

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

**ANNUAL REPORT**

**YEAR ENDED JUNE 30, 2013**

CALHOUN COUNTY  
ST. MATTHEWS, SOUTH CAROLINA

ANNUAL REPORT

YEAR ENDED JUNE 30, 2013

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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 from material misstatement.

## INDEPENDENT AUDITOR'S REPORT

(continued)

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***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 the County, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

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 retirees health plan information on pages 4 – 13 and 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**INDEPENDENT AUDITOR'S REPORT**

(continued)

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Calhoun County, South Carolina's basic financial statements. The combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2013, on our consideration of Calhoun County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Calhoun County, South Carolina's internal control over financial reporting and compliance.

*McHugh & Co. LLP*

Orangeburg, South Carolina  
December 23, 2013

**CALHOUN COUNTY  
ST. MATTHEWS, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2013**

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, 2013. 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, are not included in the financial statements due to their 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, 2013 by \$37,412,020 (net assets). Of this amount, \$10,061,856 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased \$612,123 over the previous year with an increase of \$682,499 resulting from governmental activities.
- At June 30, 2013, the County's governmental fund balance sheet reported a combined ending fund balance of \$13,695,698, an increase of \$169,396 from the previous fiscal year. Of this amount, \$7,765,445 remains in the various funds of the County as unassigned.
- The General Fund reported a fund balance of \$8,435,637, a decrease from last fiscal year of \$255,615. Calhoun County had budgeted \$1,293,653 as carry over funds from its fund balance to cover the anticipated shortfall of revenue. The unassigned fund balance of \$7,765,445 equates to 74% 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  
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2013**

**Government-wide financial statements:** The government-wide financial statements are provided as part of the 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 position changed during the most recent fiscal year. All changes in net position 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 14 and 15 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.

**CALHOUN COUNTY  
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2013**

Calhoun County maintains 17 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 16 through 20 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 26 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 27 through 55 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 57 through 62 of this report.

**CALHOUN COUNTY  
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2013**

**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 position may serve over time as a useful indicator of a government's financial position. In the case of Calhoun County, assets exceeded liabilities by \$37,412,020 at the close of the most recent fiscal year. The County's increase in net position for this fiscal year amounts to \$612,123.

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 position (10%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$10,061,856) may be used to meet the government's ongoing obligations to citizens and creditors.

**Calhoun County's Net Position**

	(Dollars in Thousands)	
	2013	2012 Restated
Current and other assets	\$ 15,793	\$ 15,354
Capital assets	<u>27,930</u>	<u>26,183</u>
Total assets	<u>43,723</u>	<u>41,537</u>
Long-term liabilities outstanding	5,663	3,798
Other liabilities	<u>648</u>	<u>939</u>
Total liabilities	<u>6,311</u>	<u>4,737</u>
Net Assets		
Invested in capital assets, net of related debt	23,487	23,187
Restricted	3,863	3,584
Unrestricted	<u>10,062</u>	<u>10,029</u>
Total net position	<u>\$ 37,412</u>	<u>\$ 36,800</u>

**CALHOUN COUNTY  
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2013**

At the end of the current fiscal year, Calhoun County is able to report positive balances in all three categories of net position 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 Position**

	(Dollars in Thousands)	
	2013	2012
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 1,827	\$ 1,753
Operating grants	668	945
Capital grants and contributions	755	360
General revenue:		
Taxes:		
Property taxes, levied for general purposes	9,186	9,121
Property taxes, levied for debt services	258	395
State shared revenue	712	619
Sales tax	838	799
Interest	14	20
Other	94	44
Gain on the sale of capital assets	8	-
Total revenues	<u>14,360</u>	<u>14,056</u>
<b>Expenses:</b>		
General government	3,169	2,911
Finance and Taxation	765	766
Public safety	2,646	2,343
Physical environment	1,879	1,729
Water system	663	746
Health and welfare	2,496	2,535
Cultural and recreational	762	681
Court related	673	640
Agencies	576	561
Interest	119	8
Total expenses	<u>13,748</u>	<u>12,920</u>
Increase in net position	<u>612</u>	<u>1,136</u>
Net position, beginning of year	<u>36,800</u>	<u>37,157</u>
Prior period adjustment	<u>-</u>	<u>(357)</u>
Net position, end of year	<u>\$ 37,412</u>	<u>\$ 36,800</u>

**CALHOUN COUNTY  
ST. MATTHEWS, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2013**

**Governmental Activities:** Revenues for the County's governmental activities were \$13,682,915 for fiscal year 2013. Taxes constitute the largest source of County revenues, amounting to approximately \$10,282,347 for the fiscal year 2013. Real, personal property, and vehicle taxes of \$9,444,509 represent over 92% of total taxes and 69% 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, 2013, Calhoun County governmental funds reported combined fund balances of \$13,695,698, an increase of \$169,396 over the prior year balances.

The General Fund is the chief operating fund of the County. At June 30, 2013, total fund balance in the General Fund was \$8,435,637, of which \$7,765,445 was unassigned and \$670,192 was non-spendable, restricted or assigned. As a measure of the General Fund's liquidity, the total and unassigned fund balances compared to total fund expenditures shows percentages of 80% and 74%, respectively. The fund balance of the General Fund decreased by \$255,615 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 \$425,011 from the prior year.

**Proprietary funds:** The water/wastewater operations had an operating loss of \$15,781. The Municipal Water Department had an operating income of \$11,837 for a total net operating loss for both the water/wastewater operations and the Municipal Water Department of \$3,944.

**General Fund Budgetary Highlights**

Budget to actual statement is provided for the General Fund on page 20. The expenditures incurred during the year were within budget limitations.

**CALHOUN COUNTY  
ST. MATTHEWS, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2013**

**Capital asset and Debt Administration**

**Capital assets:** Calhoun County's investment in capital assets for its governmental activities as of June 30, 2013 amounts to \$21,442,732 (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)**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Land	\$ 1,478,636	\$ 4,500
Construction in progress	150,365	38,290
Land improvements	738,226	-
Buildings and improvements	11,198,252	44,755
Machinery and equipment	3,991,661	-
Vehicles	2,762,071	59,938
Infrastructure	6,831,039	-
Museum collection	3,127,547	-
Water and wastewater system	<u>-</u>	<u>8,529,057</u>
 Total capital assets	 30,277,797	 8,676,540
 Less accumulated depreciation	 <u>(8,835,065)</u>	 <u>(2,189,536)</u>
 Total capital assets, net	 <u>\$ 21,442,732</u>	 <u>\$ 6,487,004</u>

Additional information on the County's capital assets can be found in Note 7 on pages 41 through 43 of this report.

**Long-term debt:** At the end of the current fiscal year, Calhoun County had a total bonded debt outstanding of \$1,753,913.

**Calhoun County's Outstanding Debt**

	<b>2013</b>
<b>(Governmental Activities)</b>	
General Obligation Bonds	<u>\$ -</u>
<b>(Business-Type Activities)</b>	
Revenue Bonds	<u>\$1,753,913</u>

**CALHOUN COUNTY  
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2013**

**Note issued**

Additional information on Calhoun County's long-term debt can be found in Note 11 on pages 48 through 50 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 the local government fund revenue for fiscal year 2014.

Building permits have slight increased in 2013, which will result in a slight increase in revenue from permit fees. Additionally, Calhoun County is expecting a slight increase in projected sales tax revenue. The County has a strong fund balance and expects to cover any shortfall in the 2013-2014 fiscal year with reserves.

The South Carolina Department of Transportation is expected to begin construction on the widening of Interstate 26, particularly at the section which encompasses the rest areas situated in Calhoun County. These rest areas are expected to close while construction is in progress, for an estimated two years. This closure will decrease Calhoun County's revenue in its proprietary funds by approximately \$160,000 for the next two fiscal years.

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."

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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 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.

Calhoun County has expanded its water system into the lower part of the County in the Stumphole Landing and Poplar Creek Areas. Phase I of the project has been completed, and Phase 2 and 3 are expected to be completed by Spring, 2014. The funding comes from a \$2,713,000 USDA ARRA loan and \$1,611,500 USDA Rural Development grant. The County water system will purchase water wholesale from Lake Marion Regional Water Agency.

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 2013-2014 fiscal year and were considered in preparing the 2013-2014 budget. The County has a sufficient fund balance to cover expenses until tax revenue is collected.



**CALHOUN COUNTY  
ST. MATTHEWS, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2013**

**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 POSITION**  
**JUNE 30, 2013**

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
<b>ASSETS</b>			
Current assets:			
Cash and investments - Note 3	\$ 13,106,822	\$ 615,104	\$ 13,721,926
Receivables:			
Delinquent taxes	477,142	-	477,142
Other	820,363	10,993	831,356
Due from fiduciary funds - Note 4	28,238	-	28,238
Internal balances	(11,780)	11,780	-
Current portion - notes receivable - Note 6	21,515	-	21,515
Grant receivable	121,773	-	121,773
Total current assets	<u>14,564,073</u>	<u>637,877</u>	<u>15,201,950</u>
Restricted cash:			
Restricted cash - Note 3	-	529,369	529,369
Total restricted cash	<u>-</u>	<u>529,369</u>	<u>529,369</u>
Non-current assets:			
Non-depreciable capital assets - Note 7	4,756,548	42,790	4,799,338
Depreciable capital assets-net - Note 7	16,686,184	6,444,214	23,130,398
Notes receivable - Note 6	61,990	-	61,990
Total non-current assets	<u>21,504,722</u>	<u>6,487,004</u>	<u>27,991,726</u>
Total assets	<u>36,068,795</u>	<u>7,654,250</u>	<u>43,723,045</u>
<b>LIABILITIES</b>			
Current liabilities (payable from current assets):			
Accounts payable	418,315	49,871	468,186
Other liabilities	34,908	-	34,908
Accrued interest payable	-	21,117	21,117
Accrued compensated absences - Note 11	32,707	-	32,707
Closures and maintenance costs payable - Note 11	9,084	-	9,084
Total current liabilities	<u>495,014</u>	<u>70,988</u>	<u>566,002</u>
Liabilities (payable from restricted assets):			
Customer deposits	-	58,071	58,071
Current portion of revenue bonds payable	-	24,131	24,131
Total liabilities (payable from restricted assets):	<u>-</u>	<u>82,202</u>	<u>82,202</u>
Non-current liabilities:			
Accrued compensated absences - Note 11	268,259	-	268,259
Closures and maintenance costs payable - Note 11	343,766	-	343,766
Bond anticipation note - Note 11	-	2,713,000	2,713,000
Bond payable - Note 11	-	1,729,782	1,729,782
OPEB liability - Note 9	608,014	-	608,014
Total long-term liabilities	<u>1,220,039</u>	<u>4,442,782</u>	<u>5,662,821</u>
Total liabilities	<u>1,715,053</u>	<u>4,595,972</u>	<u>6,311,025</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	21,442,732	2,044,222	23,486,954
Restricted for:			
Capital projects	2,873,594	43,671	2,917,265
Debt service	260,766	45,248	306,014
Victim's fund	54,322	-	54,322
Local option sale tax reserve	585,609	-	585,609
Unrestricted	9,136,719	925,137	10,061,856
Total net position	<u>\$ 34,353,742</u>	<u>\$ 3,058,278</u>	<u>\$ 37,412,020</u>

