</u> |
| Liabilities | | | | |
| Due to Treasurer | \$ 3,750 | \$ - | \$ 2,240 | \$ 1,510 |
| Outstanding bonds | 234 | 51 | - | 285 |
| Held for jurors | - | 410 | - | 410 |
| Due to Treasurer - Cash overage (shortage) - Note 10 | 1,705 | 139 | - | 1,844 |
| Total Liabilities | <u>\$ 5,689</u> | <u>\$ 600</u> | <u>\$ 2,240</u> | <u>\$ 4,049</u> |
| DELINQUENT TAX FUND | | | | |
| Assets | | | | |
| Cash | \$ 180,570 | \$ 543,105 | \$ 466,691 | \$ 256,984 |
| Total Assets | <u>\$ 180,570</u> | <u>\$ 543,105</u> | <u>\$ 466,691</u> | <u>\$ 256,984</u> |
| Liabilities | | | | |
| Due to Trust Fund Holders | \$ 180,570 | \$ 76,414 | \$ - | \$ 256,984 |
| Total Liabilities | <u>\$ 180,570</u> | <u>\$ 76,414</u> | <u>\$ -</u> | <u>\$ 256,984</u> |
| CALHOUN COUNTY SCHOOL DISTRICT FUND | | | | |
| Assets | | | | |
| Cash | \$ 2,874,944 | \$ 835,161 | \$ - | \$ 3,710,105 |
| Delinquent property taxes | 561,542 | 82,586 | - | 644,128 |
| Taxes receivable | - | - | - | - |
| Total Assets | <u>\$ 3,436,486</u> | <u>\$ 917,747</u> | <u>\$ -</u> | <u>\$ 4,354,233</u> |
| Liabilities | | | | |
| Deferred revenue: | | | | |
| Delinquent property taxes | \$ 561,542 | \$ 82,586 | \$ - | \$ 644,128 |
| Due to Calhoun County School District | 2,874,944 | 835,161 | - | 3,710,105 |
| Total Liabilities | <u>\$ 3,436,486</u> | <u>\$ 917,747</u> | <u>\$ -</u> | <u>\$ 4,354,233</u> |

**CALHOUN COUNTY, SOUTH CAROLINA
FIDUCIARY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
JUNE 30, 2012**

| | Balance July 1, 2011 | Additions | Deductions | Balance June 30, 2012 |
|---|----------------------------|---------------------|-------------------|-----------------------------|
| MASTER IN EQUITY | | | | |
| Assets | | | | |
| Cash | \$ 22,698 | \$ 57,587 | \$ 58,287 | \$ 21,998 |
| Due from others | 14 | - | - | 14 |
| Total Assets | <u>\$ 22,712</u> | <u>\$ 57,587</u> | <u>\$ 58,287</u> | <u>\$ 22,012</u> |
| Liabilities | | | | |
| Due to Trust Fund Holders | \$ 22,712 | \$ 57,587 | \$ 58,287 | \$ 22,012 |
| Total Liabilities | <u>\$ 22,712</u> | <u>\$ 57,587</u> | <u>\$ 58,287</u> | <u>\$ 22,012</u> |
| TOTAL AGENCY FUNDS | | | | |
| Assets | | | | |
| Cash | \$ 3,171,709 | \$ 1,741,054 | \$ 842,754 | \$ 4,070,009 |
| Delinquent property taxes | 561,542 | 82,586 | - | 644,128 |
| Taxes receivable | - | - | - | - |
| Due from others | 14 | - | - | 14 |
| Due from General Fund | 465 | - | - | 465 |
| Total Assets | <u>\$ 3,733,730</u> | <u>\$ 1,823,640</u> | <u>\$ 842,754</u> | <u>\$ 4,714,616</u> |
| Liabilities | | | | |
| Due to Treasurer | \$ 29,735 | \$ 5,109 | \$ 11,549 | \$ 23,295 |
| Outstanding Bonds | 6,962 | 51 | 970 | 6,043 |
| Due to Treasurer - Cash overage (shortage) - Note 10 | 6,895 | 200 | 4,876 | 2,219 |
| Held for jurors | - | 410 | - | 410 |
| Due to Trust Fund holders | 3,128,596 | 969,162 | 59,237 | 4,038,521 |
| Deferred revenue: Delinquent property taxes | 561,542 | 82,586 | - | 644,128 |
| Total Liabilities | <u>\$ 3,733,730</u> | <u>\$ 1,057,518</u> | <u>\$ 76,632</u> | <u>\$ 4,714,616</u> |