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013**

Functions/Programs Primary Government:	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	
Governmental activities:							
General government	\$ 3,169,085	\$ 34,200	\$ 13,098	\$ 124,356	\$ (2,997,431)	\$ -	\$ (2,997,431)
Finance and taxation	764,659	61,809	-	-	(702,850)	-	(702,850)
Public safety	2,645,762	19,105	41,820	32,815	(2,552,022)	-	(2,552,022)
Physical environment	1,878,711	78,194	-	551,212	(1,249,305)	-	(1,249,305)
Health and welfare	2,496,241	713,868	383,264	18,427	(1,380,682)	-	(1,380,682)
Culture/Recreation	761,563	6,462	126,676	4,926	(623,499)	-	(623,499)
Court related	672,841	254,675	102,838	-	(315,328)	-	(315,328)
Agencies	576,343	-	-	-	(576,343)	-	(576,343)
Interest	12,746	-	-	-	(12,746)	-	(12,746)
Total governmental activities	\$ 12,977,951	\$ 1,168,313	\$ 667,696	\$ 731,736	\$ (10,410,206)	\$ -	\$ (10,410,206)
<b>Business-type Activities:</b>							
Water/wastewater plant	\$ 103,168	\$ 87,387	\$ -	\$ -	\$ -	\$ (15,781)	\$ (15,781)
Municipal water system	559,928	571,765	-	22,990	-	34,827	34,827
Interest	107,330	-	-	-	-	(107,330)	(107,330)
Total business-type activities	\$ 770,426	\$ 659,152	\$ -	\$ 22,990	\$ -	\$ (88,284)	\$ (88,284)
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					\$ 9,186,120	\$ -	\$ 9,186,120
Property taxes, levied for debt services					258,389	-	258,389
Sales tax					837,838	-	837,838
Franchise fees					5,722	-	5,722
State shared revenues					712,453	-	712,453
Interest earnings					12,869	819	13,688
Miscellaneous					88,717	-	88,717
Gain on sale of capital assets					7,686	-	7,686
Transfers					(17,089)	17,089	-
Total general revenues and transfers					11,092,705	17,908	11,110,613
Change in net position					682,499	(70,376)	612,123
Net position - beginning - as restated - Note 17					33,671,243	3,128,654	36,799,897
Net position - ending					\$ 34,353,742	\$ 3,058,278	\$ 37,412,020

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013**

	GENERAL	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash and investments	\$ 8,065,483	\$ 2,917,172	\$ 2,124,167	\$ 13,106,822
Accounts receivable				
Property taxes	418,633	11,994	46,515	477,142
Other	456,264	-	364,099	820,363
Due from other funds	200,000	-	48,014	248,014
Due from fiduciary funds	28,238	-	-	28,238
Notes receivable	83,505	-	-	83,505
Grant receivable	289	-	121,484	121,773
Total assets	<u>\$ 9,252,412</u>	<u>\$ 2,929,166</u>	<u>\$ 2,704,279</u>	<u>\$ 14,885,857</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 306,656	\$ 43,054	\$ 68,605	\$ 418,315
Due to other funds	59,270	524	200,000	259,794
Deferred revenue	418,633	11,994	46,515	477,142
Payroll taxes and withholdings	30,124	-	-	30,124
Other liabilities	2,092	-	2,692	4,784
Total liabilities	<u>816,775</u>	<u>55,572</u>	<u>317,812</u>	<u>1,190,159</u>
Fund balances:				
Nonspendable	61,990	-	-	61,990
Restricted	510,851	-	2,339,866	2,850,717
Assigned	97,351	2,873,594	46,601	3,017,546
Unassigned	7,765,445	-	-	7,765,445
Total fund balances	<u>8,435,637</u>	<u>2,873,594</u>	<u>2,386,467</u>	<u>13,695,698</u>
Total Liabilities and Fund balances	<u>\$ 9,252,412</u>	<u>\$ 2,929,166</u>	<u>\$ 2,704,279</u>	<u>\$ 14,885,857</u>

**CALHOUN COUNTY, SOUTH CAROLINA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

Total fund balance - total governmental funds	\$ 13,695,698
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>	
<p>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.</p>	477,142
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>	21,442,732
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:</p>	
Due within a year	(41,791)
Due in more than one year	(1,220,039)
	(1,261,830)
Total net position - total governmental activities	\$ 34,353,742

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, 2013**

	GENERAL	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL
<b>REVENUES</b>				
Taxes	\$ 7,496,129	\$ 1,369,107	\$ 599,487	\$ 9,464,723
Rent	34,200	-	-	34,200
Intergovernmental	840,409	-	814,209	1,654,618
Charges for services	823,488	-	-	823,488
Fines and forfeitures	86,256	-	-	86,256
Local sources	211,814	-	1,300,855	1,512,669
Interest	11,837	-	1,032	12,869
Miscellaneous	101,244	-	-	101,244
Total revenues	<u>9,605,377</u>	<u>1,369,107</u>	<u>2,715,583</u>	<u>13,690,067</u>
<b>EXPENDITURES</b>				
Current:				
Administration	495,675	412	4,171	500,258
Public works	854,540	2,923	47,436	904,899
Public buildings	490,087	60,926	-	551,013
Finance and taxation	735,042	5,254	-	740,296
Judicial	652,560	328	-	652,888
Public safety	2,091,868	5,931	305,142	2,402,941
Health and welfare	1,856,611	10,522	491,432	2,358,565
Culture and recreation	582,339	-	74,420	656,759
Miscellaneous	594,604	-	-	594,604
Employee fringe benefits	2,041,987	-	-	2,041,987
Agencies	138,801	-	437,542	576,343
Debt service:				
Principal	-	-	508,257	508,257
Interest and fiscal charges	-	-	12,746	12,746
Capital outlay	3,099	494,109	835,390	1,332,598
Total expenditures	<u>10,537,213</u>	<u>580,405</u>	<u>2,716,536</u>	<u>13,834,154</u>
Excess revenues over (under) expenditures before other financial sources (uses)	<u>(931,836)</u>	<u>788,702</u>	<u>(953)</u>	<u>(144,087)</u>
Other financing sources (uses)				
Sale of capital assets	10,572	-	-	10,572
Bond proceeds	-	-	320,000	320,000
Transfers in (out)	665,649	(17,089)	(665,649)	(17,089)
Total other financing sources (uses)	<u>676,221</u>	<u>(17,089)</u>	<u>(345,649)</u>	<u>313,483</u>
Net changes in fund balances	(255,615)	771,613	(346,602)	169,396
Fund balances at beginning of year, as restated - Note 17	<u>8,691,252</u>	<u>2,101,981</u>	<u>2,733,069</u>	<u>13,526,302</u>
Fund balances at end of year	<u>\$ 8,435,637</u>	<u>\$ 2,873,594</u>	<u>\$ 2,386,467</u>	<u>\$ 13,695,698</u>

**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, 2013**

Net changes in fund balances - total governmental funds		\$ 169,396
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	1,332,598	
Less current year depreciation	<u>(833,262)</u>	499,336
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.	(2,887)	(2,887)
Bond 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 proceeds	(320,000)	
Bond principal payment	<u>508,257</u>	188,257
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	(152,443)	
Change in compensated absences	(8,030)	
Change in closure and maintenance costs payable	<u>9,084</u>	(151,389)
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>(20,214)</u>
Change in net position of governmental activities		<u>\$ 682,499</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, 2013

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Property taxes:			
Current	\$ 5,200,000	\$ 5,293,720	\$ 93,720
Delinquent	250,000	337,812	87,812
Fee in lieu of taxes	1,801,682	1,864,597	62,915
Interest income	-	11,837	11,837
Other local sources	1,376,169	1,257,002	(119,167)
State sources	771,232	790,017	18,785
Federal sources	86,500	50,392	(36,108)
<b>TOTAL REVENUES</b>	<b>9,485,583</b>	<b>9,605,377</b>	<b>119,794</b>
<b>EXPENDITURES</b>			
Current	11,354,236	10,534,114	820,122
Capital outlay	-	3,099	(3,099)
<b>TOTAL EXPENDITURES</b>	<b>11,354,236</b>	<b>10,537,213</b>	<b>817,023</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,868,653)</b>	<b>(931,836)</b>	<b>936,817</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Sale of Property	-	10,572	10,572
Transfers in/ out	600,000	665,649	65,649
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>600,000</b>	<b>676,221</b>	<b>76,221</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<b>\$ (1,268,653)</b>	<b>(255,615)</b>	<b>\$ 1,013,038</b>
<b>Fund Balances at Beginning of Year, As Restated, Note 17</b>		<b>8,691,252</b>	
<b>Fund Balances at End of Year</b>		<b>\$ 8,435,637</b>	

See Notes to the Basic Financial Statements.



**CALHOUN COUNTY, SOUTH CAROLINA  
 COMBINED STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2013**

	<u>Business-Type Activities-Enterprise Funds</u>		
	<u>Water/ Wastewater Plant</u>	<u>Municipal Water System</u>	<u>Total</u>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash	\$ 103,525	\$ 511,579	\$ 615,104
Accounts receivable	-	10,993	10,993
Intercompany	16,600	(16,600)	-
Due from General Fund	-	11,780	11,780
<b>Total Current Assets</b>	<u>120,125</u>	<u>517,752</u>	<u>637,877</u>
<b>Restricted Cash</b>	<u>-</u>	<u>529,369</u>	<u>529,369</u>
<b>Property, Plant, and Equipment</b> (Net of accumulated depreciation - Note 7)	<u>551,715</u>	<u>5,935,289</u>	<u>6,487,004</u>
<b>TOTAL ASSETS</b>	<u>\$ 671,840</u>	<u>\$ 6,982,410</u>	<u>\$ 7,654,250</u>

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA  
COMBINED STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2013**

	<u>Business-Type Activities-Enterprise Funds</u>		
	Water/ Wastewater Plant	Municipal Water System	Total
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 2,454	\$ 47,417	\$ 49,871
Accrued interest payable	-	21,117	21,117
<b>Total Current Liabilities</b>	<u>2,454</u>	<u>68,534</u>	<u>70,988</u>
<b>Current Liabilities (Payable from Restricted Assets)</b>			
Meter deposits payable	-	52,371	52,371
Tap fees	-	5,700	5,700
Current portion of revenue bonds payable - Note 10	-	24,131	24,131
<b>Total Current Liabilities (Payable from Restricted Assets)</b>	<u>-</u>	<u>82,202</u>	<u>82,202</u>
<b>Noncurrent Liabilities</b>			
Bond anticipation note - Note 10	-	2,713,000	2,713,000
Revenue bonds payable - Note 10	-	1,729,782	1,729,782
<b>Total Liabilities</b>	<u>2,454</u>	<u>4,593,518</u>	<u>4,595,972</u>
<b>Net Position</b>			
Invested in capital assets, net of related debt	551,715	1,492,507	2,044,222
Restricted for:			
Expendable:			
Construction	-	43,671	43,671
Debt retirement	-	45,248	45,248
Unrestricted	117,671	807,466	925,137
<b>Total Net Position</b>	<u>\$ 669,386</u>	<u>\$ 2,388,892</u>	<u>\$ 3,058,278</u>

See Notes to the Basic Financial Statements.

CALHOUN COUNTY, SOUTH CAROLINA  
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN FUND NET POSITION  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2013

	<u>Business-Type Activities-Enterprise Funds</u>		
	<u>Water/ Wastewater Plant</u>	<u>Municipal Water System</u>	<u>Total (Memorandum Only)</u>
<b>Operating Revenues:</b>			
Water/wastewater revenue	\$ 87,387	\$ 571,765	\$ 659,152
<b>Total Operating Revenues</b>	<u>87,387</u>	<u>571,765</u>	<u>659,152</u>
<b>Operating Expenses:</b>			
Operating and maintenance	82,180	380,890	463,070
Depreciation expense	<u>20,988</u>	<u>179,038</u>	<u>200,026</u>
<b>Total Operating Expenses</b>	<u>103,168</u>	<u>559,928</u>	<u>663,096</u>
<b>Operating Income (Loss)</b>	<u>(15,781)</u>	<u>11,837</u>	<u>(3,944)</u>
<b>Non-Operating Income (Expense):</b>			
Interest expense	-	(107,330)	(107,330)
Interest income	<u>-</u>	<u>819</u>	<u>819</u>
<b>Net Non-Operating Income (Expense)</b>	<u>-</u>	<u>(106,511)</u>	<u>(106,511)</u>
<b>Income (loss) before capital contributions and transfers</b>	(15,781)	(94,674)	(110,455)
<b>Capital contributions</b>	-	22,990	22,990
<b>Transfers in</b>	<u>-</u>	<u>17,089</u>	<u>17,089</u>
<b>Change in net position</b>	(15,781)	(54,595)	(70,376)
<b>Net Position - Beginning of Year - Restated - Note 17</b>	<u>685,167</u>	<u>2,443,487</u>	<u>3,128,654</u>
<b>Net Position - End of Year</b>	<u>\$ 669,386</u>	<u>\$ 2,388,892</u>	<u>\$ 3,058,278</u>

See Notes to the Basic Financial Statements.