CALHOUN COUNTY
SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES
SPECIAL REVENUE FUND - VICTIMS RIGHTS FUND
FOR THE YEAR ENDED JUNE 30, 2012

| | Clerk of Court | Magistrates | Total |
|--|-------------------|------------------|-------------------|
| County Fines | | | |
| Court fines collected | \$ 119,317 | \$ 6,582 | \$ 125,899 |
| Court fines retained by County | <u>51,596</u> | <u>-</u> | <u>51,596</u> |
| Court fines remitted to the State Treasurer | <u>\$ 67,721</u> | <u>\$ 6,582</u> | <u>\$ 74,303</u> |
| Court Assessments | | | |
| Court assessment collected | \$ 19,840 | \$ 101,933 | \$ 121,773 |
| Court assessment retained by County | <u>7,391</u> | <u>11,222</u> | <u>18,613</u> |
| Court assessment remitted to the State Treasurer | <u>\$ 12,449</u> | <u>\$ 90,711</u> | <u>\$ 103,160</u> |
| Court Surcharges | | | |
| Court surcharges collected | \$ 5,579 | \$ 54,185 | \$ 59,764 |
| Court surcharges retained by County | <u>3,683</u> | <u>9,063</u> | <u>12,746</u> |
| Court surcharges remitted to State Treasurer | <u>\$ 1,896</u> | <u>\$ 45,122</u> | <u>\$ 47,018</u> |
| Victims Services | | | |
| Court assessments allocated to Victim Services | \$ 7,391 | \$ 11,222 | \$ 18,613 |
| Court surcharges allocated to Victim Services | <u>3,683</u> | <u>9,063</u> | <u>12,746</u> |
| Funds available for carryforward | <u>\$ 11,074</u> | <u>\$ 20,285</u> | <u>\$ 31,359</u> |
| Victims Assistance | | | |
| Beginning Balance - July 1, 2011 | | \$ 60,898 | |
| Funds available for carryforward | | 31,359 | |
| Victims Services expenditures | | <u>(27,803)</u> | |
| Ending Balance - June 30, 2012 | | <u>\$ 64,454</u> | |

CALHOUN COUNTY, SOUTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2012

| | |
|---|----------------------------|
| Real and Other Personal Property Assessed Value | \$ 54,733,123 |
| Less: Exempt Property Assessed Value | <u>1,594,980</u> |
| Net Real Other Personal Property Assessed Value | 53,138,143 |
| Vehicles Assessed Value | <u>6,660,400</u> |
| Total Taxable Assessed Value | <u>59,798,543</u> |
| Debt Limit - Eight Percent (8%) of Total Taxable Assessed Value | 4,783,883 |
| Amount of Debt Applicable to Debt Limit: Total Bonded Debt - Note 11 | <u>188,257</u> |
| LEGAL DEBT MARGIN | <u><u>\$ 4,595,626</u></u> |

CALHOUN COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF MISCELLANEOUS REVENUE
YEAR ENDED JUNE 30, 2012

| | |
|-----------------------------------|-----------------------------|
| Discounts earned | \$ 2,262 |
| Computer service reimbursement | 10,433 |
| Franchise fees | 6,439 |
| Health Department | 2,585 |
| Library - fax, fines, and postage | 7,088 |
| Miscellaneous | 10,005 |
| Landfill fees | 5,936 |
| Animal control fees | 873 |
| Sale of recycle goods | 26,428 |
| Equipment, supplies, and Fax | <u>9,947</u> |
| TOTAL MISCELLANEOUS REVENUE | <u><u>\$ 81,996</u></u> |

**CALHOUN COUNTY, SOUTH CAROLINA
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
JUNE 30, 2012**

| Tax Year | Delinquent Taxes |
|---|-----------------------------|
| 2002 | \$ 64,588 |
| 2003 | 50,447 |
| 2004 | 41,692 |
| 2005 | 48,311 |
| 2006 | 69,300 |
| 2007 | 49,520 |
| 2008 | 87,377 |
| 2009 | 91,880 |
| 2010 | 86,902 |
| 2011 | 545,291 |
| Rollbacks | 6,176 |
| | <hr/> |
| DELINQUENT TAXES RECEIVABLE, JUNE 30, 2012 | \$ 1,141,484 |
| | <hr/> |
| Delinquent taxes, June 30, 2011 | \$ 1,001,002 |
| Add executions, March 15, 2012 | 824,369 |
| Supplementals | 50,588 |
| Less: | |
| Collections | 669,764 |
| Errors | 57,288 |
| Nulla Bonaes | 7,423 |
| | <hr/> |
| DELINQUENT TAXES RECEIVABLE, JUNE 30, 2012 | \$ 1,141,484 |
| | <hr/> |
| Distribution | |
| General Fund | \$ 420,131 |
| Special Assessment Fund | 32,000 |
| Calhoun County School District | 644,128 |
| Capital Projects | 13,704 |
| Debt Service | 31,521 |
| | <hr/> |
| TOTAL | \$ 1,141,484 |
| | <hr/> |

McGregor & COMPANY_{LLP}

CERTIFIED PUBLIC ACCOUNTANTS | SINCE 1930

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

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January 10, 2013

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*

Calhoun County Council
Calhoun County
St. Matthews, South Carolina

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Calhoun County, South Carolina, as of and for the year ended June 30, 2012, which collectively comprise Calhoun County's basic financial statements and have issued our report thereon dated January 10, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Calhoun County, South Carolina is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Calhoun County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Calhoun County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Calhoun County's internal control over financial reporting.

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

**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***
(continued)

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness (2012-1).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Calhoun County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Calhoun County, in a separate letter dated January 10, 2013.

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

This report is intended solely for the information and use of the County Council, management, 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.

McBryer & Co. LLP

CALHOUN COUNTY
ST. MATTHEWS, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012

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

2012-1 Material Audit Adjustments

Condition: During our audit, we noted corrections that needed to be made to the books in order for the resulting financial statements to be presented in accordance with generally accepted accounting principles.

Criteria: The identification by the auditor of a material misstatement to be corrected through one or more proposed journal entries is indicative of a material weakness in internal control.

Cause: The entries were the result of either oversight on the part of finance staff or inability to determine how to make the necessary corrections.

Effect: Without the proposed entries being made, the financial statements would have been materially misstated as of and for the year ended June 30, 2012.

Recommendation: An attempt should be made by finance staff to reconcile liability accounts and transactions.

County response: This has been addressed with the finance staff and efforts will be made in the future to ensure that all material adjustments are made.

**CALHOUN COUNTY
ST. MATTHEWS, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

A. Findings and Questioned Costs – Financial Statement Audit

Material Weaknesses

2011-1 Preparation of Financial Statements

Criteria and Condition: Preparation of financial statements would aid in detecting material misstatements. In order for these controls to be effective, County personnel need to receive adequate training to allow them to prepare the County's financial statements in accordance with GAAP.

Current status: Not sustained in 2011-12.

Material Weaknesses

2011-2 Material Audit Adjustments

Criteria and Condition: The identification by the auditor of a material misstatement to be corrected through one or more proposed journal entries is indicative of a material weakness in internal control. During our audit, we noted corrections that needed to be made to the books in order for the resulting financial statements to be presented in accordance with generally accepted accounting principles.

Current status: See Finding 2012-1.

Material Weaknesses

2011-3 Cash deposits

Criteria and Condition: The identification by the auditor of uninsured and uncollateralized cash deposits is indicative of an operating control deficiency. The cash deposits were uninsured and uncollateralized by \$515,382.

Current status: Not sustained in 2011-12.