CALHOUN COUNTY, SOUTH CAROLINA  
 COMBINED STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2013

	<u>Business-Type Activities-Enterprise Funds</u>		
	<u>Water/ Wastewater Plant</u>	<u>Municipal Water System</u>	<u>Total</u>
<b>Cash Flows From Operating Activities:</b>			
Cash received from customers	\$ 70,787	\$ 593,735	\$ 664,522
Cash paid to suppliers for goods and services	(79,726)	(197,546)	(277,272)
Cash paid to employees for services	-	(128,901)	(128,901)
<b>Net Cash Provided by (Used For) Operating Activities</b>	<u>(8,939)</u>	<u>267,288</u>	<u>258,349</u>
<b>Cash Flows From Non-Capital Financing Activities:</b>			
Transfers in	-	17,089	17,089
<b>Net Cash Provided by Non-Capital Financing Activities</b>	<u>-</u>	<u>17,089</u>	<u>17,089</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Capital contributions	-	22,990	22,990
Bond Proceeds	-	2,713,000	2,713,000
Principal paid on bonds	-	(1,041,615)	(1,041,615)
Interest paid on bonds	-	(107,330)	(107,330)
Net position restatement	-	(22,208)	(22,208)
Purchase of capital assets	-	(1,449,732)	(1,449,732)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>-</u>	<u>115,105</u>	<u>115,105</u>
<b>Cash Flows From Investing Activities:</b>			
Interest income	-	819	819
<b>Net Provided by (Used For) Investing Activities</b>	<u>-</u>	<u>819</u>	<u>819</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(8,939)	400,301	391,362
Cash and Cash Equivalents at Beginning of Year	112,464	640,647	753,111
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 103,525</u>	<u>\$ 1,040,948</u>	<u>\$ 1,144,473</u>
Classified as:			
Current Assets	\$ 103,525	\$ 511,579	\$ 615,104
Restricted Assets	-	529,369	529,369
<b>Totals</b>	<u>\$ 103,525</u>	<u>\$ 1,040,948</u>	<u>\$ 1,144,473</u>

See Notes to the Basic Financial Statements.

CALHOUN COUNTY, SOUTH CAROLINA  
 COMBINED STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2013

	<u>Business-Type Activities-Enterprise Funds</u>		
	Water/ Wastewater Plant	Municipal Water System	Total
<b>Reconciliation of Net Operating Income (Loss)</b>			
<b>Net Cash Provided by Operating Activities</b>			
Operating income (loss)	\$ (15,781)	\$ 11,837	\$ (3,944)
Adjustments to reconcile operating income by operating activities:			
Depreciation and amortization expense	20,988	179,038	200,026
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(16,600)	21,970	5,370
(Increase) decrease in prepaid insurance	-	808	808
(Increase) decrease in due from General Fund	-	(11,780)	(11,780)
Increase (decrease) in accounts payable	2,454	39,378	41,832
Increase (decrease) in accrued interest payable	-	16,388	16,388
Increase (decrease) in deposits payable	-	9,649	9,649
Total Adjustments	<u>6,842</u>	<u>255,451</u>	<u>262,293</u>
<b>Net Cash Provided by (Used for)</b>			
<b>Operating Activities</b>	<u>\$ (8,939)</u>	<u>\$ 267,288</u>	<u>\$ 258,349</u>

**CALHOUN COUNTY, SOUTH CAROLINA  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2013**

**ASSETS**

Cash	\$ 5,288,854
Delinquent taxes receivable	615,284
Due from others	<u>608</u>
 Total Assets	 <u><u>\$ 5,904,746</u></u>

**LIABILITIES**

Due to trust fund holders	5,249,722
Outstanding bonds	6,654
Held for jurors	110
Due to Treasurer - overage - Note 10	4,738
Due to other funds	28,238
Deferred revenue	<u>615,284</u>
 Total Liabilities	 <u><u>\$ 5,904,746</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.

**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. 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.

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

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)**

**A. FINANCIAL REPORTING ENTITY (continued)**

**Blended Component Units (continued)**

**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 \$125,000 of funds to the Council on Aging during 2012-13. 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

**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.



**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 (continued)**

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.

**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.

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

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES** (continued)

**B. Measurement Focus and Basis of Accounting** (continued)

**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.

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.

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

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Measurement Focus and Basis of Accounting (continued)**

The County reports the following major enterprise funds:

**Municipal 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.

**Water/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.

**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.

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

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Basis of Presentation**

**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.

**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 position.

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

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Assets, Liabilities, and Net Position 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.

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.

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

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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:

<b>Assets</b>	<b>Years</b>
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.

**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 position.

CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

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

7. Fund Balances

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).

**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 Position/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 position 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 position reports \$37,417,396 of which \$639,931 is restricted by enabling legislation. Restricted resources are used first to fund appropriations.

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

**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.
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.



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

**NOTE 3 - CASH AND INVESTMENTS**

**Deposits**

At year-end, the carrying amount of the County's deposits and investments was \$19,424,416 and the bank balance was \$19,818,013. To reconcile this information to the financial statements, we include the following:

Cash and investments	\$ 19,424,416
Cash on hand	<u>115,733</u>
<b>Total</b>	<b><u>\$ 19,540,149</u></b>
Cash – Governmental Activities	\$ 13,106,822
Business Type Activities	1,144,473
Fiduciary Activities	<u>5,288,854</u>
	<b><u>\$ 19,540,149</u></b>
Deposits	\$ 13,152,396
Investments	<u>6,272,020</u>
	<b><u>\$ 19,424,416</u></b>

Of the bank balance of \$14,691,533, excluding the investment pool funds, \$2,332,401 is secured by FDIC insurance and \$12,359,132 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	59,331
Bond Anticipation Note	<u>293,354</u>
	<b><u>\$ 529,369</u></b>

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 collateralized 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:

	<b>Investment Maturities</b>			
	<b>Fair Book Value</b>	<b>Less than 6 months</b>	<b>6 Months to 1 year</b>	<b>1-5 Years</b>
Certificates of Deposit	\$ 1,145,500	\$ -	\$ 1,145,000	\$ -
SC Investment Pool	<u>5,126,520</u>	<u>5,126,520</u>	<u>-</u>	<u>-</u>
	<u>\$ 6,272,020</u>	<u>\$ 5,126,520</u>	<u>\$ 1,145,000</u>	<u>\$ -</u>

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

**NOTE 3 - CASH AND INVESTMENTS (continued)**

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.

**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, 2013, follows:

<b>Fund</b>	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
General Fund	\$ 228,238	\$ 59,270
Special Revenue Fund:		
Banks Estate Fund	46,601	-
Grants	524	-
Library Lottery	889	-
Local Option Fund	-	200,000
Capital Projects	-	524
Trust and Agency Funds:		
Magistrates	-	28,238
Water District	<u>11,780</u>	<u>-</u>
	<u>\$ 288,032</u>	<u>\$ 288,032</u>
<b>Operating Transfers</b>	<b>Transfer In</b>	<b>Transfer Out</b>
General Fund	\$ 665,649	\$ -
Capital Projects Fund	-	17,089
Water System	17,089	-
Special Revenue Fund	<u>-</u>	<u>665,649</u>
	<u>\$ 682,738</u>	<u>\$ 682,738</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, 2013, \$83,505 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. \$ 40,582

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. 27,923

Note receivable – Jumper Fire Department \$15,000 note receivable due in five annual installments of \$3,275.32 plus interest at 3.0%, first payment due March 27, 2014. 15,000

Total Notes Receivable 83,505

Current Portion 21,515

Long-Term Notes Receivable \$ 61,990

**NOTE 7 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2013 was as follows:

	Balance June 30, 2012	Restate- ment	Additions	Deletions	Balance June 30, 2013
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 1,481,522	\$ -	\$ -	\$ 2,886	\$ 1,478,636
Construction in Progress	-	-	150,365	-	150,365
Museum collection	<u>3,127,547</u>	-	-	-	<u>3,127,547</u>
Total capital assets not being depreciated	<u>4,609,069</u>	-	<u>150,365</u>	<u>2,886</u>	<u>4,756,548</u>

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

**NOTE 7 - CAPITAL ASSETS (continued)**

	Balance June 30, 2012	Restate- ment	Additions	Deletions	Balance June 30, 2013
Capital assets, being depreciated:					
Building and improvements	10,987,119	-	211,133	-	11,198,252
Infrastructure	6,326,164	-	504,875	-	6,831,039
Land improvements	731,209	-	7,017	-	738,226
Vehicles	2,424,850	-	337,221	-	2,762,071
Equipment, furniture and fixtures	<u>3,869,674</u>	<u>-</u>	<u>121,987</u>	<u>-</u>	<u>3,991,661</u>
Total capital assets being depreciated	<u>24,339,016</u>	<u>-</u>	<u>1,182,233</u>	<u>-</u>	<u>25,521,249</u>
Less accumulated depreciation for:					
Building and improvements	1,990,085	(8,752)	247,231	-	2,228,564
Land improvements	75,026	8,752	24,651	-	108,429
Infrastructure	1,849,613	-	94,750	-	1,944,363
Vehicles	1,456,266	-	265,262	-	1,721,528
Equipment, furniture and fixtures	<u>2,529,935</u>	<u>100,878</u>	<u>201,368</u>	<u>-</u>	<u>2,832,181</u>
Total accumulated depreciation	<u>7,900,925</u>	<u>100,878</u>	<u>833,262</u>	<u>-</u>	<u>8,835,065</u>
Total capital assets, being depreciated, net	<u>16,438,091</u>	<u>(100,878)</u>	<u>348,971</u>	<u>-</u>	<u>16,686,184</u>
Governmental activities capital assets	<u>\$ 21,047,160</u>	<u>\$ (100,878)</u>	<u>\$ 499,336</u>	<u>\$ 2,886</u>	<u>\$ 21,442,732</u>
<b>Business-type activities</b>					
Capital assets, not being depreciated:					
Land	\$ 4,500	\$ -	\$ -	\$ -	\$ 4,500
Construction in Progress	<u>-</u>	<u>-</u>	<u>38,290</u>	<u>-</u>	<u>38,290</u>
Total capital assets not being depreciated	<u>4,500</u>	<u>-</u>	<u>38,290</u>	<u>-</u>	<u>42,790</u>
Capital assets, being depreciated:					
Water System	7,060,379	-	1,411,442	-	8,471,821
Wastewater System	57,236	-	-	-	57,236
Furniture and fixtures	44,755	-	-	-	44,755
Vehicles	<u>59,938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,938</u>
Total capital assets being depreciated	<u>7,222,308</u>	<u>-</u>	<u>1,411,442</u>	<u>-</u>	<u>8,633,750</u>
Less accumulated Depreciation	<u>1,989,510</u>	<u>-</u>	<u>200,026</u>	<u>-</u>	<u>2,189,536</u>
Total capital assets, being depreciated, net	<u>5,232,798</u>	<u>-</u>	<u>1,211,416</u>	<u>-</u>	<u>6,444,214</u>
Business-type activities capital assets, net	<u>\$ 5,237,298</u>	<u>\$ -</u>	<u>\$ 1,249,706</u>	<u>\$ -</u>	<u>\$ 6,487,004</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, 2013:

	<b>Water/ Wastewater Plant</b>	<b>Municipal Water System</b>	<b>Total Proprietary Funds</b>
Land	\$ -	\$ 4,500	\$ 4,500
Construction in progress	-	38,290	38,290
Water system	782,269	7,689,552	8,471,821
Wastewater system	57,236	-	57,236
Vehicles	-	59,938	59,938
Furniture, fixtures, and software	-	44,755	44,755
Less, accumulated depreciation	<u>(287,790)</u>	<u>(1,901,746)</u>	<u>(2,189,536)</u>
Net Property, Plant and Equipment	<u>\$ 551,715</u>	<u>\$ 5,935,289</u>	<u>\$ 6,487,004</u>

The depreciation and amortization expense for the Water/Wastewater Plant and the Water System was \$200,026 for the year ended June 30, 2013.

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

Administration	\$ 82,146
Public Safety	160,271
Physical Environment	423,162
Health and Welfare	100,937
Cultural and Recreation	<u>66,746</u>

Total depreciation expense-governmental activities \$ 833,262

**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 Retirement Division of SC Public Employee Benefit Authority (SC PEBA). 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 SC PEBA 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 SC PEBA 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](http://www.retirement.sc.gov) or a copy may be obtained by submitting a request to the SC PEBA, 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. Reference §9-1-1085(A) and §9-11-225. The base contribution rates are set by statute, but are required to be increased by the trustees on the basis of the annual actuarial valuation if necessary to maintain a thirty-year amortization period for the Plan's unfunded liabilities.

Required employee contributions to the Plans for fiscal year 2012-2013 are as follows:

<b>SCRS Class II</b>	7.00% of earnable compensation
<b>State ORP</b>	7.00% of earnable compensation
<b>PORS Class I</b>	\$21 per month
<b>PORS Class II</b>	7.00% 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 2012-2013 are as follows:

**SCRS**

Class II	10.45% of earnable compensation
Death Benefit Program	0.15% of earnable compensation

**State ORS**

Employer Contribution	10.45% of earnable compensation
Death Benefit Program	0.15% of earnable compensation

**PORS**

Class I	7.80% of earnable compensation
Class II	11.90% 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)**

See Summary of Basic Provisions for fiscal year 2012-2013 at the website referenced above.

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

	2011		2012		2013	
	SCRS	PORS	SCRS	PORS	SCRS	PORS
Employee						
contributions	\$ 211,722	\$ 65,485	\$ 212,584	\$ 65,692	\$ 242,224	\$ 79,442
Employer						
contributions	\$ 305,856	\$ 116,196	\$ 306,939	\$ 114,839	\$ 361,603	\$ 135,052

The County's 2012 – 2013 contributions represented less than one percent of total contributions required of all participating entities. Also, employer group-life contributions of \$9,730 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.

**Plan Description**

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

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

**NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (continued)**

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.

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 from July 1, 2006 through June 30, 2011 – 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 2013 is as follows:

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

**NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (continued)**

Annual required contribution	\$ 240,232
Interest on net OPEB obligation	20,501
Adjustment to annual required contribution	<u>(26,764)</u>
Annual OPEB cost (expense)	233,969
Estimated contributions made	<u>(81,526)</u>
Increase (decrease) in net OPEB obligation	152,443
Net OPEB obligation, beginning of year	<u>455,571</u>
 Net OPEB obligation, end of year	 <u>\$ 608,014</u>

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the 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, 2013 were as follows:

Fiscal Year Ending	Annual OPEB Cost	Employer Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	\$ 152,443	\$ 81,526	53%	\$ 608,014
June 30, 2012	\$ 225,082	\$ 49,779	22%	\$ 455,571
June 30, 2011	\$ 207,855	\$ 72,111	35%	\$ 280,268

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

**NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (continued)**

**Funded Status and Funding Progress:**

As of June 30, 2013, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$2,087,924, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,087,924. For the fiscal year ended June 30, 2013, the covered payroll (annual payroll of active employees covered by the plan) was \$4,473,121, and the ratio of the UAAL to the covered payroll was 46.6%.

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, 2013, excess funds were on deposit in the checking accounts of several trust and agency funds. These overages, totaling \$4,737, 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, 2012	Additions	Retirements	Balance June 30, 2013	Due Within One Year
Accrued Compensated Absences	\$ 292,936	\$ 8,030	\$ -	\$ 300,966	\$ 32,707
Closure and Maintenance Costs	361,934 *	1,816	10,900	352,850	9,084
General Obligation Bond Series 2011	188,257	-	188,257	-	-
General Obligation Bond Series 2012	-	<u>320,000</u>	<u>320,000</u>	-	-
Total long-term debt	<u>\$ 843,127</u>	<u>\$ 329,846</u>	<u>\$ 519,157</u>	<u>\$ 653,816</u>	<u>\$ 41,791</u>

\* as restated

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

**NOTE 11 - LONG-TERM DEBT (continued)**

**Business-Type Activities:**

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

	<b>Revenue Bonds</b>
Balance June 30, 2012	\$ 2,808,489
Issued during the period	-
Adjustments	(12,962)
Retired during the period	<u>(1,041,614)</u>
Balance at June 30, 2013	<u>\$ 1,753,913</u>

Details of long-term debt at June 30, 2013 are as follows:

	<b>Revenue Bonds</b>
\$265,000 FHA Revenue Bonds due in monthly installments of \$1,302 through December 15, 2033, with interest at 5.125%	\$ 196,590
\$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>1,557,323</u>
	1,753,913
Less current portion	<u>(24,131)</u>
Long-term portion	<u>\$ 1,729,782</u>

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

**NOTE 11 - LONG-TERM DEBT (continued)**

The annual requirements to amortize all debt outstanding of the proprietary funds as of June 30, 2013, including bond interest payments of \$1,673,435 are as follows:

Year Ending June 30,	Principal	Revenue Bonds Interest	Total
2014	\$ 24,131	\$ 79,645	\$ 103,776
2015	25,277	78,499	103,776
2016	26,477	77,299	103,776
2017	27,734	76,042	103,776
2018	29,052	74,724	103,776
2019-2023	167,330	351,556	518,886
2024-2028	211,068	307,812	518,880
2029-2033	266,296	253,584	519,880
2034-2038	252,069	192,481	444,550
2039-2043	310,828	129,932	440,760
2044-2048	389,094	51,666	440,760
2049-2051	<u>24,557</u>	<u>195</u>	<u>24,752</u>
	<u>\$ 1,753,913</u>	<u>\$ 1,673,435</u>	<u>\$ 3,427,348</u>

**Bond Anticipation Note – Business-Type Activities**

\$2,713,000 Water System Improvement Revenue Bond Anticipation Note (BAN) Series 2012 issued August 2, 2012, supporting a construction line of credit to finance expansion of the water system. BAN matured August 2, 2013, and a revenue bond issued by the U.S. Department of Agriculture/Rural Development Agency utilizing pledged revenue from the water system was issued on August 1, 2013. Interest accrues at .79%.

June 30, 2013	<u>\$ 2,713,000</u>
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**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. At present, this lease has not been renewed. The current annual rent is \$34,200. The cost of the building is \$565,318 with accumulated depreciation of \$106,468.

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

June 30, 2014	<u>\$ 11,400</u>
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**CALHOUN COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**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. The recognition of these landfill closure and postclosure costs is based on the amount of available landfill space used during the year. The estimated liability for landfill closure and postclosure care costs has a balance of \$352,850 as of June 30, 2013, which is based on the following estimated percentages:

Municipal landfill (MSWLF)	100%
Construction and debris landfill (C&D)	90%

The estimated remaining useful life of the C&D landfill is 14 years. The estimated costs of landfill closure and postclosure care costs for twenty years increased by \$1,813 in the current year. In addition, \$20,608 was expended to close and monitor the MSWLF. The amounts were accrued in previous years.

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, 2013. 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, 2013, 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, 2013, 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, 2013 was classified as follows:

Description	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>				
Long-term notes receivable	\$ 61,990	\$ -	\$ -	\$ 61,990
<b>Restricted:</b>				
LOST Reserve	-	-	113,184	113,184
Grants	-	-	68,311	68,311
Debt Service	-	-	260,766	260,766
Victim's Fund	-	-	54,322	54,322
Library Lottery	-	-	889	889
E-911 Funds	-	-	471,645	471,645
Tech/Gressette	-	-	280,881	280,881
Sandy Run Fire Department	-	-	264,420	264,420
Council on Aging	-	-	350,683	350,683
Sheriff Department Drug Funds	-	-	2,340	2,340
Child Support Funds	193,364	-	-	193,364
Local Option Distribution Fund	-	-	472,425	472,425
RDA Funds	317,487	-	-	317,487
<b>Assigned:</b>				
Banks Estate Fund	-	-	46,601	46,601
Capital Projects	-	2,873,594	-	2,873,594
Ft. Motte Community Center	266	-	-	266
Museum Funds	90,362	-	-	90,362
EMS Donations	5,703	-	-	5,703
Credit card escrow	1,020	-	-	1,020
<b>Unassigned</b>	<u>7,765,445</u>	<u>-</u>	<u>-</u>	<u>7,765,445</u>
<b>Total fund balances</b>	<u>\$ 8,435,637</u>	<u>\$ 2,873,594</u>	<u>\$ 2,386,467</u>	<u>\$ 13,695,698</u>

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

**NOTE 17 - RESTATEMENT OF FUND BALANCE AND NET POSITION**

Fund balances and net position for June 30, 2012 were restated as follows:

	<b>Total Net Governmental Activities</b>	<b>Fund Balance</b>
Balance, June 30, 2012	\$ 37,157,929	\$ 13,581,685
From adjustments below	(65,619)	(55,383)
To adjust accumulated depreciation	(100,878)	-
To adjust post closure liability	<u>(191,535)</u>	<u>-</u>
Balance restated at June 30, 2012	<u>\$ 36,799,897</u>	<u>\$ 13,526,302</u>

	<b>Other Governmental Funds</b>	<b>General Fund</b>
Balance, June 30, 2012	\$ 2,656,595	\$ 8,823,107
To write off cash on bond	(1,899)	-
Expenditure duplication prior year	-	3,003
Prior disbursement not accrued	-	(58,612)
To adjust cash balance	2,181	(50)
Local option prior year	(4)	-
Adjust between funds	<u>76,196</u>	<u>(76,196)</u>
Balance restated at June 30, 2012	<u>\$ 2,733,069</u>	<u>\$ 8,691,252</u>

**Proprietary Fund – Net Position**

	<b>Water System</b>
Balance at June 30, 2012	\$ 2,453,725
To restate bonds	12,962
To correct tap fees	<u>(23,200)</u>
Balance restated at June 30, 2012	<u>\$ 2,443,487</u>

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

**NOTE 18 - CONTINGENCIES AND COMMITMENTS**

**Grants:**

The County participates in a number of federally assisted grant programs and state funded grant programs. These programs are subject to financial compliance audits by the County's auditors and by auditors of the federal or state grantor agencies. Upon audit, should it be determined that the County has failed to comply with applicable requirements of the grants, then some or all of the grant expenditures may be disallowed and a portion of the grant expenditures may become reimbursable to the grantor.

**NOTE 19 - SUBSEQUENT EVENTS**

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 (Phase 1), which was completed in August, 2013. The Rural Development proposed funding is not to exceed \$2,713,000, ARRA loan and \$1,611,500 regular grant funds. Total cost of Phase 1 was \$1,385,956. Contracts for Phase 2 and 3 of the project, which include water line extensions and an elevated tank, have been awarded. The contract amount for the water line extension (Phase 2) is \$723,812, and the contract amount for Phase 3 (elevated water tank) is \$882,792. The project is expected to be complete in the spring of 2014. USDA issued a \$2,713,000 revenue bond on August 1, 2013 for the project and the refinancing of a 1999 USDA revenue bond in the amount of \$1,020,281.

On August 6, 2013, Calhoun County sold general obligation bonds in the amount of \$380,000 at .50% interest per annum, principal and interest to be paid in full on March 5, 2014. Bonds are for the purchase of capital equipment and vehicles.

**CALHOUN COUNTY, SOUTH CAROLINA  
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN (UNAUDITED)  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2013**

	(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%
6/30/2013	\$ -	\$ 2,087,924	\$ 2,087,924	0.00%	\$ 4,473,121	46.68%

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, 2013

SPECIAL REVENUE

	Arts Commission	O-C Tec and L M Gressette Center	Library Lottery	Sheriff's Department	Sandy Run Fire Department	Victims Advocate
\$	-	280,881	-	2,340	264,420	54,322
Delinquent property taxes	-	22,644	-	-	1,415	-
Due from other funds	-	-	889	-	-	-
Grant Receivable	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>-</b>	<b>303,525</b>	<b>889</b>	<b>2,340</b>	<b>265,835</b>	<b>54,322</b>

**LIABILITIES AND FUND BALANCES**

<b>Liabilities</b>					
Deferred revenue					
Delinquent property taxes	\$	22,644	\$	-	\$
Other	-	-	-	-	1,415
Accounts payable	-	-	-	-	-
Due to General Fund	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>22,644</b>	<b>-</b>	<b>-</b>	<b>1,415</b>
<b>Fund Balances</b>					
Restricted	-	280,881	889	2,340	264,420
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>280,881</b>	<b>889</b>	<b>2,340</b>	<b>264,420</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$</b>	<b>303,525</b>	<b>\$</b>	<b>2,340</b>	<b>\$</b>
					<b>54,322</b>

CALHOUN COUNTY, SOUTH CAROLINA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2013

SPECIAL REVENUE

	E-911	Local Option Fund	EMS Grant	Ft. Motte Community Center	Council on Aging
Cash	\$ 460,411	\$ 68,784	\$ -	\$ -	\$ 347,694
Delinquent property taxes	-	-	-	-	-
Due from other funds	-	-	-	-	-
Grant Receivable	-	-	-	-	-
Accounts Receivable	11,234	244,400	-	-	10,741
<b>TOTAL ASSETS</b>	<b>\$ 471,645</b>	<b>\$ 313,184</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 358,435</b>

**LIABILITIES AND FUND BALANCES**

	\$	\$	\$	\$	\$
<b>Liabilities</b>					
Deferred revenue	-	-	-	-	-
Delinquent property taxes	-	-	-	-	-
Other	-	-	-	-	-
Accounts payable	-	-	-	-	7,752
Due to General Fund	-	200,000	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>7,752</b>
<b>Fund Balances</b>					
Restricted	471,645	113,184	-	-	350,683
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>471,645</b>	<b>113,184</b>	<b>-</b>	<b>-</b>	<b>350,683</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 471,645</b>	<b>\$ 313,184</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 358,435</b>

CALHOUN COUNTY, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013

		DEBT SERVICE	TOTAL
ASSETS	Grants Fund	Banks Estate Fund	Local Option Sales Tax Distribution
Cash	\$ 9,848	\$ -	\$ 374,701
Delinquent property taxes	-	-	-
Due from other funds	524	46,601	-
Grant Receivable	121,484	-	-
Accounts Receivable	-	-	97,724
<b>TOTAL ASSETS</b>	<u>\$ 131,856</u>	<u>\$ 46,601</u>	<u>\$ 472,425</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Deferred revenue	-	-	-
Delinquent property taxes	-	-	-
Other	2,692	-	-
Accounts payable	60,853	-	-
Due to General Fund	-	-	-
<b>Total Liabilities</b>	<u>63,545</u>	<u>-</u>	<u>22,456</u>
<b>Fund Balances</b>			
Restricted	68,311	-	472,425
Assigned	-	46,601	-
Unassigned	-	-	-
<b>Total Fund Balances</b>	<u>68,311</u>	<u>46,601</u>	<u>472,425</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 131,856</u>	<u>\$ 46,601</u>	<u>\$ 472,425</u>
		<u>\$ 283,222</u>	<u>\$ 2,704,279</u>
		<u>\$ 283,222</u>	<u>\$ 2,704,279</u>

CALHOUN COUNTY, SOUTH CAROLINA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2013

	SPECIAL REVENUE						
	Arts Commission	O-C Tec and L. M. Gressette Center	Library Lottery	Sheriff's Department	Sandy Run Fire Department	Victims Advocate	
<b>REVENUES</b>							
Property taxes:							
Current	\$ -	\$ 239,825	-	\$ -	\$ 80,829	\$ -	-
Delinquent	-	18,656	-	-	1,788	-	-
Interest income	-	306	-	-	180	-	-
Local sources	-	-	-	-	-	-	19,105
State sources	-	-	8,197	-	-	-	-
Federal sources	3,973	-	-	-	-	-	-
<b>Total Revenues</b>	<b>3,973</b>	<b>258,787</b>	<b>8,197</b>	<b>-</b>	<b>82,797</b>	<b>-</b>	<b>19,105</b>
<b>EXPENDITURES</b>							
Administrative	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Public safety	-	-	-	60	-	-	29,237
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	3,973	-	8,197	-	-	-	-
Capital improvements	-	-	-	-	-	-	-
Agencies	-	384,198	-	-	50,000	-	-
Debt Service	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>3,973</b>	<b>384,198</b>	<b>8,197</b>	<b>60</b>	<b>50,000</b>	<b>-</b>	<b>29,237</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(125,411)</b>	<b>-</b>	<b>(60)</b>	<b>32,797</b>	<b>-</b>	<b>(10,132)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfer in / (out)	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(125,411)</b>	<b>-</b>	<b>(60)</b>	<b>32,797</b>	<b>-</b>	<b>(10,132)</b>
Fund Balances at Beginning of Year, As Restated, Note 17	-	406,292	889	2,400	231,623	64,454	-
<b>Fund Balances at End of Year</b>	<b>-</b>	<b>280,881</b>	<b>889</b>	<b>2,340</b>	<b>264,420</b>	<b>54,322</b>	<b>-</b>



CALHOUN COUNTY, SOUTH CAROLINA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2013

		SPECIAL REVENUE						
	E-911	Local Option Fund	EMS Grant	Ft. Motte Community Center	Council on Aging	Grants Fund		
<b>REVENUES</b>								
Property taxes:								
Current	-	-	-	-	-	-	-	
Delinquent	490	13	-	-	-	-	-	
Interest income	155,893	578,051	-	-	277,319	10,700	10,700	
Local sources	42,454	-	373	-	28,183	574,192	574,192	
State sources	-	-	-	-	20,141	71,192	71,192	
Federal sources	-	-	-	-	-	-	-	
<b>Total Revenues</b>	<b>198,837</b>	<b>578,064</b>	<b>373</b>	<b>-</b>	<b>325,643</b>	<b>656,084</b>	<b>656,084</b>	
<b>EXPENDITURES</b>								
Administrative	-	-	-	-	-	-	-	
Public Works	-	-	-	-	-	47,436	47,436	
Public safety	-	-	-	-	-	47,001	47,001	
Health and welfare	132,620	-	373	-	336,395	22,044	22,044	
Culture and recreation	-	-	-	-	-	10,999	10,999	
Capital improvements	-	-	-	-	-	525,276	525,276	
Agencies	-	-	-	-	-	3,344	3,344	
Debt Service	-	-	-	-	-	-	-	
<b>Total Expenditures</b>	<b>132,620</b>	<b>-</b>	<b>373</b>	<b>-</b>	<b>336,395</b>	<b>656,100</b>	<b>656,100</b>	
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>66,217</b>	<b>578,064</b>	<b>-</b>	<b>-</b>	<b>(10,752)</b>	<b>(16)</b>	<b>(16)</b>	
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfer in / (out)	-	(600,000)	-	(145)	-	-	-	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(600,000)</b>	<b>-</b>	<b>(145)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<b>66,217</b>	<b>(21,936)</b>	<b>-</b>	<b>(145)</b>	<b>(10,752)</b>	<b>(16)</b>	<b>(16)</b>	
Fund Balances at Beginning of Year, As Restated, Note 17	405,428	135,120	-	145	361,435	68,327	68,327	
<b>Fund Balances at End of Year</b>	<b>\$ 471,645</b>	<b>\$ 113,184</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 350,683</b>	<b>\$ 68,311</b>	<b>\$ 68,311</b>	

CALHOUN COUNTY, SOUTH CAROLINA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2013

	Banks Estate Fund	Local Option Sales Tax Distribution	Clerk of Court Child Support	Sheriff Child Support	DEBT SERVICES		TOTAL
						Non-Major Governmental Funds	
<b>REVENUES</b>							
Property taxes:							
Current	\$ -	\$ -	\$ -	\$ -	\$ 237,584	\$ -	\$ 558,238
Delinquent	-	-	-	-	20,805	-	41,249
Interest income	-	43	-	-	-	-	1,032
Local sources	-	259,787	-	-	-	-	1,300,855
State sources	-	-	-	-	-	-	653,399
Federal sources	-	-	60,604	4,900	-	-	160,810
<b>Total Revenues</b>	-	259,830	60,604	4,900	258,389	-	2,715,583
<b>EXPENDITURES</b>							
Administrative	-	-	-	-	4,171	-	4,171
Public Works	-	-	-	-	-	-	47,436
Public safety	-	228,844	-	-	-	-	305,142
Health and welfare	-	-	-	-	-	-	491,432
Culture and recreation	-	-	-	-	-	-	74,420
Capital improvements	51,251	-	-	-	310,114	-	835,390
Agencies	-	-	-	-	-	-	437,542
Debt Service	-	-	-	-	521,003	-	521,003
<b>Total Expenditures</b>	51,251	228,844	-	-	835,288	-	2,716,536
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(51,251)	30,986	60,604	4,900	(576,899)	-	(953)
<b>OTHER FINANCING SOURCES (USES)</b>							
Bond proceeds	-	-	-	-	320,000	-	320,000
Transfer in(out)	-	-	(60,604)	(4,900)	-	-	(665,649)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	(60,604)	(4,900)	320,000	-	(345,649)
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	(51,251)	30,986	-	-	(256,899)	-	(346,602)
<b>Fund Balances at Beginning of Year, As Restated, Note 17</b>	97,852	441,439	-	-	517,665	-	2,733,069
<b>Fund Balances at End of Year</b>	\$ 46,601	\$ 472,425	\$ -	\$ -	\$ 260,766	\$ -	\$ 2,386,467

CALHOUN COUNTY, SOUTH CAROLINA  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2013

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
<b>Local Sources</b>				
Taxes:				
Current	\$ 5,200,000	\$ 5,200,000	\$ 5,293,720	\$ 93,720
Delinquent	250,000	250,000	337,812	87,812
Fee in lieu of taxes - County	1,801,682	1,801,682	1,864,597	62,915
<b>Total Property Taxes</b>	<b>7,251,682</b>	<b>7,251,682</b>	<b>7,496,129</b>	<b>244,447</b>
Interest income	-	-	11,837	11,837
<b>Total Interest Income</b>	<b>-</b>	<b>-</b>	<b>11,837</b>	<b>11,837</b>
<b>Other Local Sources</b>				
Court income, fines and penalties	300,000	300,000	86,256	(213,744)
Fees of offices	300,000	300,000	270,301	(29,699)
EMS Service	550,000	550,000	553,187	3,187
Rent	38,400	38,400	34,200	(4,200)
Chamber of Commerce	12,769	12,769	9,639	(3,130)
Calhoun County Public Schools	50,000	50,000	32,928	(17,072)
Donations	25,000	25,000	44,891	19,891
RDA funds	-	-	124,356	124,356
Miscellaneous	100,000	100,000	101,244	1,244
<b>Total Other Local Sources</b>	<b>1,376,169</b>	<b>1,376,169</b>	<b>1,257,002</b>	<b>(119,167)</b>
<b>Total Local Sources</b>	<b>8,627,851</b>	<b>8,627,851</b>	<b>8,764,968</b>	<b>137,117</b>

CALHOUN COUNTY, SOUTH CAROLINA  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2013

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>State Sources</b>				
Aid to Subdivisions	573,332	573,332	558,219	(15,113)
Accommodations Tax	120,000	120,000	146,897	26,897
Mini Bottle tax	-	-	1,037	1,037
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	4,100	4,100	2,572	(1,528)
State Aid - Library	60,000	60,000	60,000	-
Veteran Affairs officer	4,500	4,500	4,467	(33)
Election Commission	-	-	10,525	10,525
Solid Waste Tire Fee	3,000	3,000	-	(3,000)
<b>Total State Sources</b>	<b>771,232</b>	<b>771,232</b>	<b>790,017</b>	<b>18,785</b>
<b>Federal Sources</b>				
Emergency Management Performance	8,500	8,500	8,158	(342)
Child Support Cost - Clerk of Court	45,000	45,000	-	(45,000)
Child Support Cost - Sheriff	8,000	8,000	-	(8,000)
DSS - In Lieu of rent	25,000	25,000	35,484	10,484
DSS - Filing fees	-	-	6,750	6,750
<b>Total Federal Sources</b>	<b>86,500</b>	<b>86,500</b>	<b>50,392</b>	<b>(36,108)</b>
<b>TOTAL REVENUES</b>	<b>9,485,583</b>	<b>9,485,583</b>	<b>9,605,377</b>	<b>119,794</b>

CALHOUN COUNTY, SOUTH CAROLINA  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2013

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>EXPENDITURES</b>				
Administration	589,429	589,429	495,675	93,754
Public works	995,802	996,706	854,540	142,166
Public buildings	523,983	523,854	490,087	33,767
Finance and taxation	802,687	796,235	735,042	61,193
Judicial	660,829	660,943	652,560	8,383
Public safety	2,241,044	2,251,572	2,091,868	159,704
Health and welfare	2,016,089	2,010,367	1,859,710	150,657
Culture and recreation	582,577	583,022	582,339	683
Miscellaneous	717,562	717,874	594,604	123,270
Employee fringe benefits	2,082,500	2,082,500	2,041,987	40,513
Agencies	141,734	141,734	138,801	2,933
<b>TOTAL EXPENDITURES</b>	<u>11,354,236</u>	<u>11,354,236</u>	<u>10,537,213</u>	<u>817,023</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,868,653)</u>	<u>(1,868,653)</u>	<u>(931,836)</u>	<u>936,817</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of property	-	-	10,572	10,572
Transfer from Special Revenue Funds	600,000	600,000	665,649	65,649
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>600,000</u>	<u>600,000</u>	<u>676,221</u>	<u>76,221</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<u>\$ (1,268,653)</u>	<u>\$ (1,268,653)</u>	<u>(255,615)</u>	<u>\$ 1,013,038</u>
<b>Fund Balance at Beginning of Year, As Restated - Note 17</b>			<u>8,691,252</u>	
<b>Fund Balance at End of Year</b>			<u>\$ 8,435,637</u>	

CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2013

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Administration</b>				
Salaries	\$ 417,970	\$ 417,970	\$ 363,919	\$ 54,051
Travel, members	15,000	14,733	12,387	2,346
Vehicle maintenance	2,000	2,000	193	1,807
Membership, dues, and meetings	2,000	2,267	2,267	-
Lower Savannah Council	11,381	11,381	11,381	-
SC Assoc. of Counties	6,478	6,478	6,477	1
Supplies and operating	14,000	14,000	12,655	1,345
Gasoline and oil	1,600	1,600	1,325	275
Telephone	6,000	6,000	2,461	3,539
Contract services	20,000	20,000	13,802	6,198
Oburg/Calhoun Transit Prog	16,000	16,000	16,000	-
Professional services	75,000	75,000	52,808	22,192
Legislative Delegation	2,000	2,000	-	2,000
<b>TOTAL ADMINISTRATION</b>	<b>589,429</b>	<b>589,429</b>	<b>495,675</b>	<b>93,754</b>
<b>PUBLIC WORKS</b>				
<b>Roads, Repair, and Construction:</b>				
Salaries	203,369	203,369	158,944	44,425
Equipment maintenance	40,000	40,000	39,161	839
Supplies and operating	25,000	25,000	24,319	681
Gas, fuel, and oil	44,000	44,000	39,846	4,154
Telephone	750	1,553	1,553	-
	313,119	313,922	263,823	50,099
<b>Landfill:</b>				
Salaries	36,400	36,400	34,640	1,760
Supplies and operating	12,000	12,000	11,463	537
Telephone	1,400	1,400	1,202	198
Electricity	3,500	3,500	2,736	764
Equipment maintenance	40,483	40,437	33,586	6,851
Heat	1,200	1,200	923	277
Landfill closeout	25,500	25,500	20,608	4,892
Water	500	500	240	260
Gas, fuel, and oil	10,000	10,046	10,047	(1)
	130,983	130,983	115,445	15,538

CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2013

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Collections:</b>				
Salaries	202,000	202,000	181,088	20,912
Equipment maintenance	35,000	32,216	18,579	13,637
Supplies and operating	3,000	3,000	2,699	301
Gas, fuel, and oil	50,000	50,000	41,087	8,913
Contract service	240,000	240,000	207,410	32,590
Telephone	3,000	3,101	3,101	-
Electricity	13,000	13,000	12,941	59
Collection site maintenance	5,000	7,784	7,784	-
Water	700	700	583	117
	<u>551,700</u>	<u>551,801</u>	<u>475,272</u>	<u>76,529</u>
<b>TOTAL PUBLIC WORKS</b>	<u>995,802</u>	<u>996,706</u>	<u>854,540</u>	<u>142,166</u>
<b>PUBLIC BUILDINGS</b>				
Salaries	70,000	70,000	64,992	5,008
Supplies and operating	18,000	24,417	25,457	(1,040)
Telephone	1,500	1,500	1,419	81
Electricity	210,000	210,000	209,408	592
Water	12,000	12,000	11,100	900
Janitorial service	50,000	49,870	44,784	5,086
Heat	6,000	6,000	3,911	2,089
Building maintenance	63,483	63,483	61,024	2,459
Vehicle maintenance	5,000	5,296	5,295	1
Grounds maintenance	50,000	43,584	26,706	16,878
Copier contracts	23,000	23,000	23,399	(399)
Gas, fuel, and oil	15,000	14,704	12,592	2,112
	<u>523,983</u>	<u>523,854</u>	<u>490,087</u>	<u>33,767</u>
<b>TOTAL PUBLIC BUILDINGS</b>	<u>523,983</u>	<u>523,854</u>	<u>490,087</u>	<u>33,767</u>
<b>FINANCE AND TAXATION</b>				
<b>County Auditor:</b>				
Salaries	85,750	85,750	85,750	-
Travel and dues	2,500	2,500	2,204	296
Supplies and postage	1,250	1,250	1,216	34
Telephone	750	750	594	156
Capital items	1,200	1,200	1,200	-
	<u>91,450</u>	<u>91,450</u>	<u>90,964</u>	<u>486</u>
<b>County Treasurer:</b>				
Salaries	88,750	88,750	86,750	2,000
Travel and dues	2,500	2,500	2,658	(158)
Supplies and postage	25,500	25,500	24,924	576
Telephone	750	750	182	568
	<u>117,500</u>	<u>117,500</u>	<u>114,514</u>	<u>2,986</u>

CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2013

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>County Tax Collector:</b>				
Salaries	54,000	37,395	36,220	1,175
Travel and dues	2,000	400	200	200
Supplies and postage	30,000	32,150	29,712	2,438
Telephone	300	300	64	236
Contract Service	7,000	23,055	22,995	60
	93,300	93,300	89,191	4,109
<b>County Tax Assessor:</b>				
Salaries	187,500	187,500	180,614	6,886
Travel and dues	3,200	3,200	1,924	1,276
Vehicle maintenance	2,500	93	93	-
Supplies and postage	10,562	10,562	7,292	3,270
Gasoline and oil	3,500	1,537	1,108	429
Telephone	750	750	613	137
Assessment Appeals Board	1,500	225	225	-
GIS mapping	5,200	11,275	11,275	-
Legal advertisement	500	70	70	-
	215,212	215,212	203,214	11,998
<b>Computer Service:</b>				
Computer service	136,900	136,900	121,815	15,085
I T contract/salaries	50,125	49,325	29,642	19,683
Wide area telephone network	85,000	78,548	72,293	6,255
Travel and training	1,200	2,000	2,000	-
On Line Access	12,000	12,000	11,409	591
	285,225	278,773	237,159	41,614
<b>TOTAL FINANCE AND TAXATION</b>	<b>802,687</b>	<b>796,235</b>	<b>735,042</b>	<b>61,193</b>
<b>JUDICIAL</b>				
<b>Clerk of Court:</b>				
Salaries	183,400	183,400	187,398	(3,998)
Travel and dues	2,250	2,250	2,161	89
Supplies and operating	13,000	13,000	17,399	(4,399)
Court expense	18,000	19,000	19,931	(931)
Contract services	33,000	31,250	31,237	13
Telephone	1,400	2,041	1,934	107
Case management system	36,000	36,000	36,000	-
Child Support Unit Cost	5,000	5,109	5,109	-
	292,050	292,050	301,169	(9,119)
<b>Judge of Probate:</b>				
Salaries	83,029	83,029	82,699	330
Travel and dues	3,000	3,000	1,376	1,624
Supplies	2,500	2,500	1,496	1,004
Telephone	800	800	514	286
	89,329	89,329	86,085	3,244



CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2013

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Magistrate - St. Matthews:</b>				
Salaries	90,166	90,166	89,009	1,157
Travel and dues	1,250	1,250	90	1,160
Court expense	5,000	5,000	5,925	(925)
Supplies and operating	8,750	8,750	2,093	6,657
Telephone	1,500	1,500	949	551
Contract service - custodial	3,638	3,638	3,637	1
Rent	7,200	7,200	7,200	-
	<u>117,504</u>	<u>117,504</u>	<u>108,903</u>	<u>8,601</u>
<b>Magistrate - Cameron:</b>				
Salaries	18,956	18,956	13,965	4,991
Travel and dues	1,500	1,500	985	515
Supplies	1,500	1,500	1,325	175
Telephone	750	750	62	688
Clerical	5,000	5,000	4,042	958
	<u>27,706</u>	<u>27,706</u>	<u>20,379</u>	<u>7,327</u>
<b>Magistrate - Sandy Run:</b>				
Salaries	18,956	20,916	23,889	(2,973)
Travel and dues	3,000	3,000	2,265	735
Telephone	2,850	2,964	2,964	-
Clerical	5,000	3,040	3,040	-
Contract service/janitor	4,680	4,680	4,290	390
Supplies and operating	2,000	2,000	1,822	178
	<u>36,486</u>	<u>36,600</u>	<u>38,270</u>	<u>(1,670)</u>
<b>Public Defender:</b>				
Contract funding	30,405	30,405	30,405	-
<b>Master-In-Equity:</b>				
Salaries	13,683	13,683	13,683	-
Supplies	2,166	2,166	2,166	-
	<u>15,849</u>	<u>15,849</u>	<u>15,849</u>	<u>-</u>
<b>Solicitor's Office:</b>				
Supplement	51,500	51,500	51,500	-
<b>TOTAL JUDICIAL</b>	<u>660,829</u>	<u>660,943</u>	<u>652,560</u>	<u>8,383</u>

CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2013

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>PUBLIC SAFETY</b>				
<b>County Sheriff:</b>				
Salaries	1,010,600	1,035,000	962,334	72,666
Travel and dues	4,500	4,500	5,162	(662)
Supplies and operating	44,000	52,422	54,235	(1,813)
Gasoline and oil	167,385	148,815	141,470	7,345
Uniforms	19,500	17,102	17,028	74
Telephone	20,000	20,497	20,497	-
Vehicle maintenance	35,000	43,048	44,768	(1,720)
Tactical aids	10,000	19,055	20,385	(1,330)
Contract service/custodial	14,550	14,550	13,068	1,482
Contract service/radio	28,000	28,443	28,615	(172)
Information service	2,000	2,000	1,500	500
Sheriff/Auto Allowance	14,400	-	-	-
Certification school	8,000	3,000	595	2,405
	<u>1,377,935</u>	<u>1,388,432</u>	<u>1,309,657</u>	<u>78,775</u>
<b>County Coroner:</b>				
Salaries	20,000	20,000	19,669	331
Travel and dues	1,000	1,000	1,135	(135)
Supplies and operating	2,500	2,500	2,251	249
Gasoline and oil	1,000	1,000	560	440
Vehicle maintenance	500	500	80	420
Contract service/radio	300	300	180	120
Post mortem and inquests	11,000	11,000	6,570	4,430
Indigent burial	1,200	1,200	-	1,200
Telephone	2,000	2,031	2,031	-
	<u>39,500</u>	<u>39,531</u>	<u>32,476</u>	<u>7,055</u>
<b>Emergency Management:</b>				
Salaries	10,000	10,000	10,000	-
Travel and dues	1,500	1,500	938	562
Supplies and operating	3,000	3,904	3,915	(11)
Telephone	1,000	1,000	754	246
Sat. phone / weather	1,800	1,800	1,485	315
Transmitter/towers/generators	25,000	25,000	24,583	417
LEPC	1,500	1,500	1,435	65
Internet	1,500	696	594	102
Special projects	2,000	1,900	532	1,368
	<u>47,300</u>	<u>47,300</u>	<u>44,236</u>	<u>3,064</u>
<b>Victims Witness Advocate:</b>				
Salaries	28,000	28,000	-	28,000
Travel and dues	1,000	1,000	-	1,000
Supplies and operating	500	500	-	500
	<u>29,500</u>	<u>29,500</u>	<u>-</u>	<u>29,500</u>
<b>Detention Center:</b>				
Contingent	50,000	50,000	9,890	40,110
Travel, commission members	1,200	1,200	-	1,200
O-C Detention Center	695,609	695,609	695,609	-
	<u>746,809</u>	<u>746,809</u>	<u>705,499</u>	<u>41,310</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>2,241,044</u>	<u>2,251,572</u>	<u>2,091,868</u>	<u>159,704</u>

CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2013

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>HEALTH AND WELFARE</b>				
<b>Health Department:</b>				
Supplies and operating	2,500	2,311	1,890	421
Contract services - custodial	14,972	15,161	15,161	-
Contract services	1,000	1,000	539	461
Telephone	2,500	2,784	2,785	(1)
	<u>20,972</u>	<u>21,256</u>	<u>20,375</u>	<u>881</u>
<b>Emergency Medical Service:</b>				
Salaries	972,000	972,000	912,732	59,268
Travel and dues	5,000	5,000	4,730	270
Vehicle maintenance	40,000	40,000	41,509	(1,509)
Supplies and operating	60,000	66,624	67,554	(930)
Gasoline and oil	60,800	57,475	47,218	10,257
Telephone	5,500	8,987	8,987	-
Contract service/radio	2,000	2,000	95	1,905
Medical control physician	4,800	4,800	4,800	-
Medical control physician insurance	8,000	8,000	6,452	1,548
Uniforms	6,000	7,701	7,718	(17)
Special projects	5,000	-	-	-
	<u>1,169,100</u>	<u>1,172,587</u>	<u>1,101,795</u>	<u>70,792</u>
<b>Council on Aging:</b>				
Grant match	125,000	125,000	125,000	-
<b>Alcohol and Drug Abuse Commission:</b>				
Appropriation	9,000	9,000	9,000	-
<b>Department of Social Services:</b>				
Emergency fund	2,000	1,409	1,409	-
Contract service - custodial	17,247	17,552	17,553	(1)
Telephone	7,200	7,615	7,615	-
	<u>26,447</u>	<u>26,576</u>	<u>26,577</u>	<u>(1)</u>
<b>Veteran Affairs Office:</b>				
Salaries	20,000	20,000	20,000	-
Travel and dues	1,000	1,000	365	635
Supplies and operating	800	800	742	58
Telephone	700	804	804	-
	<u>22,500</u>	<u>22,604</u>	<u>21,911</u>	<u>693</u>

**CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2013**

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Animal and Mosquito Control:</b>				
Salaries	86,120	86,120	76,640	9,480
Travel & dues	1,500	718	495	223
Vehicle expenses	1,800	1,800	864	936
Supplies and operating	9,000	9,781	9,847	(66)
Gasoline/Oil	9,000	9,000	8,194	806
Mosquito Supply	10,000	10,000	8,367	1,633
Telephone	3,500	3,769	3,769	-
Electricity	4,000	4,000	3,123	877
Heat	3,500	3,500	2,452	1,048
Animal Control Vet	1,900	1,900	1,900	-
	130,320	130,588	115,651	14,937
<b>Litter &amp; Risk Management:</b>				
Salaries	39,112	39,112	39,112	-
Travel and dues	500	645	700	(55)
Vehicle expenses	750	750	595	155
Supplies and operating	1,500	1,137	251	886
Gasoline and oil	3,688	3,906	3,906	-
Telephone	750	750	302	448
	46,300	46,300	44,866	1,434
<b>E-911:</b>				
Salaries	37,000	27,000	-	27,000
Travel and dues	2,000	1,602	1,183	419
Vehicle expense	500	500	18	482
Supplies and operating	12,000	12,398	13,054	(656)
Gasoline and oil	750	750	310	440
Telephone	500	506	506	-
	52,750	42,756	15,071	27,685
<b>Communications Center:</b>				
Salaries	380,000	380,000	362,975	17,025
Uniforms	3,000	3,000	183	2,817
Travel and training	2,000	2,000	12	1,988
Supplies and operating	9,500	9,500	5,523	3,977
Radio service contract	5,000	5,000	841	4,159
Telephone	8,000	8,000	7,949	51
Generator Svc. Contract	1,200	1,200	-	1,200
Contract services	5,000	5,000	1,981	3,019
	413,700	413,700	379,464	34,236
<b>TOTAL HEALTH AND WELFARE</b>	2,016,089	2,010,367	1,859,710	150,657

CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2013

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>CULTURE AND RECREATION</b>				
<b>County Library:</b>				
Salaries	277,798	277,798	265,897	11,901
Travel and dues	4,425	4,425	3,305	1,120
Supplies and operating	41,050	44,227	44,365	(138)
Gasoline and oil	2,000	2,000	1,615	385
Telephone	3,500	3,500	3,500	-
Copier & Supplies	2,500	2,500	2,472	28
Contract Serv/Custodial	19,395	19,395	19,395	-
Contract Serv/IT Support	3,000	3,000	2,183	817
Materials	-	-	60,000	(60,000)
Building maintenance/air conditioning	21,388	18,211	5,199	13,012
Vehicle maintenance	2,000	2,000	693	1,307
	<u>377,056</u>	<u>377,056</u>	<u>408,624</u>	<u>(31,568)</u>
<b>Historical Commission:</b>				
Salaries	123,224	123,224	110,951	12,273
Travel and dues	3,000	2,155	2,155	-
Supplies and operating	19,000	19,845	18,778	1,067
Telephone	750	1,195	1,195	-
Advertising	1,000	1,000	1,000	-
Contract Service - Custodial	6,547	6,547	6,547	-
Special project-GALA	5,000	5,000	5,000	-
S. C. Arts Grant Match	11,500	11,500	11,500	-
	<u>170,021</u>	<u>170,466</u>	<u>157,126</u>	<u>13,340</u>
<b>Santee Cooper Country</b>	500	500	500	-
<b>Recreation:</b>				
Recreation Commission	20,000	20,000	3,766	16,234
District 1	2,000	2,000	2,000	-
District 2	2,000	2,000	1,275	725
District 3	2,000	2,000	2,000	-
District 4	2,000	2,000	2,000	-
District 5	2,000	2,000	2,000	-
Lights, grounds maintenance	5,000	5,000	3,048	1,952
	<u>35,000</u>	<u>35,000</u>	<u>16,089</u>	<u>18,911</u>
<b>TOTAL CULTURE AND RECREATION</b>	<u>582,577</u>	<u>583,022</u>	<u>582,339</u>	<u>683</u>

**CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2013**

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>MISCELLANEOUS</b>				
<b>Board of Registration:</b>				
Salaries	92,400	92,400	86,886	5,514
Travel and dues	4,390	4,390	4,080	310
Supplies and operating	19,000	19,000	13,797	5,203
Legal fees	3,000	3,000	-	3,000
Telephone	1,000	1,000	277	723
	<u>119,790</u>	<u>119,790</u>	<u>105,040</u>	<u>14,750</u>
Fort Motte Community Center Commission	5,000	5,000	2,243	2,757
<b>Development Commission:</b>				
Salaries	41,488	41,488	41,488	-
Travel and dues	1,500	1,614	1,614	-
Supplies and operating	750	750	406	344
Telephone	-	309	309	-
Special events, advertising, and options	3,000	2,886	2,216	670
Special projects	5,000	5,000	1,800	3,200
Lake Marion water fees	53,534	53,534	45,159	8,375
Central Alliance	72,000	72,000	72,000	-
	<u>177,272</u>	<u>177,581</u>	<u>164,992</u>	<u>12,589</u>
<b>Contingent</b>				
Contingent	100,000	100,000	13,885	86,115
Fuel Contingent	25,000	25,000	-	25,000
	<u>125,000</u>	<u>125,000</u>	<u>13,885</u>	<u>111,115</u>
<b>Building and Planning:</b>				
Salary	60,000	60,000	59,389	611
Board members	1,500	1,500	1,190	310
Travel Dues	2,250	2,250	530	1,720
Vehicle Expense	1,250	1,190	469	721
Supplies and operating	3,000	3,000	2,387	613
Gasoline and oil	3,100	3,160	3,160	-
Telephone	2,000	2,000	1,820	180
	<u>73,100</u>	<u>73,100</u>	<u>68,945</u>	<u>4,155</u>
<b>Other:</b>				
Donation expense	25,000	25,000	39,198	(14,198)
Tort liability insurance	152,400	152,400	151,254	1,146
Auto insurance	-	-	1,956	(1,956)
Auditing county records	34,000	34,000	44,625	(10,625)
Bond premium	3,000	3,000	1,746	1,254
Clerical part time	2,000	2,000	-	2,000
Bank charges	1,000	1,003	720	283
	<u>217,400</u>	<u>217,403</u>	<u>239,499</u>	<u>(22,096)</u>
<b>TOTAL MISCELLANEOUS</b>	<u>717,562</u>	<u>717,874</u>	<u>594,604</u>	<u>123,270</u>

CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2013

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>EMPLOYEE FRINGE BENEFITS</b>				
HRA account	130,000	130,000	121,368	8,632
Unemployment	10,000	10,000	1,690	8,310
Social Security	355,000	355,000	340,123	14,877
Retirement	360,000	360,000	355,783	4,217
Police retirement/cnty	115,000	115,000	131,830	(16,830)
Health and life insurance	850,000	850,000	842,219	7,781
Worker's compensation insurance	187,500	187,500	181,508	5,992
Retirees/health insurance	75,000	75,000	67,466	7,534
<b>TOTAL EMPLOYEE FRINGE BENEFITS</b>	<b>2,082,500</b>	<b>2,082,500</b>	<b>2,041,987</b>	<b>40,513</b>
<b>AGENCIES</b>				
Mental Health	9,000	9,000	9,000	-
Indigent Hospitalization	55,484	55,484	55,484	-
Vocational Rehabilitation	3,000	3,000	3,000	-
OCAB Community Action	7,500	7,500	7,500	-
Fire Commission	44,000	44,000	42,567	1,433
Boys Clubs of America	8,000	8,000	8,000	-
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
Soil and Water Conservation	3,000	3,000	3,000	-
Tri County CASA	2,000	2,000	2,000	-
<b>TOTAL AGENCIES</b>	<b>141,734</b>	<b>141,734</b>	<b>138,801</b>	<b>2,933</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 11,354,236</b>	<b>\$ 11,354,236</b>	<b>\$ 10,537,213</b>	<b>\$ 817,023</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Property	\$ -	\$ -	\$ 10,572	\$ 10,572
Transfers from Special Revenue Funds	600,000	600,000	665,649	65,649
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 600,000</b>	<b>\$ 600,000</b>	<b>\$ 676,221</b>	<b>\$ 76,221</b>

CALHOUN COUNTY, SOUTH CAROLINA  
COMBINING SCHEDULE OF FIDUCIARY NET POSITION  
JUNE 30, 2013

	Clerk of Court	Magistrate St. Matthews	Magistrate Sandy Run	Magistrate Cameron	School District	Master in Equity	Delinquent Tax	Total
<b>ASSETS</b>								
Cash	\$ 54,119	\$ 19,397	\$ 13,375	\$ 6,843	\$ 4,965,812	\$ 21,994	\$ 207,314	\$ 5,288,854
Delinquent property taxes	-	-	-	-	615,284	-	-	615,284
Due from Others	465	125	-	-	-	18	-	608
<b>TOTAL ASSETS</b>	<b>\$ 54,584</b>	<b>\$ 19,522</b>	<b>\$ 13,375</b>	<b>\$ 6,843</b>	<b>\$ 5,581,096</b>	<b>\$ 22,012</b>	<b>\$ 207,314</b>	<b>\$ 5,904,746</b>
<b>LIABILITIES</b>								
Deferred revenue:								
Delinquent property tax	-	-	-	-	615,284	-	-	615,284
Due to Trust Fund holders	54,584	-	-	-	4,965,812	22,012	207,314	5,249,722
Due to Treasurer	-	13,690	10,357	4,191	-	-	-	28,238
Outstanding Bonds Held for jurors	-	3,898	2,340	416	-	-	-	6,654
Due to Treasurer - cash overage (shortage) - Note 10	-	1,934	678	2,126	-	-	-	4,738
<b>Total Liabilities</b>	<b>\$ 54,584</b>	<b>\$ 19,522</b>	<b>\$ 13,375</b>	<b>\$ 6,843</b>	<b>\$ 5,581,096</b>	<b>\$ 22,012</b>	<b>\$ 207,314</b>	<b>\$ 5,904,746</b>



CALHOUN COUNTY, SOUTH CAROLINA  
 FIDUCIARY FUNDS  
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
 JUNE 30, 2013

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<b>CLERK OF COURT</b>				
<b>Assets</b>				
Cash	\$ 48,955	\$ 5,164	\$ -	\$ 54,119
Due from others	465	-	-	465
<b>Total Assets</b>	<b>\$ 49,420</b>	<b>\$ 5,164</b>	<b>\$ -</b>	<b>\$ 54,584</b>
<b>Liabilities</b>				
Due to Trust Fund Holders	\$ 49,420	\$ 5,164	\$ -	\$ 54,584
<b>Total Liabilities</b>	<b>\$ 49,420</b>	<b>\$ 5,164</b>	<b>\$ -</b>	<b>\$ 54,584</b>
<b>ST. MATTHEWS MAGISTRATE FUND</b>				
<b>Assets</b>				
Cash	\$ 18,603	\$ 794	\$ -	\$ 19,397
Due for jurors	-	3,600	3,475	125
<b>Total Assets</b>	<b>\$ 18,603</b>	<b>\$ 4,394</b>	<b>\$ -</b>	<b>\$ 19,522</b>
<b>Liabilities</b>				
Due to Treasurer	\$ 13,085	\$ 605	\$ -	\$ 13,690
Outstanding Bonds	5,677	-	1,779	3,898
Due to Treasurer - Cash overage (shortage) - Note 10	(159)	2,093	-	1,934
<b>Total Liabilities</b>	<b>\$ 18,603</b>	<b>\$ 2,698</b>	<b>\$ 1,779</b>	<b>\$ 19,522</b>
<b>SANDY RUN MAGISTRATE FUND</b>				
<b>Assets</b>				
Cash	\$ 9,315	\$ 4,060	\$ -	\$ 13,375
<b>Total Assets</b>	<b>\$ 9,315</b>	<b>\$ 4,060</b>	<b>\$ -</b>	<b>\$ 13,375</b>
<b>Liabilities</b>				
Due to Treasurer	\$ 8,700	\$ 1,657	\$ -	\$ 10,357
Outstanding Bonds	81	2,259	-	2,340
Due to Treasurer - Cash overage (shortage) - Note 10	534	144	-	678
<b>Total Liabilities</b>	<b>\$ 9,315</b>	<b>\$ 4,060</b>	<b>\$ -</b>	<b>\$ 13,375</b>

**CALHOUN COUNTY, SOUTH CAROLINA  
FIDUCIARY FUNDS  
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
JUNE 30, 2013**

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<b>CAMERON MAGISTRATE FUND</b>				
<b>Assets</b>				
Cash	\$ 4,049	\$ 2,794	\$ -	\$ 6,843
<b>Total Assets</b>	<u>\$ 4,049</u>	<u>\$ 2,794</u>	<u>\$ -</u>	<u>\$ 6,843</u>
<b>Liabilities</b>				
Due to Treasurer	\$ 1,510	\$ 2,681	\$ -	\$ 4,191
Outstanding bonds	285	131	-	416
Held for jurors	410	-	300	110
Due to Treasurer - Cash overage (shortage) - Note 10	1,844	282	-	2,126
<b>Total Liabilities</b>	<u>\$ 4,049</u>	<u>\$ 3,094</u>	<u>\$ 300</u>	<u>\$ 6,843</u>
<b>DELINQUENT TAX FUND</b>				
<b>Assets</b>				
Cash	\$ 256,984	\$ 549,189	\$ 598,859	\$ 207,314
<b>Total Assets</b>	<u>\$ 256,984</u>	<u>\$ 549,189</u>	<u>\$ 598,859</u>	<u>\$ 207,314</u>
<b>Liabilities</b>				
Due to Trust Fund Holders	\$ 256,984	\$ 549,189	\$ 598,859	\$ 207,314
<b>Total Liabilities</b>	<u>\$ 256,984</u>	<u>\$ 549,189</u>	<u>\$ 598,859</u>	<u>\$ 207,314</u>
<b>CALHOUN COUNTY SCHOOL DISTRICT FUND</b>				
<b>Assets</b>				
Cash	\$ 3,710,105	\$ 1,255,707	\$ -	\$ 4,965,812
Delinquent property taxes	644,128	-	28,844	615,284
<b>Total Assets</b>	<u>\$ 4,354,233</u>	<u>\$ 1,255,707</u>	<u>\$ 28,844</u>	<u>\$ 5,581,096</u>
<b>Liabilities</b>				
Deferred revenue:				
Delinquent property taxes	\$ 644,128	\$ -	\$ 28,844	\$ 615,284
Due to Calhoun County School District	3,710,105	1,255,707	-	4,965,812
<b>Total Liabilities</b>	<u>\$ 4,354,233</u>	<u>\$ 1,255,707</u>	<u>\$ 28,844</u>	<u>\$ 5,581,096</u>

CALHOUN COUNTY, SOUTH CAROLINA  
 FIDUCIARY FUNDS  
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
 JUNE 30, 2013

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<b>MASTER IN EQUITY</b>				
<b>Assets</b>				
Cash	\$ 21,998	\$ -	\$ 4	\$ 21,994
Due from others	14	4	-	18
<b>Total Assets</b>	<u>\$ 22,012</u>	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 22,012</u>
<b>Liabilities</b>				
Due to Trust Fund Holders	\$ 22,012	\$ 4	\$ 4	\$ 22,012
<b>Total Liabilities</b>	<u>\$ 22,012</u>	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 22,012</u>
<b>TOTAL AGENCY FUNDS</b>				
<b>Assets</b>				
Cash	\$ 4,070,009	\$ 1,817,708	\$ 598,863	\$ 5,288,854
Delinquent property taxes	644,128	-	28,844	615,284
Due from others	479	3,604	3,475	608
<b>Total Assets</b>	<u>\$ 4,714,616</u>	<u>\$ 1,821,312</u>	<u>\$ 631,182</u>	<u>\$ 5,904,746</u>
<b>Liabilities</b>				
Due to Treasurer	\$ 23,295	\$ 4,943	\$ -	\$ 28,238
Outstanding Bonds	6,043	2,390	1,779	6,654
Due to Treasurer - Cash overage (shortage) - Note 10	2,219	2,519	-	4,738
Held for jurors	410	-	300	110
Due to Trust Fund holders	4,038,521	1,810,064	598,863	5,249,722
Deferred revenue: Delinquent property taxes	644,128	-	28,844	615,284
<b>Total Liabilities</b>	<u>\$ 4,714,616</u>	<u>\$ 1,819,916</u>	<u>\$ 629,786</u>	<u>\$ 5,904,746</u>

**CALHOUN COUNTY**  
**SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES**  
**SPECIAL REVENUE FUND - VICTIMS RIGHTS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Clerk of Court	Magistrates	Total
<b>County Fines</b>			
Court fines collected	\$ 107,162	\$ 5,421	\$ 112,583
Court fines retained by County	<u>45,497</u>	<u>-</u>	<u>45,497</u>
Court fines remitted to the State Treasurer	<u>\$ 61,665</u>	<u>\$ 5,421</u>	<u>\$ 67,086</u>
<b>Court Assessments</b>			
Court assessment collected	\$ 4,403	\$ 104,096	\$ 108,499
Court assessment retained by County	<u>1,498</u>	<u>10,455</u>	<u>11,953</u>
Court assessment remitted to the State Treasurer	<u>\$ 2,905</u>	<u>\$ 93,641</u>	<u>\$ 96,546</u>
<b>Court Surcharges</b>			
Court surcharges collected	\$ 1,227	\$ 51,062	\$ 52,289
Court surcharges retained by County	<u>1,227</u>	<u>51,062</u>	<u>52,289</u>
Court surcharges remitted to State Treasurer	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Victims Services</b>			
Court assessments allocated to Victim Services	\$ 1,498	\$ 10,455	\$ 11,953
Court surcharges allocated to Victim Services	<u>2,795</u>	<u>4,357</u>	<u>7,152</u>
Funds available for carryforward	<u>\$ 4,293</u>	<u>\$ 14,812</u>	<u>\$ 19,105</u>
<b>Victims Assistance</b>			
Beginning Balance - July 1, 2012		\$ 64,454	
Funds available for carryforward		19,105	
Victims Services expenditures		<u>(29,237)</u>	
Ending Balance - June 30, 2013		<u>\$ 54,322</u>	

CALHOUN COUNTY, SOUTH CAROLINA  
COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30, 2013

Real and Other Personal Property Assessed Value	\$ 56,388,385
Less: Exempt Property Assessed Value	<u>1,715,140</u>
Net Real Other Personal Property Assessed Value	54,673,245
Vehicles Assessed Value	<u>7,293,510</u>
Total Taxable Assessed Value	<u>61,966,755</u>
Debt Limit - Eight Percent (8%) of Total Taxable Assessed Value	4,957,340
Amount of Debt Applicable to Debt Limit: Total Bonded Debt	<u>-</u>
<b>LEGAL DEBT MARGIN</b>	<b><u><u>\$ 4,957,340</u></u></b>

CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF MISCELLANEOUS REVENUE  
YEAR ENDED JUNE 30, 2013

Discounts earned	\$ 2,217
Computer service reimbursement	10,159
Franchise fees	5,722
Health Department	2,420
Library - fax, fines, and postage	6,462
Miscellaneous	8,747
Landfill fees	38,121
Animal control fees	2,368
Sale of recycle goods	15,818
Equipment, supplies, and Fax	<u>9,210</u>
TOTAL MISCELLANEOUS REVENUE	<u>\$ 101,244</u>

CALHOUN COUNTY, SOUTH CAROLINA  
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
 JUNE 30, 2013

Tax Year	Delinquent Taxes
2003	\$ 50,447
2004	41,692
2005	48,012
2006	67,683
2007	50,470
2008	88,019
2009	91,784
2010	88,623
2011	102,094
2012	457,426
Rollbacks	6,176
	<hr/>
<b>DELINQUENT TAXES RECEIVABLE, JUNE 30, 2013</b>	<b>\$ 1,092,426</b>
	<hr/> <hr/>
Delinquent taxes, June 30, 2012	\$ 1,141,484
Add executions, March 15, 2013	865,951
Supplementals	58,033
Less:	
Collections	865,553
Errors	101,866
Refunds	4,477
Nulla Bonaes	1,146
	<hr/>
<b>DELINQUENT TAXES RECEIVABLE, JUNE 30, 2013</b>	<b>\$ 1,092,426</b>
	<hr/> <hr/>
Distribution	
General Fund	\$ 418,633
Special Assessment Fund	24,059
Calhoun County School District	615,284
Capital Projects	11,994
Debt Service	22,456
	<hr/>
<b>TOTAL</b>	<b>\$ 1,092,426</b>
	<hr/> <hr/>

C.C. McGregor, CPA 1906-1968	<b>PARTNERS</b>				<b>ASSOCIATES</b>			
	W.C. Stevenson, CPA	D.L. Richardson, CPA	D.K. Strickland, CPA	V.K. Laroche, CPA	D.E. Knobloch, CPA			
	B.T. Kight, CPA	E.C. Inabinet, CPA	J.P. McGuire, CPA	G.N. Mundy, CPA	G.P. Davis, CPA			
	G.D. Skipper, CPA	S.S. Luoma, CPA	L.H. Kelly, CPA	M.L. Layman, CPA	H.J. Darver, CPA			
	L.R. Leaphart, Jr, CPA	T.M. McCall, CPA	P.A. Betette, Jr, CPA	S. Wo, CPA	K.B. Snipes, CPA			
	M.J. Binnicker, CPA	H.D. Brown, Jr, CPA	C.D. Hinchee, CPA	J.R. Matthews, II, CPA	D.M. Herpel, CPA			
W.W. Francis, CPA	L.B. Salley, CPA			J.R. Lebednik, CPA				
				H.O. Crider, Jr, CPA				

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

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

We have audited, in accordance with the 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, 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, 2013, and the related notes to the financial statements, which collectively comprise Calhoun County, South Carolina's basic financial statements and have issued our report thereon dated December 23, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Calhoun County, South Carolina's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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, South Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of Calhoun County, South Carolina's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness.



**INDEPENDENT AUDITOR'S 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 a 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 questioned costs to be a material weakness. (2013-1)

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

**Compliance and Other Matters**

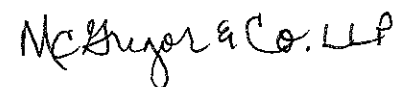
As part of obtaining reasonable assurance about whether Calhoun County, South Carolina's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a 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*.

**Calhoun County, South Carolina's Response to Findings**

Calhoun County, South Carolina's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Calhoun County, South Carolina's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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



Orangeburg, South Carolina  
December 23, 2013

CALHOUN COUNTY  
ST. MATTHEWS, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2013

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

**Material Weakness**

**2013-1 Material Audit Adjustment**

**Condition:** During our audit, we noted a correction 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, 2013.

**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, 2013**

**A. Findings and Questioned Costs – Financial Statement Audit**

**Material Weaknesses**

**2012-1 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 2013-1.